

**INITIAL RESOLUTION OF THE BOARD OF TRUSTEES
OF THE MARYLAND HEALTH BENEFIT EXCHANGE**

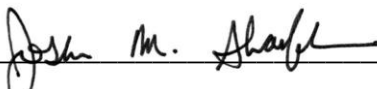
WHEREAS, the Maryland Health Benefit Exchange Act of 2011 (hereinafter, “the Exchange Act”), creating the Maryland Health Benefit Exchange (hereinafter, “the Exchange”), was enacted by the Maryland General Assembly on April 6, 2011, and signed into law by the Governor on April 12, 2011;

WHEREAS, pursuant to the Exchange Act, the Governor has appointed the members of the Board of Trustees of the Exchange and designated its Chair; and

WHEREAS, the members of the Board of Trustees acknowledge their responsibility to govern the Exchange in good faith, in the best interest of Marylanders, and in accordance with the Exchange Act and other law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby adopts as its bylaws the Bylaws of the Board of Trustees of the Maryland Health Benefit Exchange, attached hereto as **Exhibit A**.

I HEREBY CERTIFY that the foregoing Resolution was adopted on this third day of June, 2011, by the Board of Trustees of the Maryland Health Benefit Exchange.



Joshua M. Sharfstein, Chair

**BYLAWS OF THE BOARD OF TRUSTEES
OF THE MARYLAND HEALTH BENEFIT EXCHANGE**

PREAMBLE

Pursuant to § 31-106 of the Insurance Article of the Maryland Code, the following is hereby adopted and declared as the Bylaws of the Board of Trustees of the Maryland Health Benefit Exchange.

**ARTICLE I
CORPORATE NAME, PURPOSE, AND POWERS**

Section 1. The Board of Trustees (hereinafter, “the Board”) is the body established by Maryland Health Benefit Exchange Act of 2011, Title 31 of the Insurance Article of the Maryland Code, and charged with the responsibility for governing and managing the Maryland Health Benefit Exchange (hereinafter, “the Exchange”).

Section 2. The Exchange is a body corporate and politic, an instrumentality of the State, a public corporation, and an independent unit of State government.

Section 3. As set forth in § 31-102 of the Insurance Article, the purposes of the Exchange are to:

- (a) Reduce the number of uninsured individuals in Maryland;
- (b) Facilitate the purchase and sale of qualified health plans in the individual market in Maryland by providing a transparent marketplace;
- (c) Assist qualified employers in Maryland in facilitating the enrollment of their employees in qualified health plans in the small group market in Maryland and in accessing small business tax credits;
- (d) Assist individuals in accessing public programs, premium tax credits, and cost-sharing reductions; and
- (e) Supplement the individual and small group insurance markets outside of the Exchange.

Section 4. The Board has all the powers, rights, and privileges set forth in Title 31 of the Insurance Article; all powers necessary or convenient to carry out the functions authorized by the Affordable Care Act, 42 U.S.C. § 18001 *et seq.*; and all the powers of a Maryland corporation except where expressly limited by law.

**ARTICLE II
OFFICERS OF THE BOARD**

Section 1. As set forth in § 31-104 of the Insurance Article, the Chair of the Board is designated by the Governor of Maryland.

Section 2. The Chair is authorized to preside at the meetings of the Board, to represent the Board before all public bodies, to sign papers on behalf of the Board and/or the Exchange as authorized by the Board, and to perform such other duties as the Board may from time to time assign.

Section 3. The Chair shall designate a Vice Chair, who is authorized to preside at the meetings of the Board in the absence of the Chair and to perform such other duties as the Board or the Chair may from time to time assign.

Section 4. The Chair shall designate a Treasurer, who is authorized to perform such duties as the Board or the Chair may from time to time assign.

**ARTICLE III
EXECUTIVE DIRECTOR**

Section 1. As set forth in § 31-105 of the Insurance Article, the Executive Director of the Exchange is appointed by the Board with the approval of the Governor.

Section 2. The Executive Director shall:

- (a) be the chief administrative officer of the Exchange;
- (b) direct, administer, and manage the operations of the Exchange; and
- (c) perform all duties necessary to comply with and carry out the provisions of the Maryland Health Benefit Exchange Act, other State law, and the Affordable Care Act.

Section 3. The Executive Director serves at the pleasure of the Board and is entitled to the compensation established by the Board.

Section 4. The Executive Director may, with the approval of the Board, and in accordance with § 31-105 of the Insurance Article, create or abolish positions on the staff of the Exchange.

Section 5. In accordance with § 31-105 of the Insurance Article, the Executive Director may appoint, retain, and remove the staff of the Exchange and shall determine the classification, grade, and compensation of the staff of the Exchange.

ARTICLE IV BOARD COMMITTEES

Section 1. The Board may from time to time establish and define the duties of standing and temporary committees of the Board.

Section 2. After consultation with the members of the Board, the Chair shall appoint the members of each standing and temporary committee established by the Board.

Section 3. There is hereby established an Advisory Process Committee, which shall be a standing committee of the Board. The Advisory Process Committee shall make recommendations to the Board regarding the establishment, mission, scope of work, size and composition of the advisory committees described in § 31-106(g) of the Insurance Article. In addition, the Advisory Process Committee shall, after considering the criteria set forth in § 31-106(g) of the Insurance Article, recommend candidates for membership on each advisory committee.

ARTICLE V ADVISORY COMMITTEES

Section 1. The Board will establish, define the responsibilities of, and receive recommendations from advisory committees to assist the Exchange in carrying out its purposes.

Section 2. The members of the advisory committees will be appointed by the Board. As set forth in § 31-106(g) of the Insurance Article, the advisory committees shall include representatives of (i) insurers or health maintenance organizations offering benefit plans in the State; (ii) nonprofit health service plans offering health benefit plans in the State; (iii) licensed health insurance producers and advisers; (iv) third-party administrators; (v) health care providers; (vi) managed care organizations; (vii) employers; (viii) public employee unions; (ix) consumers; (x) individuals with knowledge and expertise in advocacy for consumers; (xi) public health researchers and other academic experts with knowledge and background relevant to the functions and goals of the Exchange; and (xii) other stakeholders having knowledge or representing interests relevant to functions and duties of the Exchange.

Section 3. Members of the Board may serve as members of advisory committees or as liaisons from the Board to the advisory committees.

**ARTICLE VI
MARYLAND HEALTH BENEFIT EXCHANGE FUND**

Section 1. As set forth in § 31-107 of the Insurance Article, the Exchange administers the Maryland Health Benefit Exchange Fund.

Section 2. The Executive Director shall have responsibility for administering the Maryland Health Benefit Exchange Fund in accordance both with Title 31 of the Insurance Article and with the policies and direction of the Board.

**ARTICLE VII
FISCAL YEAR**

The fiscal year of the Exchange shall commence with the first day of July and end with the ensuing thirtieth day of June.

**ARTICLE VIII
BOARD MEETINGS**

Section 1. Beginning in fiscal year 2012 commencing on July 1, 2011, the Board shall hold at least six regular meetings during each fiscal year, at such time and place as the Board may determine.

Section 2. At least one of the regular meetings shall be held during the month of June and shall be designated as the annual meeting, at which time the Chair shall present, for approval by majority vote of the Board, a schedule of the time and place of regular meetings for the ensuing year. Except in an emergency, as determined by the Chair, the date of the annual meeting and other regular meetings may be changed only by majority vote of the Board.

Section 3. The Executive Director shall present an annual report to the Board at the last regular meeting during each calendar year.

Section 4. An agenda for the annual meeting and the other regular meetings of the Board shall be prepared by the Executive Director in accordance with the directions of the Chair and shall be sent by the Executive Director to each member of the Board at

least three days in advance of each meeting. Discussions and actions by the Board shall not, however, be limited to the items included on the agenda but may include any business not inconsistent with these Bylaws and within the duties and powers of the Board.

Section 5. Special meetings of the Board may be called by the Chair on his or her own motion or upon written request of a majority of the Board members. The Chair shall give three days' notice of any special meeting to all Board members, except where the Chair determines that special circumstances warrant shorter notice. At special meetings, only matters covered in the notice to members may be transacted.

Section 6. As set forth in § 31-105 of the Insurance Article, five members of the Board constitute a quorum, and the Board may act only upon the affirmative vote of at least five members.

Section 7. Board members may participate in any regular or annual meeting by telephone or video conferencing. Board members participating by such means shall be counted for quorum purposes, and their votes shall be counted when determining the actions of the Board.

Section 8. Special meetings may be conducted by telephone or video conferencing, provided that all participating Board members deliberate collectively, each in the hearing of every other Board member and others in attendance at the meeting. The Executive Director shall designate a location where members of the public may attend any special meeting.

Section 9. All Board meetings shall be conducted in accordance with the Open Meetings Act, Title 10, Subtitle 5 of the State Government Article of the Maryland Code. The Executive Director shall ensure that the schedule of all Board meetings is available to members of the public upon request. As soon as practicable after any Board meeting has been scheduled, the Executive Director shall post the time and place of the meeting on the website of the Exchange.

ARTICLE IX AMENDMENTS TO THE BYLAWS

These Bylaws may be amended by the affirmative vote of five members of the Board at any annual or regular meeting, provided that the proposed amendment or amendments have been sent to each member of the Board at least seven days before the meeting.