

# HOUSE BILL 288

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HB 441/06 – HGO & W&M

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By: **Delegates Hixson, Hubbard, Nathan-Pulliam, Ali, Anderson, Barnes, Benson, Bobo, Bronrott, Burns, Cane, Carter, G. Clagett, V. Clagett, Conaway, Dumais, Feldman, Frush, Gaines, Glenn, Goldwater, Gutierrez, Guzzone, Harrison, Haynes, Healey, Hecht, Heller, Holmes, Howard, Hucker, Ivey, Jones, N. King, Kirk, Krysiak, Lafferty, Lawton, Lee, Manno, McIntosh, Mizeur, Montgomery, Morhaim, Oaks, Pena-Melnyk, Pendergrass, Ramirez, Rice, Robinson, Rosenberg, Simmons, Stein, Stukes, Tarrant, Taylor, F. Turner, Valderrama, Vaughn, and Walker**

Introduced and read first time: January 31, 2007

Assigned to: Health and Government Operations and Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Healthy Maryland Initiative**

3 FOR the purpose of requiring the Governor to include in the annual State budget bill  
4 for certain fiscal years certain appropriations for certain activities aimed at  
5 reducing tobacco use in the State; expanding eligibility under the Maryland  
6 Medical Assistance Program to certain parents having incomes at or below  
7 certain levels, subject to certain limitations; requiring the Secretary of Health  
8 and Mental Hygiene to develop and implement a certain education and outreach  
9 campaign; requiring that certain funds from a certain special fund be used to  
10 subsidize a certain specialty care network; establishing the Healthy Maryland  
11 Initiative Fund; establishing the source of money in the Fund; providing that the  
12 investment of earnings in the Fund shall be retained to the Fund; specifying the  
13 purposes for which the Fund shall be used; requiring certain appropriations from  
14 the Fund for certain purposes; requiring that certain moneys from the Fund  
15 supplement certain programs; prohibiting certain moneys from supplanting  
16 certain programs; altering the distribution of tobacco tax revenues; providing for  
17 the distribution of certain tobacco tax revenues to the Healthy Maryland  
18 Initiative Fund for certain purposes; altering the tobacco tax rate imposed on

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 cigarettes; altering the tobacco tax rate imposed on certain tobacco products  
2 other than cigarettes; establishing a Small Business Health Care Incentive  
3 Program in the Department of Business and Economic Development; requiring  
4 the Department to administer the Program; establishing certain eligibility  
5 requirements for the Program; providing for certain grants to be awarded under  
6 the Program; establishing a certain priority for the award of certain grants under  
7 the Program; requiring the Secretary of the Department to adopt certain  
8 regulations; requiring the Department to report to the Governor and the General  
9 Assembly on or before a certain date; providing for the termination of the  
10 Program after a certain date; extending the termination provisions relating to  
11 the Joint Legislative Task Force on Universal Access to Quality and Affordable  
12 Health Care; requiring the Task Force to conduct a certain study; authorizing  
13 the Task Force to contract for the completion of the study; requiring the  
14 Governor, in a certain fiscal year, to include a certain appropriation for a certain  
15 purpose; delaying the due date for the Task Force report; requiring the  
16 Department of Health and Mental Hygiene to notify the Centers for Medicare  
17 and Medicaid Services for an amendment to the Maryland Medical Assistance  
18 Program to expand eligibility for the Maryland Medical Assistance Program;  
19 authorizing certain funds to be appropriated and transferred by budget  
20 amendment from the Fund in a certain fiscal year; requiring the Department of  
21 Health and Mental Hygiene to report to the Governor and certain committees of  
22 the General Assembly on or before a certain date; defining certain terms; making  
23 certain stylistic changes; providing for the application of this Act; and generally  
24 relating to the tobacco tax, the Healthy Maryland Initiative, and the extension  
25 and modifications of the Joint Legislative Task Force on Universal Access to  
26 Quality and Affordable Health Care.

27 BY repealing and reenacting, with amendments,  
28 Article – Health – General  
29 Section 13–1015, 15–103(a), and 19–2111  
30 Annotated Code of Maryland  
31 (2005 Replacement Volume and 2006 Supplement)

32 BY adding to  
33 Article – Health – General  
34 Section 15–144; and 20–1301 to be under the new subtitle “Subtitle 13. Healthy  
35 Maryland Initiative Fund”  
36 Annotated Code of Maryland  
37 (2005 Replacement Volume and 2006 Supplement)

38 BY repealing and reenacting, without amendments,  
39 Article – Tax – General  
40 Section 2–1601 and 2–1602

1 Annotated Code of Maryland  
2 (2004 Replacement Volume and 2006 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article – Tax – General  
5 Section 2–1603 and 12–105  
6 Annotated Code of Maryland  
7 (2004 Replacement Volume and 2006 Supplement)

8 BY adding to  
9 Article – Tax – General  
10 Section 2–1604  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2006 Supplement)

13 BY adding to  
14 Article 83A – Department of Business and Economic Development  
15 Section 5–2001 through 5–2007 to be under the new subtitle “Subtitle 20. Small  
16 Business Health Care Incentive Program”  
17 Annotated Code of Maryland  
18 (2003 Replacement Volume and 2006 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Chapter 280 of the Acts of the General Assembly of 2005, as amended by  
21 Chapter 21 of the Acts of the General Assembly of 2006  
22 Section 5 and 14

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article – Health – General**

26 13–1015.

27 (a) For fiscal year [2007] **2009** and each fiscal year thereafter, the Governor  
28 shall include at least [\$21,000,000] **\$35,000,000** in the annual budget in  
29 appropriations for activities aimed at reducing tobacco use in Maryland as  
30 recommended by the Centers for Disease Control and Prevention, including:

31 (1) Media campaigns aimed at reducing smoking initiation and  
32 encouraging smokers to quit smoking;

1           (2) Media campaigns educating the public about the dangers of  
2 secondhand smoke exposure;

3           (3) Enforcement of existing laws banning the sale or distribution of  
4 tobacco products to minors;

5           (4) Promotion and implementation of smoking cessation programs;  
6 and

7           (5) Implementation of school-based tobacco education programs.

8           (b) For fiscal year [2006] **2008**, the Governor shall include at least  
9 [\$10,000,000] **\$21,000,000** in the annual budget in appropriations for the purposes  
10 described in subsection (a) of this section.

11           **(C) FOR FISCAL YEAR 2009 AND EACH FISCAL YEAR THEREAFTER, THE**  
12 **APPROPRIATIONS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL**  
13 **INCLUDE:**

14           **(1) \$14,000,000 FROM THE HEALTHY MARYLAND INITIATIVE**  
15 **FUND ESTABLISHED UNDER § 20-1301 OF THIS ARTICLE; AND**

16           **(2) \$21,000,000 FROM THE CIGARETTE RESTITUTION FUND**  
17 **ESTABLISHED UNDER § 7-317 OF THE STATE FINANCE AND PROCUREMENT**  
18 **ARTICLE.**

19 15-103.

20           (a) (1) The Secretary shall administer the Maryland Medical Assistance  
21 Program.

22           (2) The Program:

23                   (i) Subject to the limitations of the State budget, shall provide  
24 medical and other health care services for indigent individuals or medically indigent  
25 individuals or both;

26                   (ii) Shall provide, subject to the limitations of the State budget,  
27 comprehensive medical and other health care services for all eligible pregnant women  
28 whose family income is at or below 250 [percent] % of the poverty level, as permitted  
29 by [the] federal law;

1 (iii) Shall provide, subject to the limitations of the State budget,  
2 comprehensive medical and other health care services for all eligible children  
3 currently under the age of 1 whose family income falls below 185 [percent] % of the  
4 poverty level, as permitted by federal law;

5 (iv) Shall provide, subject to the limitations of the State budget,  
6 family planning services to women currently eligible for comprehensive medical care  
7 and other health care under item (ii) of this paragraph for 5 years after the second  
8 month following the month in which the woman delivers her child;

9 (v) Shall provide, subject to the limitations of the State budget,  
10 comprehensive medical and other health care services for all children from the age of 1  
11 year up through and including the age of 5 years whose family income falls below 133  
12 [percent] % of the poverty level, as permitted by [the] federal law;

13 (vi) Shall provide, subject to the limitations of the State budget,  
14 comprehensive medical care and other health care services for all children who are at  
15 least 6 years of age but are under 19 years of age whose family income falls below 100  
16 [percent] % of the poverty level, as permitted by federal law;

17 (vii) Shall provide, subject to the limitations of the State budget,  
18 comprehensive medical care and other health care services for all legal immigrants  
19 who meet Program eligibility standards and who arrived in the United States before  
20 August 22, 1996, the effective date of the federal Personal Responsibility and Work  
21 Opportunity Reconciliation Act, as permitted by federal law;

22 (viii) Shall provide, subject to the limitations of the State budget  
23 and any other requirements imposed by the State, comprehensive medical care and  
24 other health care services for all legal immigrant children under the age of 18 years  
25 and pregnant women who meet Program eligibility standards and who arrived in the  
26 United States on or after August 22, 1996, the effective date of the federal Personal  
27 Responsibility and Work Opportunity Reconciliation Act;

28 (IX) **SHALL PROVIDE, SUBJECT TO THE LIMITATIONS OF THE**  
29 **STATE BUDGET, AND AS ALLOWED BY FEDERAL LAW, COMPREHENSIVE MEDICAL**  
30 **CARE AND OTHER HEALTH CARE SERVICES FOR ALL PARENTS:**

31 **1. WHO HAVE A DEPENDENT CHILD LIVING WITH**  
32 **THEM; AND**

33 **2. WHOSE ANNUAL HOUSEHOLD INCOME IS:**

1                   **A. FOR FISCAL YEAR 2009, AT OR BELOW 75% OF**  
2 **THE POVERTY LEVEL, AS PERMITTED BY FEDERAL LAW; OR**

3                   **B. FOR FISCAL YEAR 2010 AND EACH FISCAL YEAR**  
4 **THEREAFTER, AT OR BELOW 100% OF THE POVERTY LEVEL, AS PERMITTED BY**  
5 **FEDERAL LAW;**

6                   [(ix)] (X) May include bedside nursing care for eligible Program  
7 recipients; and

8                   [(x)] (XI) Shall provide services in accordance with funding  
9 restrictions included in the annual State budget bill.

10                   (3) Subject to restrictions in federal law or waivers, the Department  
11 may impose cost-sharing on Program recipients.

12 **15-144.**

13                   **THE SECRETARY SHALL DEVELOP AND IMPLEMENT AN EDUCATION AND**  
14 **OUTREACH CAMPAIGN FOR ENROLLING INDIVIDUALS ELIGIBLE FOR BUT NOT**  
15 **ENROLLED IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM.**

16 19-2111.

17                   (a) The Commission, in collaboration with community health resources and  
18 local health departments, shall develop a specialty care network for individuals:

19                   (1) With family income that does not exceed 200% of the federal  
20 poverty level; and

21                   (2) Who are referred through a community health resource.

22                   (b) The specialty care network shall:

23                   (1) Consist of health care practitioners who agree to provide care to  
24 individuals referred through a community health resource for a discounted fee  
25 established by the Commission; and

26                   (2) Include health care practitioners who historically have served the  
27 uninsured.

1 (c) Individuals receiving health care through the specialty care network  
2 shall pay for specialty care according to a sliding fee scale developed by the  
3 Commission.

4 (d) In addition to patient fees, office-based specialty care visits, diagnostic  
5 testing, and laboratory tests shall be subsidized by funds provided from:

6 (1) General funds; [and]

7 (2) Money collected from a nonprofit health maintenance organization  
8 in accordance with § 6-121(b)(3) of the Insurance Article; AND

9 **(3) THE HEALTHY MARYLAND INITIATIVE FUND AS PROVIDED**  
10 **UNDER § 20-1301 OF THIS ARTICLE.**

11 (e) Subject to available funding, the Commission shall provide subsidies to  
12 community health resources for office-based specialty care visits, diagnostic testing,  
13 and laboratory tests.

14 **SUBTITLE 13. HEALTHY MARYLAND INITIATIVE FUND.**

15 **20-1301.**

16 **(A) IN THIS SUBTITLE, “FUND” MEANS THE HEALTHY MARYLAND**  
17 **INITIATIVE FUND.**

18 **(B) (1) THE HEALTHY MARYLAND INITIATIVE FUND IS ESTABLISHED**  
19 **TO DEDICATE CERTAIN TOBACCO TAX REVENUES TO PROVIDE HEALTH CARE**  
20 **SERVICES AND INCENTIVES AS PROVIDED IN SUBSECTION (C) OF THIS SECTION.**

21 **(2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
22 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

23 **(3) THE FUND CONSISTS OF THE TOBACCO TAX REVENUES**  
24 **DISTRIBUTED TO THE FUND UNDER § 2-1604 OF THE TAX - GENERAL ARTICLE.**

25 **(4) THE STATE TREASURER SHALL HOLD THE FUND**  
26 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

1           (5) (I) THE FUND SHALL BE INVESTED AND REINVESTED IN  
2 THE SAME MANNER AS OTHER STATE FUNDS.

3                   (II) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO  
4 THE FUND.

5           (C) THE FUND MAY BE USED ONLY FOR THE FOLLOWING PURPOSES:

6                   (1) ACTIVITIES AIMED AT REDUCING TOBACCO USE IN  
7 MARYLAND, AS RECOMMENDED BY THE CENTERS FOR DISEASE CONTROL AND  
8 PREVENTION;

9                   (2) THE MARYLAND MEDICAL ASSISTANCE PROGRAM,  
10 INCLUDING:

11                           (I) COVERAGE FOR ALL LEGAL IMMIGRANT CHILDREN  
12 UNDER THE AGE OF 18 YEARS AND PREGNANT WOMEN; AND

13                           (II) EXPANSION OF MEDICAID ELIGIBILITY FOR PARENTS;

14                   (3) SUBSTANCE ABUSE TREATMENT AND PREVENTION SERVICES  
15 FUNDED THROUGH THE ALCOHOL AND DRUG ABUSE ADMINISTRATION,  
16 INCLUDING:

17                           (I) EXPANSION OF PREVENTION AND TREATMENT  
18 CAPACITY; AND

19                           (II) MAINTENANCE AND STRENGTHENING OF EXISTING  
20 PREVENTION AND TREATMENT INFRASTRUCTURE;

21                   (4) THE SPECIALTY CARE NETWORK ESTABLISHED UNDER  
22 § 19-2111 OF THIS ARTICLE;

23                   (5) THE SMALL BUSINESS HEALTH CARE INCENTIVE PROGRAM  
24 ESTABLISHED UNDER ARTICLE 83A, § 5-2002 OF THE CODE; AND

25                   (6) THE OFFICE OF MINORITY HEALTH AND HEALTH  
26 DISPARITIES TO DEVELOP AND IMPLEMENT A STATEWIDE HEALTH DISPARITIES



1 REDUCTION PLAN AND GENERALLY TO CARRY OUT THE DUTIES SPECIFIED IN  
2 SUBTITLE 10 OF THIS TITLE.

3 (D) FOR EACH FISCAL YEAR, MONEY IN THE FUND SHALL BE  
4 APPROPRIATED AS FOLLOWS:

5 (1) \$14,000,000 FOR ACTIVITIES AIMED AT REDUCING TOBACCO  
6 USE IN MARYLAND AS RECOMMENDED BY THE CENTERS FOR DISEASE  
7 CONTROL AND PREVENTION;

8 (2) AT LEAST \$40,000,000 TO EXPAND MEDICAID ELIGIBILITY  
9 FOR ALL PARENTS:

10 (I) WHO HAVE A DEPENDENT CHILD LIVING WITH THEM;  
11 AND

12 (II) WHOSE ANNUAL HOUSEHOLD INCOME IS:

13 1. FOR FISCAL YEAR 2009, AT OR BELOW 75% OF  
14 THE FEDERAL POVERTY LEVEL; OR

15 2. FOR FISCAL YEAR 2010 AND EACH FISCAL YEAR  
16 THEREAFTER, AT OR BELOW 100% OF THE FEDERAL POVERTY LEVEL;

17 (3) AT LEAST \$7,000,000 FOR COMPREHENSIVE MEDICAL CARE  
18 AND OTHER HEALTH CARE SERVICES FOR ALL LEGAL IMMIGRANT CHILDREN  
19 UNDER THE AGE OF 18 YEARS AND PREGNANT WOMEN WHO MEET MEDICAID  
20 PROGRAM ELIGIBILITY STANDARDS, WHO ARRIVED IN THE UNITED STATES ON  
21 OR AFTER AUGUST 22, 1996, AND WHO DO NOT QUALIFY FOR FEDERALLY  
22 FUNDED MEDICAID COVERAGE OR MARYLAND CHILDREN'S HEALTH PROGRAM  
23 COVERAGE;

24 (4) \$30,000,000 FOR SUBSTANCE ABUSE TREATMENT AND  
25 PREVENTION SERVICES FUNDED THROUGH THE ALCOHOL AND DRUG ABUSE  
26 ADMINISTRATION;

27 (5) \$10,000,000 FOR THE SPECIALTY CARE NETWORK  
28 ESTABLISHED UNDER § 19-2111 OF THIS ARTICLE;

1           **(6) FOR FISCAL YEARS 2009 THROUGH 2011 ONLY, \$15,000,000**  
2 **FOR THE SMALL BUSINESS HEALTH CARE INCENTIVE PROGRAM; AND**

3           **(7) FOR THE OFFICE OF MINORITY HEALTH AND HEALTH**  
4 **DISPARITIES:**

5                   **(I) \$2,000,000 FOR FISCAL YEAR 2009;**

6                   **(II) \$4,000,000 FOR FISCAL YEAR 2010;**

7                   **(III) \$6,000,000 FOR FISCAL YEAR 2011;**

8                   **(IV) \$8,000,000 FOR FISCAL YEAR 2012; AND**

9                   **(V) \$10,000,000 FOR FISCAL YEAR 2013 AND EACH FISCAL**  
10 **YEAR THEREAFTER.**

11           **(E) MONEY FROM THE FUND SHALL SUPPLEMENT AND MAY NOT**  
12 **SUPLANT FUNDING FOR ANY PROGRAM.**

13                                   **Article - Tax - General**

14   **2-1601.**

15           From the tobacco tax revenue, the Comptroller shall distribute the amount  
16 necessary to pay refunds relating to the tobacco tax to a refund account.

17   **2-1602.**

18           After making the distribution required under § 2-1601 of this subtitle, from the  
19 remaining tobacco tax revenue the Comptroller shall distribute the amount necessary  
20 to administer the tobacco tax laws to an administrative cost account.

21   **2-1603.**

22           After making the distributions required under §§ 2-1601 and 2-1602 of this  
23 subtitle, **FROM THE REMAINING TOBACCO TAX REVENUE** the Comptroller shall  
24 distribute [the remaining tobacco tax revenue] **\$275,000,000** to the General Fund of  
25 the State.

26   **2-1604.**

1           **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1601**  
2 **THROUGH 2-1603 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE**  
3 **THE REMAINING TOBACCO TAX REVENUE TO THE HEALTHY MARYLAND**  
4 **INITIATIVE FUND FOR THE PURPOSES SPECIFIED UNDER § 20-1301 OF THE**  
5 **HEALTH – GENERAL ARTICLE.**

6 12-105.

7           (a) The tobacco tax rate for cigarettes is:

8                   (1) [50 cents] **\$1** for each package of 10 or fewer cigarettes;

9                   (2) [\$1.00] **\$2** for each package of at least 11 and not more than 20  
10 cigarettes;

11                   (3) [5.0] **10** cents for each cigarette in a package of more than 20  
12 cigarettes; and

13                   (4) [5.0] **10** cents for each cigarette in a package of free sample  
14 cigarettes.

15           (b) The tobacco tax rate for other tobacco products is [15%] **25%** of the  
16 wholesale price of the tobacco products.

17           **Article 83A – Department of Business and Economic Development**

18           **SUBTITLE 20. SMALL BUSINESS HEALTH CARE INCENTIVE PROGRAM.**

19 **5-2001.**

20           **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
21 **INDICATED.**

22           **(B) “PROGRAM” MEANS THE SMALL BUSINESS HEALTH CARE**  
23 **INCENTIVE PROGRAM.**

24           **(C) “SMALL EMPLOYER” HAS THE MEANING STATED IN § 15-1201 OF**  
25 **THE INSURANCE ARTICLE.**

1           (D)    **“STANDARD PLAN” HAS THE MEANING STATED IN § 15-1201 OF THE**  
2 **INSURANCE ARTICLE.**

3 **5-2002.**

4           (A)    **THERE IS A SMALL BUSINESS HEALTH CARE INCENTIVE PROGRAM**  
5 **IN THE DEPARTMENT.**

6           (B)    (1)   **THE PROGRAM IS INTENDED TO PROVIDE INCENTIVES TO**  
7 **SMALL BUSINESSES THAT HAVE NOT RECENTLY OFFERED HEALTH INSURANCE**  
8 **TO THEIR EMPLOYEES TO PROVIDE COMPREHENSIVE HEALTH INSURANCE AS**  
9 **PART OF AN EMPLOYEE BENEFIT PACKAGE.**

10           (2)   **THE PROGRAM SHALL PROVIDE GRANTS TO ELIGIBLE**  
11 **EMPLOYERS FOR A PORTION OF THE COST OF PROVIDING THE STANDARD PLAN**  
12 **AS PART OF AN EMPLOYEE BENEFIT PACKAGE.**

13           (C)    **THE PROGRAM SHALL BE FUNDED BY THE HEALTHY MARYLAND**  
14 **INITIATIVE FUND AS PROVIDED IN § 20-1301 OF THE HEALTH - GENERAL**  
15 **ARTICLE.**

16 **5-2003.**

17           (A)    **THE DEPARTMENT SHALL:**

18                   (1)   **ADMINISTER THE PROGRAM;**

19                   (2)   **ESTABLISH APPLICATION PROCEDURES FOR THE PROGRAM;**

20 **AND**

21                   (3)   **AWARD GRANTS FROM THE PROGRAM.**

22           (B)    **THE DEPARTMENT MAY PAY ADMINISTRATIVE COSTS ASSOCIATED**  
23 **WITH IMPLEMENTING AND ADMINISTERING THE PROGRAM FROM THE HEALTHY**  
24 **MARYLAND INITIATIVE FUND ESTABLISHED UNDER § 20-1301 OF THE HEALTH**  
25 **- GENERAL ARTICLE.**

26           (C)    **THE SECRETARY SHALL ADOPT REGULATIONS TO CARRY OUT THIS**  
27 **SUBTITLE.**

1 **5-2004.**

2 (A) **TO BE ELIGIBLE FOR THE PROGRAM, AN EMPLOYER MUST:**

3 (1) **BE A SMALL EMPLOYER;**

4 (2) **PROVIDE THE STANDARD PLAN TO ITS EMPLOYEES ON OR**  
5 **AFTER JULY 1, 2007;**

6 (3) **HAVE NOT PROVIDED THE STANDARD PLAN TO ITS**  
7 **EMPLOYEES DURING THE 12-MONTH PERIOD PRECEDING THE DATE OF**  
8 **APPLICATION FOR THE STANDARD PLAN OR, IF THE SMALL EMPLOYER HAS**  
9 **EXISTED FOR LESS THAN 12 MONTHS, FROM THE DATE THE SMALL EMPLOYER**  
10 **COMMENCED ITS BUSINESS; AND**

11 (4) **MEET ANY OTHER REQUIREMENTS DETERMINED BY THE**  
12 **DEPARTMENT.**

13 (B) **THE DEPARTMENT SHALL GIVE PRIORITY FOR GRANTS UNDER THE**  
14 **PROGRAM TO EMPLOYERS THAT HAVE AN AVERAGE ANNUAL WAGE AMONG ITS**  
15 **EMPLOYEES THAT DOES NOT EXCEED 75% OF THE AVERAGE ANNUAL WAGE IN**  
16 **THE STATE.**

17 **5-2005.**

18 **A GRANT AWARDED UNDER THE PROGRAM SHALL BE EQUAL TO THE**  
19 **LESSER OF:**

20 (1) **50% OF THE COST TO THE EMPLOYER TO PROVIDE THE**  
21 **STANDARD PLAN AS PART OF AN EMPLOYEE BENEFIT PACKAGE, INCLUDING**  
22 **THE COST OF PREMIUMS AND ADDITIONAL RIDERS; OR**

23 (2) **\$2,500 PER EMPLOYEE PER YEAR.**

24 **5-2006.**

25 **ON OR BEFORE DECEMBER 1, 2009, THE DEPARTMENT SHALL REPORT TO**  
26 **THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT**

1 **ARTICLE, TO THE GENERAL ASSEMBLY, REGARDING THE PROGRAM,**  
2 **INCLUDING:**

3 (1) **THE NUMBER OF EMPLOYERS THAT APPLIED FOR GRANTS**  
4 **UNDER THE PROGRAM;**

5 (2) **THE NUMBER OF EMPLOYERS THAT WERE ELIGIBLE FOR AND**  
6 **RECEIVED GRANTS UNDER THE PROGRAM;**

7 (3) **THE TOTAL AMOUNT OF FUNDS PROVIDED AS GRANTS UNDER**  
8 **THE PROGRAM;**

9 (4) **THE AVERAGE GRANT AMOUNT PROVIDED TO ELIGIBLE**  
10 **EMPLOYERS;**

11 (5) **THE ADDITIONAL NUMBER OF INDIVIDUALS COVERED BY THE**  
12 **STANDARD PLAN AS A RESULT OF THE PROGRAM; AND**

13 (6) **ANY RECOMMENDATIONS FOR MODIFYING, IMPROVING, OR**  
14 **EXPANDING THE PROGRAM.**

15 **5-2007.**

16 **THIS SUBTITLE AND THE PROGRAM ESTABLISHED UNDER THIS SUBTITLE**  
17 **SHALL TERMINATE AND BE OF NO FURTHER EFFECT AFTER JUNE 30, 2011.**

18 **Chapter 280 of the Acts of 2005, as amended by Chapter 21 of the Acts of 2006**

19 SECTION 5. AND BE IT FURTHER ENACTED, That:

20 (a) There is a Joint Legislative Task Force on Universal Access to Quality  
21 and Affordable Health Care.

22 (b) The Task Force is comprised of six members of the General Assembly,  
23 who shall be voting members of the Task Force, including:

24 (1) three members of the Senate of Maryland, appointed by the  
25 President of the Senate; and

26 (2) three members of the House of Delegates, appointed by the  
27 Speaker of the House.

1 (c) The following individuals shall serve as nonvoting members of the Task  
2 Force:

3 (1) the Secretary of Health and Mental Hygiene, or the Secretary's  
4 designee;

5 (2) the Executive Director of the Maryland Health Care Commission,  
6 or the Executive Director's designee; and

7 (3) any additional individuals approved by a majority of the voting  
8 members of the Task Force.

9 (d) (1) Of the three members of the Senate, the President of the Senate  
10 shall appoint one member to serve as a cochair.

11 (2) Of the three members of the House of Delegates, the Speaker of the  
12 House shall appoint one member to serve as a cochair.

13 (e) The Department of Legislative Services shall provide staff for the Task  
14 Force.

15 (f) The Task Force shall:

16 (1) study and make recommendations on how to make quality,  
17 affordable health care, including primary care, specialty care, hospitalization, and  
18 prescription drug coverage, accessible to all citizens of the State; [and]

19 (2) analyze the feasibility and desirability of implementing aspects of  
20 the "Dirigo Health" plan, the California employer mandate, or other innovative state  
21 health care coverage programs in Maryland; **AND**

22 **(3) CONDUCT AN IN-DEPTH STUDY OF PUBLIC AND PRIVATE**  
23 **SECTOR OPTIONS FOR ACHIEVING UNIVERSAL HEALTH CARE COVERAGE FOR**  
24 **ALL CITIZENS OF THE STATE.**

25 (g) The Task Force, in conducting the study required under subsection (f) (1)  
26 of this section:

27 (1) shall seek input from consumer advocates, health care providers,  
28 insurance carriers that write policies in the State, the business community, hospitals,  
29 and community clinics; and

1           (2)     may appoint subcommittees to conduct more detailed studies of  
2 specific subjects within the jurisdiction of the Task Force.

3           **(H) THE TASK FORCE, IN FULFILLING THE REQUIREMENT UNDER**  
4 **SUBSECTION (F)(3) OF THIS SECTION MAY CONTRACT WITH AN ENTITY TO**  
5 **CONDUCT THE STUDY ON BEHALF OF THE TASK FORCE.**

6           **(I) IN FISCAL YEAR 2009 ONLY, THE GOVERNOR SHALL INCLUDE**  
7 **\$1,000,000 IN THE ANNUAL BUDGET IN APPROPRIATIONS FOR THE STUDY**  
8 **REQUIRED UNDER SUBSECTION (F)(3) OF THIS SECTION.**

9           **[(h)](J)**     The Task Force shall conduct a minimum of four public hearings in  
10 different geographic regions of the State to receive citizen input.

11           **[(i)](K)**     The Task Force shall report its findings and recommendations to  
12 the Governor and, in accordance with § 2-1246 of the State Government Article, to the  
13 General Assembly on or before December 31, **[2006] 2008.**

14           SECTION 14. AND BE IT FURTHER ENACTED, That, subject to Section 13 of  
15 this Act, this Act shall take effect July 1, 2005. Section 3 of this Act shall remain  
16 effective for a period of 5 years and, at the end of June 30, 2010, with no further action  
17 required by the General Assembly, Section 3 of this Act shall be abrogated and of no  
18 further force and effect. Section 5 of this Act shall remain effective for a period of **[2]4**  
19 years and, at the end of June 30, **[2007] 2009**, with no further action required by the  
20 General Assembly, Section 5 of this Act shall be abrogated and of no further force and  
21 effect.

22           SECTION 2. AND BE IT FURTHER ENACTED, That all cigarettes used,  
23 possessed, or held in the State on or after July 1, 2007, by any person for sale or use in  
24 the State, shall be subject to the full tobacco tax of \$2 on cigarettes imposed by this  
25 Act. This requirement includes: (1) cigarettes in vending machines or other  
26 mechanical dispensers; and (2) cigarettes (generally referred to as "floor stock") in  
27 packages which already bear stamps issued by the Comptroller under the State  
28 Tobacco Tax Act but for an amount less than the full tax imposed of \$1 for each 10  
29 cigarettes or fractional part thereof; all cigarettes held for sale by any person in the  
30 State on or after July 1, 2007, that bear a stamp issued by the Comptroller of a value  
31 less than \$2 for each pack of 20 cigarettes must be stamped with the additional  
32 stamps necessary to make the aggregate tax value equal to \$2. The Comptroller may  
33 provide an alternative method of collecting the additional tax. The revenue  
34 attributable to this requirement shall be remitted to the Comptroller by September 30,



1 2007. Except as provided above, on or after July 1, 2007, no Maryland stamp shall be  
2 used except the stamp issued by the Comptroller to evidence the tobacco tax on  
3 cigarettes of \$2 imposed by this Act.

4 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of  
5 Health and Mental Hygiene shall notify the federal Centers for Medicare and  
6 Medicaid Services of an amendment to the State Medicaid Plan that would allow the  
7 State to phase in a coverage expansion under the Maryland Medical Assistance  
8 Program for all parents with whom a dependent child resides and who have a  
9 household income at or below 100% of the federal poverty level as follows:

10 (a) In fiscal year 2009, extend eligibility to each parent with an annual  
11 household income at or below 75% of the federal poverty level; and

12 (b) In fiscal year 2010, extend eligibility to each parent with an annual  
13 household income at or below 100% of the federal poverty level.

14 SECTION 4. AND BE IT FURTHER ENACTED, That, for fiscal year 2008,  
15 funds may be appropriated and transferred by budget amendment from the Healthy  
16 Maryland Initiative Fund in the amount and for the purposes specified as follows:

17 (a) \$30,000,000 for substance abuse treatment and prevention services  
18 funded through the Alcohol and Drug Abuse Administration;

19 (b) At least \$10,000,000 for the Maryland Medical Assistance Program,  
20 including:

21 (1) At least \$7,000,000 for coverage for all legal immigrant children  
22 under the age of 18 years and pregnant women; and

23 (2) At least \$3,000,000 to begin expansion of Medicaid eligibility for  
24 parents;

25 (c) \$10,000,000 for the specialty care network established under § 19-2111 of  
26 the Health – General Article; and

27 (d) \$15,000,000 for the Small Business Health Care Incentive Program  
28 established under Article 83A, § 5-2002 of the Code.

29 SECTION 5. AND BE IT FURTHER ENACTED, That the Department of  
30 Health and Mental Hygiene shall submit a report to the Governor, the Senate Budget  
31 and Taxation Committee, the Senate Finance Committee, the House Health and  
32 Government Operations Committee, and the House Ways and Means Committee on or

1 before January 1, 2008, on the implementation of the education and outreach  
2 campaign required under Section 1 of this Act. The report shall describe the specific  
3 efforts undertaken by the Department to enroll individuals eligible for but not enrolled  
4 in the Maryland Medical Assistance Program and quantify the number of individuals  
5 newly enrolled in the Program under the campaign.

6 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 2007.