ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda–underwritten by global corporations–includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Did you know that big pharma company Bayer Healthcare was the corporate co-chair in 2011?

Discount Medical Plan Organization Model Act

Section 1. {Short title} This Act may be cited as the "Discount Medical Plan Organization Act."

Section 2. {Purpose} The purpose of the "Discount Medical Plan Organization Act" is to regulate the promotion, offer, sale, and use of discount medical plans and to facilitate the detection of and reduce the occurrence of discount medical plan organization fraud.

Section 3. {Definitions} As used in this act, unless the context indicates otherwise, the following definitions apply:

A. "Administrator" means a person or entity who collects charges or premiums from residents of this state in connection with life, disability, property, or casualty insurance or annuities or who adjusts or settles claims on these coverages.

B. "Affiliate" means a person or entity that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

C. "Commissioner" means the Commissioner of Insurance.

D. "Control" or "controlled by" or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing ten percent (10%) or more of the voting securities of any other person.

E. "Discount Medical Plan" means a business arrangement or contract in which a person, in exchange for fees, dues, charges or other consideration, offers access for its members to providers of health care services and the right to receive discounts on health care services provided under the discount medical plan from those providers. The term does not include a stand alone pharmacy discount program.

F. "Discount medical plan organization" means an entity that:

1) Has established a discount medical plan; and

2) Contracts with providers, provider networks and other discount medical plan organizations to provide access for discount medical plan members to receive medical services at a discount and determines the charge to the purchaser.

G. "Health care provider" means a physician, facility or other health care practitioner who is licensed, accredited or certified to perform specified medical services consistent with state law.

H. "Health insurance issuer" means any entity that offers health insurance coverage through a plan, policy, or certificate of insurance subject to state law that regulates the business of insurance. A "health insurance issuer" shall also include a health maintenance organization as defined in this state. [Insert reference to appropriate sections in state law]

I. "Marketer" means a person or entity that markets, promotes, sells or distributes a discount medical discount plan, including a private label entity that places its name on and markets or distributes a discount medical discount plan pursuant to a marketing agreement with a discount medical discount plan organization.

J. "Network of health care providers" means two or more health care providers who are contractually obligated to provide services in accordance with the terms and conditions applicable to a discount medical plan.

K. "Preferred provider organization company" means a company that contracts with health care providers for lower fees than those customarily charged by the health care provider for services and contracts with health insurance issuers, administrators, or self-insured employers to provide access to those lower fees to a particular group of insured, subscribers, participants, beneficiaries, members, or claimants.

L. "Service area" means the area within a 60-mile radius of the home or place of business of a discount medical plan purchaser.

Section 4. {Applicability and Scope} This Act applies to all discount medical plan organizations doing business in this state.

Section 5. {Registration Requirements} A discount medical plan organization may not market, promote, sell, or distribute a discount medical plan in this state unless the organization holds a certificate of registration as issued by the commissioner.

A. An application to the commissioner for a certificate of registration must be accompanied by a nonrefundable application fee of $100. The commissioner shall issue the certificate unless the commissioner determines that the organization or its affiliates or a business formerly owned or managed by the organization or an officer or manager of the organization has had a previous application for a certificate of registration denied, revoked, suspended, or terminated for cause or is under investigation for or has been found in violation of a discount medical plan statute or regulation in another jurisdiction within the previous 5 years.

B. A discount medical plan organization shall renew its certificate of registration annually. The certificate is renewed upon payment by the organization of a nonrefundable renewal fee of $100 and expires on the anniversary of its issuance if the renewal fee is not paid before that date. Once issued or renewed, the certificate continues in effect for 1 year unless suspended, revoked, or terminated; and

C. An administrator that is authorized to do business in this state and that provides access to discounted medical care as part of a self-funded group health plan to residents who are members of a self-funded group health plan administered by that administrator is not required to obtain a certificate of registration pursuant to this section.

D. This section does not excuse a discount medical plan organization that is also an insurer from full compliance with the Insurance Code.

E. Nothing in this section requires a provider who provides discounts to his or her own patients to obtain and maintain a license under this Act as a discount medical discount plan organization.

Section 6. {Surety Bond or Deposit Requirements} Each registered discount medical plan organization shall maintain in force a surety bond in its own name in an amount not less than $35,000 to be used in the discretion of the commissioner to protect the financial interest of members who may be adversely affected by the insolvency of a discount medical plan organization. The bond shall be issued by an insurance company licensed to do business in this state.

A. In lieu of the bond specified in Subsection A, a licensed discount medical plan organization may deposit and maintain deposited with the commissioner, or at the discretion of the commissioner, with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, cash, securities or any combination of these or other measures that are acceptable to the commissioner with at all times have a market value of not less than $35,000.

B. All income from a deposit made under Subsection B shall be an asset of the discount medical plan organization.

C. Except for the commissioner, the assets or securities held in this state as a deposit under Subsection A or B shall not be subject to levy by a judgment creditor or other claimant of the discount medical plan organization.

D. Properly licensed insurers and their affiliates who hold a certificate of registration under this act are exempt from Section 6, Subsections A and B.

Section 7. {Right of Return} A discount medical plan issued for delivery in this state is returnable or cancelable, within 30 days of the date of delivery of the card or a longer period if provided in the purchase agreement, by the purchaser or user for any reason, and the user must receive a full refund of all fees, except nominal fees associated with enrollment costs, that were part of the cost of the card.

A. A discount medical plan organization may not charge or collect a fee, including a cancellation fee, after a purchaser or user has given the organization notice of the person’s intention to return or cancel the plan

B. A discount medical plan organization shall ensure that each purchaser or user receives with the card a notice stating the terms under which the discount medical plan may be returned or cancelled as provided in subsections (1) and (2). A discount medical plan returned or cancelled in accordance with this section is void from the date of purchase.

Section 8. {Prohibited Activities}

A. A discount medical plan organization or a marketer that markets, promotes, advertises, or distributes a discount medical plan in this state:

1) May not make misleading, deceptive, or fraudulent representations regarding:

a) the discount or range of discounts offered by a discount medical plan;

b) the access to any range of discounts offered by a discount medical plan; or

c) another medical care service provided in connection with a discount medical plan;

2) May not lead a prospective purchaser or user of a discount medical plan to believe that the discount medical plan being offered is an insurance product. This section does not preclude a discount medical plan organization from offering insurance products to prospective members;

3) Shall provide to a prospective purchaser or user, before purchase, access to a list of health care providers, including the name, city, state, and provider type in the prospective purchaser's or user's service area; and

4) Shall make continuously available to each discount medical plan user, through a toll-free telephone number, the Internet, or in writing upon request, the name, address, telephone number, and provider type of all health care providers in the user's service area who are bound by contract to provide services in accordance with the terms and conditions applicable to the card.

B. A discount medical plan organization that markets, promotes, advertises, or distributes a discount medical plan in this state shall state, on all advertisements for discount medical plans, in bold and prominent type, and on all cards themselves in clear and conspicuous type, that the card is not insurance.

C. The discount medical plan shall disclose to discount medical plan users that contracts with plan providers may be direct, or through indirect contract arrangements, like preferred provider networks.

Section 9. {Fraud}

A. A person that willfully operates as, or aids and abets another operating as, a discount medical plan organization in violation of Section 5 of this Act commits insurance fraud and shall be subject to {insert classifications for misdemeanor and felony penalties in the state insurance code for insurance fraud}, as if the unregistered discount medical plan organization were an unauthorized insurer, and the fees, dues, charges or other consideration collected from the members by the unregistered discount medical plan organization or marketer were insurance premiums.

B. A person that collects fees for purported membership in a discount medical plan, but purposefully fails to provide the promised benefits commits a theft and upon conviction is subject to [insert classifications for misdemeanor and felony penalties that match provisions in the state's criminal code for theft offenses]. In addition, upon conviction, the person shall be ordered to pay restitution to persons aggrieved by the violation of this Act. Restitution shall be ordered in addition to a fine or imprisonment, but not in lieu of a fine or imprisonment.

Section 10. {Waiver of Requirements for Preferred Provider Organizations} The commissioner may waive the requirements of Sections 5 and 6 for any preferred provider organization company. The factors taken into account in granting a waiver include but are not limited to whether the company:

A. Has contracts in place with health care providers residing in this state;

B. Has contracts in place with users and purchasers of health care services residing in this state who use the discount medical plan in conjunction with a self-funded or fully insured health plan;

C. Is primarily in the preferred provider organization business; and

D. Was in business in this state prior to [insert effective date of the act]

Section 11. {Penalties} If, after notice and hearing, the commissioner finds that the discount medical plan organization has violated a provision of this act, the commissioner may do any of the following:

A. Issue and cause to be served upon the organization charged with the violation a copy of the findings and an order requiring the organization to cease and desist from engaging in the act or practice that constitutes the violation; or

B. Impose a monetary penalty of not less than $100 for each violation, but not to exceed an aggregate penalty of $50,000; or

C. Suspend or revoke the certificate of registration.

Section 12. {Regulations} The commissioner may adopt regulations to carry out the provisions of this Act. The regulations shall be subject to review in accordance with [insert statutory citation providing for administrative rulemaking and review of regulations].

Section 13. {Severability} If any provision of this Act, or the application of the provision to any person or circumstance shall be held invalid, the remainder of the Act, and the application of the provision to persons or circumstances other than those to which it is held invalid, shall not be affected.

Section 14. {Repealer Clause}

Were *your* laws repealed?

Section 14. {Effective Date}

Adopted by the Health and Human Services Task Force at the States and Nation Policy Summit in December, 2005. Approved by the ALEC Board of Directors in January, 2006.