

BY repealing and reenacting, with amendments,

Article - Health - General

Section 19-701(f) and 19-703

Annotated Code of Maryland

(1990 Replacement Volume and 1994 Supplement)

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

Article - Health - General

19-701.

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

(b) "Benefit package" means a set of health care services to be provided to a member of a health maintenance organization under a contract that entitles the member to the health care services, whether the services are provided:

- (1) Directly by a health maintenance organization; or
- (2) Through a contract or arrangement with another person.

(f) "Health maintenance organization" means any person, including a profit or nonprofit corporation organized under the laws of any state or country, that:

- (1) Operates or proposes to operate in this State;
- (2) Except as provided in § 19-703(b) AND (F) of this subtitle [with respect to hospitalization services], provides or otherwise makes available to its members health care services that include at least physician, hospitalization, laboratory, X-ray, emergency, and preventive services, out-of-area coverage, and any other health care services that the Commissioner determines to be available generally on an insured or prepaid basis in the area serviced by the health maintenance organization, and, at the option of the health maintenance organization, may provide additional coverage;
- (3) Except for any copayment or deductible arrangement, is compensated only on a predetermined periodic rate basis for providing to members the minimum services that are specified in item (2) of this subsection;
- (4) Assures its subscribers and members, the Commissioner, and the Department that one clearly specified legal and administrative focal point or element of the health maintenance organization has the responsibility of providing the availability, accessibility, quality, and effective use of comprehensive health care services; and
- (5) Primarily provides services of physicians:
 - (i) Directly through physicians who are either employees or partners of the health maintenance organization; or
 - (ii) Under arrangements with one or more groups of physicians, who are organized on a group practice or individual practice basis, under which each group: