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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 106
Health Insurance – Nonprofit Health Service Plan – Board of Directors

Good afternoon, Chairman Pendergrass, Vice Chairman Peña-Melnyk and honorable members of the committee. Thank you for this opportunity to present HB 21, **Health Insurance – Nonprofit Health Service Plan – Board of Directors**. This bill is needed to facilitate adjustments to the composition of the CareFirst, Inc. board so that CareFirst can more effectively and efficiently carry out its mission, respond quickly to meet the rapidly changing demands of the health care industry, and afford greater oversight of its affiliates and subsidiaries. An effective board size is especially relevant given recent challenges associated with issues such as COVID, cybersecurity, and more, necessitating quick decision making. This bill:

- Creates a range for the number of board members for CFI of between 11 and 23 members (today, the required number of members is 23);
- Clarifies the requirement that two board members must be subscribers or certificate holders of the plan or an affiliate “at their time of initial election” (NOTE: other board members may also be CareFirst members);
- Increases the maximum number of provider members from four to five; and
- Clarifies the intent for board members to have a diverse range of skills and experience relevant to the plan and its mission, expanding this experience to include data, consumer experience, government programs, population health, geriatrics, diversity, equity and inclusion, audit, human resources, benefit consulting, executive level, and actuarial science.
- The statute already includes desired expertise in accounting, information technology, finance, law, large and small businesses, nonprofit businesses, and organized labor.
- In addition to these factors, CareFirst’s board takes great pains to strive for geographic diversity in its representation.
- Importantly, the bill maintains the rigorous board requirements set forth in the Insurance Article to ensure every plan operating in our state is meeting the highest of standards.

I support the changes requested.

Thank you very much for your consideration of this bill. We respectfully request a favorable report.