

Article - Insurance

14-106.

(a) It is the public policy of this State that the exemption from taxation for nonprofit health service plans under § 6-101(b)(1) of this article is granted so that funds which would otherwise be collected by the State and spent for a public purpose shall be used in a like manner and amount by the nonprofit health service plan.

(b) This section does not apply to a nonprofit health service plan that insures fewer than 10,000 covered lives in Maryland.

(c) By March 1 of each year or a deadline otherwise imposed by the Commissioner for good cause, each nonprofit health service plan shall file with the Commissioner a premium tax exemption report that:

(1) is in a form approved by the Commissioner; and

(2) demonstrates that the plan has used funds equal to the value of the premium tax exemption provided to the plan under § 6-101(b) of this article, in a manner that serves the public interest in accordance with [subsection] SUBSECTIONS (d) AND (E) of this section.

(d) [Except as provided in subsection (e) of this section, a] A nonprofit health service plan may satisfy the public service requirement in subsection (c)(2) of this section by establishing that the plan has:

(1) increased access to, or the affordability of, one or more health care products or services by offering and selling health care products or services that are not required or provided for by law; or

(2) served the public interest by any method or practice approved by the Commissioner.

[e] The Commissioner may not consider the fact that a nonprofit health service plan offers a product through the substantial, available, affordable coverage program when determining whether the plan has satisfied the requirements of subsection (c)(2) of this section.]

(E) (1) A NONPROFIT HEALTH SERVICE PLAN THAT IS SUBJECT TO THIS SECTION AND ISSUES COMPREHENSIVE HEALTH CARE BENEFITS IN THE STATE SHALL ADMINISTER AND SUBSIDIZE THE SENIOR PRESCRIPTION DRUG PROGRAM ESTABLISHED UNDER TITLE 14, SUBTITLE 5, PART II OF THIS TITLE.

(2) THE SUBSIDY REQUIRED UNDER THE SENIOR PRESCRIPTION DRUG PROGRAM MAY NOT EXCEED THE VALUE OF THE NONPROFIT HEALTH SERVICE PLAN'S PREMIUM TAX EXEMPTION UNDER § 6-101(B) OF THIS ARTICLE.

(f) Each report filed with the Commissioner under subsection (c) of this section is a public record.

SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows: