

organization with a certificate of authority to operate a health maintenance organization in the State to become a domestic health maintenance organization; requiring a foreign health maintenance organization that becomes a domestic health maintenance organization to receive certain recognition; providing for the continuation of certain operations and subscriber contracts of a foreign health maintenance organization that transfers its corporate domicile under certain circumstances; imposing certain notice requirements; providing for the effective date of this Act; and generally relating to redomestication of health maintenance organizations.

BY adding to

Article - Health - General

Section 19-735

Annotated Code of Maryland

(1990 Replacement Volume and 1992 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Health - General**

19-735.

(A) ANY FOREIGN HEALTH MAINTENANCE ORGANIZATION WITH A CERTIFICATE OF AUTHORITY TO OPERATE A HEALTH MAINTENANCE ORGANIZATION IN THIS STATE MAY BECOME A DOMESTIC HEALTH MAINTENANCE ORGANIZATION OF THIS STATE BY COMPLYING WITH ALL OF THE REQUIREMENTS OF THE LAW RELATING TO THE FORMATION AND ORGANIZATION OF A DOMESTIC HEALTH MAINTENANCE ORGANIZATION AND BY DESIGNATING ITS PRINCIPAL PLACE OF BUSINESS AT A PLACE IN THIS STATE. ON BECOMING A DOMESTIC HEALTH MAINTENANCE ORGANIZATION, THE HEALTH MAINTENANCE ORGANIZATION SHALL BE ENTITLED TO CERTIFICATES AND LICENSES TO TRANSACT BUSINESS IN THIS STATE ISSUED TO DOMESTIC HEALTH MAINTENANCE ORGANIZATIONS, AND SHALL BE GIVEN RECOGNITION IN ALL RESPECTS AS A HEALTH MAINTENANCE ORGANIZATION FORMED UNDER THE LAWS OF THIS STATE AS OF THE DATE OF AUTHORIZATION AS A HEALTH MAINTENANCE ORGANIZATION IN ITS ORIGINAL DOMICILIARY STATE, DISTRICT, TERRITORY, COMMONWEALTH, OR POSSESSION OF THE UNITED STATES OF AMERICA, AND SHALL BE SUBJECT TO THE AUTHORITY AND JURISDICTION OF THIS STATE.

(B) (1) THE CERTIFICATE OF AUTHORITY, AGENTS APPOINTMENTS, RATES, AND OTHER FORMS WHICH THE COMMISSIONER ALLOWS WHICH ARE IN EXISTENCE AT THE TIME ANY FOREIGN HEALTH MAINTENANCE ORGANIZATION WITH A CERTIFICATE OF AUTHORITY TO OPERATE A HEALTH MAINTENANCE ORGANIZATION IN THIS STATE TRANSFERS ITS CORPORATE DOMICILE TO THIS STATE OR TO ANY OTHER STATE BY MERGER, CONSOLIDATION, OR ANY OTHER LAWFUL METHOD SHALL CONTINUE IN FULL FORCE AND EFFECT ON TRANSFER IF THE HEALTH MAINTENANCE ORGANIZATION AT ALL TIMES RETAINS A CERTIFICATE OF AUTHORITY IN THIS STATE.