

(ii) The contracting provider administer payments pursuant to the contract ~~within~~ WITH the health maintenance organization for the health care services to the external providers.

(3) "Contracting provider" means a ~~physician or other health care provider~~ PERSON who enters into an administrative service provider contract with a health maintenance organization.

(4) "External provider" means a ~~health care provider~~ PERSON HEALTH CARE PROVIDER, including a physician or hospital, who is not:

- (i) A contracting provider; or
- (ii) An employee, shareholder, or partner of a contracting provider.

(B) THIS SECTION DOES NOT APPLY TO A CONTRACT BETWEEN A HEALTH MAINTENANCE ORGANIZATION AND A CONTRACTING PROVIDER THAT IS AFFILIATED WITH THE HEALTH MAINTENANCE ORGANIZATION THROUGH COMMON OWNERSHIP WITHIN AN INSURANCE HOLDING COMPANY SYSTEM, IF THE HEALTH MAINTENANCE ORGANIZATION:

(1) FILES WITH THE COMMISSIONER CONSOLIDATED FINANCIAL STATEMENTS THAT INCLUDE THE CONTRACTING PROVIDER; AND

(2) RECORDS A RESERVE FOR THE LIABILITIES OF THE CONTRACTING PROVIDER IN ACCORDANCE WITH § 5-201 OF THIS ARTICLE.

~~(b)~~ (C) A health maintenance organization may not enter into an administrative service provider contract unless:

(1) The health maintenance organization files with the Insurance Commissioner a plan that satisfies the requirements of subsection ~~(e)~~ (D) of this section; and

(2) The Insurance Commissioner does not disapprove the filing within 30 days after the plan is filed.

~~(e)~~ (D) The plan required under subsection ~~(b)~~ (C) of this section shall:

(1) Require the contracting provider to provide the health maintenance organization with ~~regular~~ MONTHLY reports, ~~at least quarterly~~ WITHIN 30 DAYS OF THE END OF THE MONTH REPORTED, that identify payments made or owed to external providers in sufficient detail to determine if the payments are being made in compliance with law;

(2) Require the contracting provider to provide to the health maintenance organization a current, ~~AUDITED~~ annual financial statement of the contracting provider each year, WITHIN 90 DAYS OF THE END OF THE YEAR REPORTED;

(3) Require the ~~creation by the contracting provider, or on the contracting provider's behalf, of~~ HEALTH MAINTENANCE ORGANIZATION TO