

in the cause of action; requiring that a health maintenance organization that includes a subrogation provision in its contract use in its rating methodology an adjustment that reflects the subrogation and identify in its rate filing with, and in an annual report to, the Maryland Insurance Administration all amounts recovered through subrogation; providing that this Act does not allow a contract to contain a provision allowing a health maintenance organization to recover payments made under a personal injury protection policy; providing for the applicability of this Act; making provisions of this Act severable; and generally relating to contracts between health maintenance organizations and subscribers or groups of subscribers.

BY repealing and reenacting, with amendments,

Article - Health - General

Section 19-713(b) and 19-713.1

Annotated Code of Maryland

(1996 Replacement Volume and 1999 Supplement)

BY repealing and reenacting, with amendments,

Article - Insurance

Section 15-1205(d)

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)

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

**Article - Health - General**

19-713.

(b) (1) Rates of a health maintenance organization may not be excessive, inadequate, or unfairly discriminatory in relation to the services offered.

(2) A HEALTH MAINTENANCE ORGANIZATION THAT INCLUDES A SUBROGATION PROVISION IN ITS CONTRACT AS AUTHORIZED UNDER § 19-713.1(D) OF THIS SUBTITLE SHALL:

(I) USE IN ITS RATING METHODOLOGY AN ADJUSTMENT THAT REFLECTS THE SUBROGATION; AND

(II) IDENTIFY IN ITS RATE FILING WITH THE MARYLAND INSURANCE ADMINISTRATION, AND ANNUALLY IN A FORM APPROVED BY THE INSURANCE COMMISSIONER, ALL AMOUNTS RECOVERED THROUGH SUBROGATION.

19-713.1.

(a) A contract between a health maintenance organization and its subscribers or a group of subscribers may contain nonduplication provisions or provisions to coordinate the coverage with subscriber contracts of other health maintenance