

[19-711.2.

(a) A person shall comply with the procedures required by Title 7, Subtitles 3 and 4 of the Insurance Article to the extent applicable before:

(1) That person may make a tender for or a request or invitation for tenders of or enter into an agreement to exchange securities for or acquire in the open market or otherwise, any voting security of a foreign health maintenance organization that is authorized to do business in this State or enter into any other such agreement if, after the consummation thereof, that person would, directly or indirectly, or by conversion or by exercise of any right to acquire be in control of the foreign health maintenance organization that is authorized to do business in this State; or

(2) That person may enter into an agreement to merge or consolidate with, or otherwise to acquire control of, a foreign health maintenance organization that is authorized to do business in this State.

(b) (1) Approval by the Insurance Commissioner shall be governed by § 7-306 of the Insurance Article.

(2) Prior to approval, the Insurance Commissioner shall consult with the Secretary of Health and Mental Hygiene.

(c) The provisions of this section may not apply:

(1) To any transaction preempted by federal law; or

(2) If the insurance commissioner in the jurisdiction in which the health maintenance organization is domiciled has authority under the law of that jurisdiction to investigate and approve a case in which a person would directly or indirectly, or by conversion or by exercise of any right to acquire be in control of the health maintenance organization or merge or consolidate with, or otherwise acquire control of the health maintenance organization and the Insurance Commissioner of this State receives notice from the insurance commissioner of the other jurisdiction of any such activities and has the right to request information and documents concerning those activities.]

SECTION 2. AND BE IT FURTHER ENACTED, That a managed care organization is not subject to the provisions of § 15-102.6 of the Health - General Article, as enacted by Section 1 of this Act, until the effective date of the regulations that the Maryland Insurance Commissioner is required to adopt under § 15-102.6(c)(1) of the Health - General Article, as enacted by Section 1 of this Act.

SECTION 2-3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2002.

Approved April 25, 2002.