

## 2006 SESSION

INTRODUCED

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### SENATE BILL NO. 525

Offered January 11, 2006

Prefiled January 11, 2006

*A BILL to amend and reenact § 38.2-4314 of the Code of Virginia, relating to the licensing of health maintenance organizations.*

Patron—Newman

Referred to Committee on Commerce and Labor

#### **Be it enacted by the General Assembly of Virginia:**

#### **1. That § 38.2-4314 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-4314. Powers of insurers and health services plans.

A. An insurer or a health services plan licensed in this Commonwealth may, either directly or through a subsidiary or affiliate, organize and operate a health maintenance organization under the provisions of this chapter. Notwithstanding any other law that may be inconsistent with this section, *(i) any insurer or health services plan that organizes and operates a health maintenance organization may also be licensed as a health maintenance organization and (ii) any two or more licensed insurers, health services plans, or their subsidiaries or affiliates, may jointly organize and operate a health maintenance organization.*

B. An insurer or a health services plan may contract with a health maintenance organization to provide insurance or similar protection against the cost of care provided through health maintenance organizations and to provide coverage in the event of the failure of the health maintenance organization to meet its obligations. The enrollees of a health maintenance organization constitute a permissible group for purposes of laws applicable to insurers and health services plans. Under the contracts the insurer or health services plans may make benefit payments to health maintenance organizations for health care services rendered by providers under the health care plan.

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