

(4) Exempt [prepaid health care plans] HEALTH MAINTENANCE ORGANIZATIONS from the operation of the insurance laws of the State, except to the extent and in the manner set forth in this subtitle.

(c) The intention of the State in enacting this subtitle is to encourage the formation of health maintenance organizations by such diverse groups as nonprofit health service plans; medical health service plans; medical care foundations; groups of professionals, either in the form of partnerships or professional corporations; consumer sponsored organizations; or business or legal entities, provided that they meet the necessary minimum qualifications under this subtitle.

842.

(a) A "health maintenance organization" means any organization[ , person, medical care foundation, firm, or corporation] ~~OR PORTION OF AN ORGANIZATION~~ that operates or proposes to operate in Maryland, including a profit or nonprofit corporation organized under the laws of another country, state, or the District of Columbia, which:

(1) Provides or otherwise makes available to its members health care services, as defined in subsection (c) of this section, including, at a minimum, physician, hospitalization, laboratory, X-ray, emergency and preventive services, out-of-area coverage, and other health care services which are determined by the Commissioner to be generally available on an insured or prepaid basis in the locality serviced by the organization, and may, at the organization's option, provide additional coverage; HOWEVER, ~~THOSE HEALTH MAINTENANCE ORGANIZATIONS OR PORTIONS OF ORGANIZATIONS WHICH ARE ALSO COMMUNITY HEALTH CENTERS ORGANIZED IN ACCORDANCE WITH THE PUBLIC HEALTH SERVICE ACT, THAT RECEIVE FEDERAL FUNDS PURSUANT TO 42 U.S.C. § 254C MAY NOT BE REQUIRED TO PROVIDE HOSPITALIZATION FOR PERSONS FOR WHOM SERVICES ARE PROVIDED BY THOSE FUNDS;~~

(2) Is compensated (except for any copayment or deductible arrangements) for the provision of the minimum services specified in paragraph (1) of this subsection to members solely on a predetermined periodic rate basis;

(3) Provides physicians' services primarily:

(i) Directly through physicians who are either employees or partners of such organizations, or

(ii) Under arrangements with one or more groups of physicians (organized on a group practice or individual practice basis) under which each group:

(A) Is compensated for its services primarily on the basis of an aggregate fixed sum or on a per capita basis; and