

14-111.

[A] SUBJECT TO THE AUTHORITY OF THE COMMISSIONER TO REGULATE NONPROFIT HEALTH SERVICE PLANS UNDER THIS ARTICLE, A certificate of authority issued under this subtitle authorizes a corporation to:

(1) issue contracts in the form filed with the Commissioner to persons that become subscribers to the plan;

(2) FINANCE CAPITAL IMPROVEMENT PROJECTS THROUGH THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY AS PROVIDED UNDER ARTICLE 43C OF THE CODE;

(3) FINANCE CAPITAL IMPROVEMENT PROJECTS THROUGH THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION AS PROVIDED UNDER ARTICLE 83A, TITLE 5, SUBTITLE 2 OF THE CODE; AND

(4) PARTNER WITH THE STATE AND OTHER PUBLIC OR PRIVATE ENTITIES TO PROVIDE SERVICES OR ADMINISTER PROGRAMS INTENDED TO ADDRESS COMMUNITY HEALTH CARE NEEDS.

14-115.

(a) (1) In this section the following words have the meanings indicated.

(2) "Board" means the board of directors of a nonprofit health service plan.

(3) "Immediate family member" means a spouse, child, child's spouse, parent, spouse's parent, sibling, or sibling's spouse.

(b) [Subsections (c) through (f) of this section apply] THIS SECTION APPLIES to a nonprofit health service plan that is [incorporated under the laws of the State and operates under a certificate of authority issued by the Commissioner under this subtitle] ISSUED A CERTIFICATE OF AUTHORITY IN THE STATE, WHETHER OR NOT ORGANIZED UNDER THE LAWS OF THIS STATE.

(c) (1) The business and affairs of a nonprofit health service plan shall be managed under the direction of a board of directors.

(2) The board and its individual members are fiduciaries and shall act:

(i) in good faith;

(ii) in a manner that is reasonably believed to be in the best interests of the corporation AND ITS CONTROLLED AFFILIATES OR SUBSIDIARIES THAT OFFER HEALTH BENEFIT PLANS; [and]

(iii) IN A MANNER THAT IS REASONABLY BELIEVED TO BE IN FURTHERANCE OF THE CORPORATION'S NONPROFIT MISSION; AND

[(iii)] (IV) with the care that an ordinarily prudent person in a like position would use under similar circumstances.