

Commissioner and the Department of Health and Mental Hygiene in regulating these organizations, their financial status and quality of medical services they provide; exempting health maintenance organizations from payment of insurance taxes on premiums and providing a partial exemption for such taxes imposed on insurance companies insuring portions of the activities of certain of these organizations; and generally relating to the regulation of organizations providing prepaid medical care services.

BY adding to

Article 43 - Health
Section 840 through 858 to be under the new Subtitle
"Health Maintenance Organization Act"
Annotated Code of Maryland
(1971 Replacement Volume and 1974 Supplement)

BY repealing and re-enacting, with amendments,

Article 81 - Revenue and Taxes
Section 135(1) and 136(b)
Annotated Code of Maryland
(1969 Replacement Volume and 1974 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Sections 840 through 858 to be under the new Subtitle "Health Maintenance Organization Act" be and they are hereby added to Article 43 - Health, of the Annotated Code of Maryland (1971 Replacement Volume and 1974 Supplement) to read as follows:

Article 43 - Health

HEALTH MAINTENANCE ORGANIZATION ACT

840.

THIS SUBTITLE SHALL BE KNOWN AND MAY BE CITED AS THE "HEALTH MAINTENANCE ORGANIZATION ACT".

841.

(A) THE INTENTION OF THE GENERAL ASSEMBLY IN ADOPTING THIS SUBTITLE IS TO PROVIDE ALTERNATIVE METHODS FOR THE DELIVERY OF HEALTH CARE SERVICES TO RESIDENTS OF THE STATE, WITH A VIEW TOWARD ACHIEVING GREATER EFFICIENCY AND ECONOMY IN PROVIDING THESE SERVICES. THE GENERAL ASSEMBLY WISHES TO ENCOURAGE THE FORMATION OF