
Maryland Insurance Administration

REGISTRATION OF DISCOUNT MEDICAL PLAN ORGANIZATIONS AND DISCOUNT DRUG PLAN ORGANIZATIONS

Background

The purpose of this material is to summarize and outline briefly the administrative procedures of the Maryland Insurance Administration (the “MIA”) for processing registration applications of Discount Medical Plan Organizations and Discount Drug Plan Organizations (hereinafter collectively referred to as “Discount Plans”). This material is not intended to contradict or supersede specific insurance laws, regulations or bulletins. Discount Plans should determine their obligations and requirements according to insurance law and regulations of the State.

Registration of Discount Plans

In accordance with Title 14, Subtitle 6 of the Insurance Article, Annotated Code of Maryland, an entity doing business in Maryland as a Discount Medical Plan must register with the Insurance Commissioner (the “Commissioner”) as a Discount Medical Plan Organization before a discount medical plan established by the entity is sold, marketed, or solicited in the State. An entity operating in Maryland as a Discount Drug Plan Organization has the same requirement.

The requirements of Title 14, Subtitle 6 of the Insurance Article do not apply to Medicare Prescription Drug Plans or to a State Prescription Drug Plan. In general, an applicant for registration submits a completed **Discount Medical Plan and Discount Drug Plan Registration Application** form to the MIA along with the appropriate registration fee. The current initial application fee is **\$250.00**, payable to the **Maryland Insurance Administration** by check or money order.

The registration term expires on the second June 30 following the registration unless it is renewed for an additional two-year term. To renew registration, a registrant may complete and submit to the MIA the **Discount Medical Plan and Discount Drug Plan Registration Application** form and pay a renewal fee or renew on-line at the Maryland Insurance Administration website. The renewal fee is \$150.00 and should be made payable to the **Maryland Insurance Administration** in the form of a check or money order. Companies that renew on-line are required to pay by credit card or Echeck.

An application for renewal is considered to be made in a timely manner if it is postmarked or otherwise submitted to the MIA on or before June 30 of the year of renewal. A registration that is not renewed in a timely will be considered to have expired.

An entity operating as both a Discount Medical Plan and Discount Drug Plan in the State may file one registration application with the Commissioner and pay one application fee.

A single application form is designed to accommodate applications for registration. On the **Discount Medical Plan and Discount Drug Plan Registration Application** form, the applicant identifies itself by type (medical, dental or both) and indicates whether the application is for an initial registration or a renewal term.

The form is available in hardcopy format on the MIA web site:
<http://www.mdinsurance.state.md.us/sa/insurer/medical-discount-plans.html>

Market Conduct Examination of Discount Plans

Discount Plans are expected to comply with all of the requirements of Title 14, Subtitle 6 of the Insurance Article and related laws and regulations of the State, as they may be applicable.

As such, whenever the Commissioner considers it advisable, the MIA may examine the affairs, transactions, accounts, records and assets of a Discount Plan or Licensee. Examinations shall be conducted pursuant to and in accordance with §2-207 and §14-610 of the Insurance Article, Annotated Code of Maryland.

The expense of an examination shall be paid in accordance with §2-208 of the Insurance Article. The reports of any examination and investigation shall be issued in accordance with §2-209 of the Insurance Article.

In addition to any enforcement action taken or Order issued by the Commissioner under Title 2 and/or Title 4 of the Insurance Article, the Commissioner may impose a civil penalty of not more than \$10,000 for each violation of Title 4, Subtitle 6 and/or a civil penalty of not more than \$1,000 per day for each day a person is in violation of §14-603.

State Contact Information for Discount Plans

If Discount Plan organizations have questions about registration with the State or the filing of registration and related materials, they should contact the Company Licensing Unit at 410-468-2104.

If consumers have concerns about a representative of a Discount Plan and the manner in which a plan was offered or sold to them, they should contact the Chief Enforcement Officer of the Maryland Insurance Administration at 1-800-492-6116.

If there is concern about the legitimacy of a plan or if fraud is suspected, contact the Maryland Attorney General's Consumer Protection Division at 1-888-743-0023.

Or, to find out if any complaints have been filed against a particular Discount Plan, call the Maryland Attorney General's Health Advocacy Division at 1-877-261-8807.