

Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed Senate Bill 596 - *Discount Medical Plan Organizations and Discount Drug Plan Organizations - Registration and Regulation*.

This bill gives the Maryland Insurance Administration (MIA) authority to regulate medical and pharmacy discount plans. It requires the plans to register with the MIA, allows the MIA to deny or revoke their registration for fraud, misrepresentations, and violation of other prohibitions, and places limitations on advertising, plan access, payment to medical providers, and termination of plan membership. Various disclosure and notification requirements to plan members are also required. The MIA may conduct examinations of discount plans and impose corrective actions, including cease and desist orders, restitution, and penalties.

House Bill 847, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 596.

Sincerely,

Martin O'Malley
Governor

Senate Bill 596

AN ACT concerning

**Discount Medical Plan Organizations and Discount Drug Plan Organizations
- Registration and Regulation**

FOR the purpose of providing for the regulation by the Maryland Insurance Commissioner of certain discount medical plan organizations and discount drug plan organizations; requiring the registration of certain entities as discount medical plan organizations or discount drug plan organizations; providing for the application and renewal process for registration; authorizing the Commissioner to deny a registration or refuse to renew, suspend, or revoke a registration under certain circumstances; prohibiting certain actions by a discount medical plan organization and discount drug plan organization; requiring certain disclosures to be made by discount medical plan organizations and discount drug plan organizations; requiring certain reimbursement if membership in a discount medical plan or discount drug plan is canceled under certain circumstances; requiring the Commissioner, in consultation with the