

terms; clarifying the meaning of the Act through the consistent use of the term health maintenance organization in place of certain other terms; altering the definition of health maintenance organization ~~to include a portion of another organization~~; and generally relating to health maintenance organizations.

BY repealing and reenacting, with amendments,

Article 43 - Health
 Section 841; 842(a), (f), and (g); 844(a) and (b);
~~845(a), (b), (d), and (f)~~; 846; 847(d) (1), (3),
 and (g); and 849(b) (4) and (5)
 Annotated Code of Maryland
 (1971 Replacement Volume and 1978 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 43 - Health

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 health maintenance organizations which provide health care services directly to subscribers or groups of subscribers who contract for these services under a system of prepayments.

(b) In carrying out this intention, the policy of the State is to:

(1) Provide one overall State law for the regulation of health maintenance organizations, allowing flexibility for the many forms they may take, thereby facilitating the uniform administration of the regulations that are promulgated pursuant to this subtitle and the public understanding of them; and

(2) Eliminate legal barriers to the organization, promotion, and expansion of [prepaid health care plans] HEALTH MAINTENANCE ORGANIZATIONS; and

(3) Provide for regulation of the fiscal aspects of these [plans] HEALTH MAINTENANCE ORGANIZATIONS by the State Insurance Commissioner and of the quality of health care by the Department of Health and Mental Hygiene and by professional standards review organizations where appropriate; and