

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 173

(Senator Feldman)

Finance

Health and Government Operations

Health Insurance - Nonprofit Health Service Plan - Board of Directors

This bill alters the required composition of the board of directors of a nonprofit health service plan. A board must include *at least 11 members*, including *no more than 21 voting members* selected by the board. The bill adds a third consumer member to the nonvoting membership of the board and specifies that consumer members must be either subscribers or certificate holders of the nonprofit health service plan *or its affiliates at the time of their initial election to the board*. The bill increases from 4 to 5 the number of members of the board that may be licensed health care professionals, hospital administrators, or employees of health care professionals or hospitals. The bill clarifies that the board must *seek to* include individuals with a diverse range of experience relevant to the mission of the corporation as a nonprofit health service plan, as specified. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None. Altering the composition of the board of directors of a nonprofit health service plan does not affect governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The business and affairs of a nonprofit health service plan must be managed under the direction of a board of directors. The board must be composed of no more than 23 members, including 2 nonvoting members (1 each appointed by the President of the

Senate of Maryland and the Speaker of the House of Delegates) and 21 members selected by the board, 2 of whom must be consumer members. No more than 4 members of the board may be licensed health care professionals, hospital administrators, or employees of health care professionals or hospitals. Of the 2 consumer members, 1 must be a subscriber and 1 must be a certificate holder of the nonprofit health service plan. Each consumer member must be a member of the general public; may not be considered an agent or employee of the State; and is entitled to the same rights, powers, and privileges as the other members of the board.

To the extent possible, the board must include individuals with experience in accounting, information technology, finance, law, large and small businesses, nonprofit businesses, and organized labor.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 106 (Delegate Cullison) - Health and Government Operations.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - January 24, 2022
fnu2/ljm Third Reader - March 19, 2022
Revised - Amendment(s) - March 19, 2022

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