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Replace line 63 on page 3 with the following:

subsidiary of a health care service corporation, by
means of one

Replace line 66 on page 3 with the following:

(2) The reorganization shall:

Replace line 77 on page 3 with the following:

including this title or Chapter 29 of Title 27, as
part of the

Replace line 96 on page 4 with the following:

aiding, promoting, or assisting in the
reorganization.

Replace line 98 on page 4 with the following:

and (d) shall be the exclusive means of effecting the

Replace line 103 on page 4 with the following:

connection with the reorganization, including a



25 transfer

26

27 Replace line 108 on page 4 with the following:

28 of its board of directors, may authorize the
29 reorganization and

30

31 Replace line 153 on page 6 with the following:

32 addition to any transfer in connection with the
33 reorganization

34

35 Replace line 177 on page 7 with the following:

36 (j)(1) The reorganization does not change the legal
37 form

38

39 Replace line 186 on page 7 with the following:

40 a. Neither the reorganization nor any other
41 transaction

42

43 Replace line 190 on page 7 with the following:

44 b. In addition to a transfer in connection with the

45

46 Replace line 202 on page 8 with the following:

47 corporation resulting from the reorganization shall
48 be governed



49

50 Replace line 205 on page 8 with the following:

51 the reorganization is permitted, pursuant to Section
52 10A-1-8.02,

53

54 Replace line 209 on page 8 with the following:

55 is the surviving corporation in the merger.

56 (k) As to a person operating one or more hospitals as
57 defined in Section 22-21-20 in the State of Alabama or
58 operating any other direct health care provider in the
59 State of Alabama, a nonprofit holding corporation,
60 including its affiliates, shall not control, directly or
61 indirectly, or own in whole or in part, directly or
62 indirectly, the person. This subsection shall not
63 prohibit the acquisition of such a person that is a
64 foreign entity if the nonprofit holding corporation
65 agrees to have divested the person's direct health care
66 provider in the State of Alabama within two years after
67 the acquisition closes. As used in this subsection,
68 neither the term "affiliate" nor the term "person" shall
69 mean or include, and the restrictions in this subsection
70 shall not apply with respect to, a health care service
71 corporation organized under this article or a subsidiary
72 thereof.



(1) Except if existing before or resulting from the reorganization, the nonprofit holding corporation, including its affiliates, shall not control, directly or indirectly, or own in whole or in part, directly or indirectly, any of the following entities providing health insurance in the State of Alabama:

(1) An insurance company licensed pursuant to Chapter 3 of Title 27.

(2) A health care service plan formed after calendar year 2025 and licensed pursuant to this article.

(3) A fraternal benefit society licensed pursuant to Chapter 34 of Title 27.

(4) A health maintenance organization licensed pursuant to Chapter 21A of Title 27.

(m) Notwithstanding anything to the contrary, nothing in this section is intended to, nor shall prevent, limit, or restrict in any way, any direct or indirect acquisition, ownership, transaction, business, investment, or other activity that is made, held, or conducted by a health care service corporation or a subsidiary of a health care service corporation that is otherwise permissible for that person under applicable law.

(n) Following the reorganization, if a transaction



97 involving a health care service corporation: (i) requires
98 notice to the commissioner of the department pursuant to
99 Section 27-29-5(b)(1)a.1.; and (ii) exceeds five percent
100 of the health care service corporation's admitted assets
101 as of the 31st day of December next preceding, then in
102 addition to other applicable requirements under Section
103 27-29-5, the department shall provide the public with
104 notice and an opportunity for a period of 30 days
105 following the date of the public notice, to provide
106 written comments to the department on the transaction,
107 and the transaction at issue may be entered into unless
108 the commissioner of the department disapproves the
109 transaction with the 30-day comment period.