SENATE BILL 234

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CF HB 439

By: **The President (By Request – Administration) and Senators Benson, Currie, Ferguson, Kelley, King, Middleton, Peters, Pugh, ~~and Rosapepe~~ Rosapepe, and Jones–Rodwell**

Introduced and read first time: January 20, 2012
Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 22, 2012

CHAPTER _____

AN ACT concerning

Maryland Health Improvement and Disparities Reduction Act of 2012

FOR the purpose of requiring the Secretary of Health and Mental Hygiene to designate certain areas as Health Enterprise Zones in a certain manner; specifying the purpose of establishing Health Enterprise Zones; ~~requiring~~ authorizing the ~~Department~~ Secretary, in consultation with the Community Health Resources Commission, to adopt certain regulations; requiring the Secretary to consult with the Office of Minority Health and Health Disparities in implementing this Act; authorizing certain nonprofit community–based organizations or local government agencies to apply to the ~~Commission~~ Secretary on behalf of certain areas for designation as Health Enterprise Zones; establishing certain procedures and requirements in connection with the application process; requiring the Commission to make certain recommendations to the Secretary; requiring the Secretary to consider certain factors when designating areas as health enterprise zones and authorizing the Secretary to direct the Commission to conduct certain outreach efforts; requiring the Commission to report to certain committees of the General Assembly on certain information after certain applications are received by the Commission; authorizing the Secretary to limit the number of areas designated as Health Enterprise Zones; requiring the Commission and Secretary to give priority to applications in a certain manner; requiring the Commission to provide funding in accordance with the designation of the Secretary of a Health Enterprise Zone; authorizing certain licensed health care providers who practice

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

in the Health Enterprise Zones to receive certain benefits, including certain grants; authorizing certain nonprofit community–based organizations or local government agencies to receive certain grants; establishing a Health Enterprise Zone Reserve Fund; requiring the Commission and the ~~Department~~ Secretary to submit certain annual reports; allowing a credit against the State income tax for certain health care providers who practice in Health Enterprise Zones under certain circumstances; ~~allowing certain nonprofit community–based organizations or local government agencies to assign certain tax credits~~ allowing a refundable State income tax credit in certain circumstances for certain health care providers who practice in, and hire certain health care providers to practice in, a Health Enterprise Zone; requiring the Department to certify to the Comptroller the applicability of the credit for each health care provider and the amount of each credit assigned; limiting the amount of the credits allowed for a fiscal year; requiring the Department, in consultation with the Comptroller, to adopt certain regulations; requiring a certain evaluation system to establish and incorporate a certain set of measures regarding racial and ethnic variations in quality and outcomes and include certain information on certain actions taken relating to health disparities; requiring a certain community benefit report to include certain information relating to health disparities; requiring certain institutions of higher education to make a certain annual report to the Governor and the General Assembly relating to health disparities; requiring the Health Services Cost Review Commission and the Maryland Health Care Commission to conduct a certain study, develop certain regulations, and report to the Governor and General Assembly on or before a certain date; requiring the Maryland Health Quality and Cost Council to convene a certain workgroup and issue a certain report on or before a certain date; defining certain terms; providing for the application of certain provisions of this Act; providing for the termination of certain provisions of this Act; and generally relating to health improvement and the reduction of health disparities.

BY adding to
Article – Health – General
Section 20–904; and 20–1401 through ~~20–1406~~ 20–1407 to be under the new subtitle "Subtitle 14. Health Enterprise Zones"
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

BY adding to
Article – Tax – General
Section 10–731
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,
Article – Health – General
Section 19–134(c) and 19–303(c)

Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

Preamble

WHEREAS, The State of Maryland has numerous advantages for its residents to enjoy good health care, such as the 3rd highest median household income, the 2nd highest number of primary care physicians per capita, the 10th lowest rate of smoking, and outstanding medical schools; and

WHEREAS, Despite these advantages, the State continues to lag behind other states on a number of key health indicators, such as ranking 43rd in infant mortality, 31st in early prenatal care, 28th in obesity prevalence, 31st in diabetes prevalence, 35th in cardiovascular deaths, 32nd in cancer deaths, and 33rd for geographic health disparities; and

WHEREAS, The State also demonstrates significant disparities in health care and health outcomes; and

WHEREAS, Examples of these disparities include a Black or African American death rate from HIV/AIDS that is 15 times higher than the White rate; an American Indian or Alaska Native end–stage kidney disease rate that is 3 times the White rate; an Asian or Pacific Islander death rate from tuberculosis that is 9 times higher than the White ~~rate, and~~ rate; a Hispanic rate of lack of health insurance that is 4.4 times the White rate; and a White rate of completion of advance directives that is 2 times the Minority rate; and

WHEREAS, Health disparities exist in urban, suburban, and rural communities in the State; and

WHEREAS, Communities where significant health disparities exist also often face shortages in the primary health care workforce, including nurses; and

WHEREAS, Health disparities are the result of modifiable health care system factors, community factors, and individual factors; and

WHEREAS, Key strategies for reducing and eliminating health disparities include collection and analysis of racial and ethnic data; inclusion of minority communities in health planning and outreach to those communities with health education and health services; cultural and linguistic health competency among service providers; diversity in the health care and public health workforce; access to primary care practitioners; and attention to the social determinants of health; and

WHEREAS, Health disparities present a serious fiscal challenge for our State and nation and result in significant costs; a 2009 report titled "The Economic Burden of Health and Equalities in the United States" released by the Joint Center for Political and Economic Studies found that between 2003 and 2006, the U.S. could have

saved nearly $230 billion in direct medical care costs if racial and ethnic health disparities did not exist; and

WHEREAS, By 2045, over one–half of the U.S. population will be persons of color, and in order to reach health equity and stem the tide of rising health care costs, the State must take advantage of the tools provided by the federal Affordable Care Act to expand access, eliminate disparities, and make Maryland the healthiest state in the nation; and

WHEREAS, The Maryland Health Quality and Cost Council formed a workgroup to examine ways to reduce health disparities in the State; and

WHEREAS, The workgroup noted significant disparities between blacks and whites in Maryland in hospital admission rates measured by the federal Agency for Healthcare Research and Quality; and

WHEREAS, The workgroup found that these admission disparities were especially high for lung disease, cardiovascular disease, and diabetes; and

WHEREAS, The workgroup and the Maryland Health Quality and Cost Council recommended taking aggressive action to reduce health disparities in Maryland and improve the health of all Marylanders; now, therefore,

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

Article – Health – General

SUBTITLE 14. HEALTH ENTERPRISE ZONES.

20–1401.

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

(B) "AREA" MEANS A CONTIGUOUS GEOGRAPHIC AREA THAT:

(1) DEMONSTRATES MEASURABLE AND DOCUMENTED HEALTH DISPARITIES AND POOR HEALTH OUTCOMES; AND

(2) IS SMALL ENOUGH TO ALLOW FOR THE INCENTIVES OFFERED UNDER THIS SUBTITLE TO HAVE A SIGNIFICANT IMPACT ON IMPROVING HEALTH OUTCOMES AND REDUCING HEALTH DISPARITIES, INCLUDING RACIAL, ETHNIC, AND GEOGRAPHIC HEALTH DISPARITIES.

(C) "COMMISSION" MEANS THE COMMUNITY HEALTH RESOURCES COMMISSION.

(D) "FUND" MEANS THE HEALTH ENTERPRISE ZONE RESERVE FUND ESTABLISHED UNDER § 20–1406 OF THIS SUBTITLE.

~~(D)~~ (E) "HEALTH ENTERPRISE ZONE" MEANS A CONTIGUOUS GEOGRAPHIC AREA THAT:

(1) DEMONSTRATES MEASURABLE AND DOCUMENTED HEALTH DISPARITIES AND POOR HEALTH OUTCOMES;

(2) IS SMALL ENOUGH TO ALLOW FOR THE INCENTIVES OFFERED UNDER THIS SUBTITLE TO HAVE A SIGNIFICANT IMPACT ON IMPROVING HEALTH OUTCOMES AND REDUCING HEALTH DISPARITIES, INCLUDING RACIAL, ETHNIC, AND GEOGRAPHIC HEALTH DISPARITIES; AND

(3) IS DESIGNATED AS A HEALTH ENTERPRISE ZONE BY THE COMMISSION AND THE SECRETARY IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE.

~~(E)~~ (F) "HEALTH ENTERPRISE ZONE PRACTITIONER" MEANS A ~~LICENSED HEALTH CARE PROVIDER WHO PRACTICES AS A FAMILY PHYSICIAN, AN INTERNIST, A PEDIATRICIAN, AN OBSTETRICIAN, A GYNECOLOGIST, A GERIATRICIAN, A PSYCHIATRIST, A DENTIST, OR A PRIMARY CARE NURSE PRACTITIONER~~ HEALTH CARE PRACTITIONER WHO IS LICENSED OR CERTIFIED UNDER THE HEALTH OCCUPATIONS ARTICLE AND WHO PROVIDES:

(1) PRIMARY CARE, INCLUDING OBSTETRICS, GYNECOLOGICAL SERVICES, PEDIATRIC SERVICES, OR GERIATRIC SERVICES;

(2) BEHAVIORAL HEALTH SERVICES, INCLUDING MENTAL HEALTH OR ALCOHOL AND SUBSTANCE ABUSE SERVICES; OR

(3) DENTAL SERVICES.

20–1402.

(A) THE PURPOSE OF ESTABLISHING HEALTH ENTERPRISE ZONES IS TO TARGET STATE RESOURCES TO REDUCE HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES, AND REDUCE HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS IN SPECIFIC AREAS OF THE STATE.

(B) (1) THE ~~DEPARTMENT~~ SECRETARY, IN CONSULTATION WITH THE COMMISSION, ~~SHALL~~ MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE AND TO SPECIFY ELIGIBILITY CRITERIA AND APPLICATION, APPROVAL, AND MONITORING PROCESSES FOR THE BENEFITS UNDER THIS SUBTITLE.

(2) THE SECRETARY SHALL CONSULT WITH THE OFFICE OF MINORITY HEALTH AND HEALTH DISPARITIES IN IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE.

20–1403.

(A) IN ORDER FOR AN AREA TO RECEIVE DESIGNATION AS A HEALTH ENTERPRISE ZONE, A NONPROFIT COMMUNITY–BASED ORGANIZATION OR A LOCAL GOVERNMENT AGENCY SHALL APPLY TO THE ~~COMMISSION~~ SECRETARY ON BEHALF OF THE AREA TO RECEIVE DESIGNATION.

(B) THE APPLICATION SHALL BE IN THE FORM AND MANNER AND CONTAIN THE INFORMATION THAT THE COMMISSION AND THE SECRETARY REQUIRE.

(C) THE APPLICATION SHALL CONTAIN AN EFFECTIVE AND SUSTAINABLE PLAN TO REDUCE HEALTH DISPARITIES, REDUCE COSTS OR PRODUCE SAVINGS TO THE HEALTH CARE SYSTEM, AND IMPROVE HEALTH OUTCOMES, INCLUDING:

(1) A DESCRIPTION OF THE PLAN OF THE NONPROFIT COMMUNITY–BASED ORGANIZATION OR LOCAL GOVERNMENT AGENCY TO UTILIZE FUNDING AVAILABLE UNDER THIS SUBTITLE TO ADDRESS HEALTH CARE PROVIDER CAPACITY, IMPROVE HEALTH SERVICES DELIVERY, EFFECTUATE COMMUNITY IMPROVEMENTS, OR CONDUCT OUTREACH AND EDUCATION EFFORTS; AND

(2) A PROPOSAL TO USE FUNDING AVAILABLE UNDER THIS SUBTITLE TO PROVIDE FOR LOAN REPAYMENT INCENTIVES TO INDUCE HEALTH ENTERPRISE ZONE PRACTITIONERS TO PRACTICE IN THE AREA.

(D) THE APPLICATION MAY ALSO CONTAIN A PLAN TO UTILIZE OTHER BENEFITS, INCLUDING:

(1) TAX CREDITS AVAILABLE UNDER THIS SUBTITLE AND § 10–731 OF THE TAX – GENERAL ARTICLE TO ENCOURAGE HEALTH ENTERPRISE ZONE PRACTITIONERS TO ESTABLISH OR EXPAND HEALTH CARE PRACTICES IN THE AREA; ~~AND~~

(2) A PROPOSAL TO USE INNOVATIVE PUBLIC HEALTH STRATEGIES TO REDUCE HEALTH DISPARITIES IN THE AREA, SUCH AS THE USE OF COMMUNITY HEALTH WORKERS, HEALTH COACHES, REGISTERED DIETICIANS, OPTOMETRISTS, PEER LEARNING, AND COMMUNITY–BASED DISEASE MANAGEMENT ACTIVITIES, THAT COULD BE SUPPORTED BY GRANTS AWARDED UNDER THIS SUBTITLE; AND

~~(2)~~ (3) A PROPOSAL TO USE OTHER INCENTIVES OR MECHANISMS TO ADDRESS HEALTH DISPARITIES THAT FOCUS ON WAYS TO EXPAND ACCESS TO CARE, EXPAND ACCESS TO FRESH PRODUCE THROUGH GROCERY STORES AND FARMER'S MARKETS, PROMOTE HIRING, AND REDUCE COSTS TO THE HEALTH CARE SYSTEM.

20–1404.

(A) THE COMMISSION SHALL MAKE RECOMMENDATIONS TO THE SECRETARY ON THE DESIGNATION OF HEALTH ENTERPRISE ZONES UNDER THIS SUBTITLE.

(B) (1) THE SECRETARY SHALL DESIGNATE AREAS AS HEALTH ENTERPRISE ZONES IN ACCORDANCE WITH THIS SUBTITLE.

(2) THE SECRETARY SHALL CONSIDER GEOGRAPHIC DIVERSITY, AMONG OTHER FACTORS, WHEN DESIGNATING AREAS AS HEALTH ENTERPRISE ZONES AND MAY DIRECT THE COMMISSION TO CONDUCT OUTREACH EFFORTS TO FACILITATE A GEOGRAPHICALLY DIVERSE POOL OF APPLICANTS, INCLUDING PROMOTING APPLICATIONS FROM RURAL AREAS.

(3) AFTER RECEIVING ALL APPLICATIONS SUBMITTED TO THE COMMISSION, THE COMMISSION SHALL REPORT, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON THE NAMES OF APPLICANTS AND GEOGRAPHIC AREAS IN WHICH APPLICANTS ARE LOCATED.

(C) THE SECRETARY MAY LIMIT THE NUMBER OF AREAS DESIGNATED AS HEALTH ENTERPRISE ZONES IN ACCORDANCE WITH THE STATE BUDGET.

(D) THE COMMISSION AND THE SECRETARY SHALL GIVE PRIORITY TO APPLICATIONS THAT DEMONSTRATE THE FOLLOWING:

(1) SUPPORT FROM AND PARTICIPATION OF KEY STAKEHOLDERS IN THE PUBLIC AND PRIVATE SECTORS, INCLUDING RESIDENTS OF THE AREA AND LOCAL GOVERNMENT;

(2) A PLAN FOR LONG–TERM FUNDING AND SUSTAINABILITY;

(3) INCLUSION OF SUPPORTING FUNDS FROM THE PRIVATE SECTOR;

(4) ~~THE SUPPORT~~ INTEGRATION WITH THE STATE HEALTH IMPROVEMENT PROCESS AND THE GOALS SET OUT IN THE STRATEGIC PLAN OF THE LOCAL HEALTH IMPROVEMENT COALITION;

(5) A PLAN FOR EVALUATION OF THE IMPACT OF DESIGNATION OF THE PROPOSED AREA AS A HEALTH ENTERPRISE ZONE; AND

(6) OTHER FACTORS THAT THE COMMISSION AND THE SECRETARY DETERMINE ARE APPROPRIATE TO DEMONSTRATE A COMMITMENT TO REDUCE DISPARITIES AND IMPROVE HEALTH OUTCOMES.

(E) THE DECISION OF THE SECRETARY TO DESIGNATE AN AREA AS A HEALTH ENTERPRISE ZONE IS FINAL.

20–1405.

(A) HEALTH ENTERPRISE ZONE PRACTITIONERS THAT PRACTICE IN A HEALTH ENTERPRISE ZONE MAY RECEIVE:

(1) TAX CREDITS AGAINST THE STATE INCOME TAX AS PROVIDED IN § 10–731 OF THE TAX – GENERAL ARTICLE;

(2) LOAN REPAYMENT ASSISTANCE, AS PROVIDED FOR IN THE APPLICATION FOR DESIGNATION FOR THE HEALTH ENTERPRISE ZONE AND APPROVED BY THE SECRETARY AND THE COMMISSION UNDER THIS SUBTITLE;

(3) PRIORITY TO ENTER THE MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM, IF THE HEALTH ENTERPRISE ZONE PRACTITIONER MEETS THE STANDARDS DEVELOPED BY THE MARYLAND HEALTH CARE COMMISSION FOR ENTRY INTO THE PROGRAM; AND

(4) PRIORITY FOR THE RECEIPT OF ANY STATE FUNDING AVAILABLE FOR ELECTRONIC HEALTH RECORDS, IF FEASIBLE AND IF OTHER STANDARDS FOR RECEIPT OF THE FUNDING ARE MET.

(B) A NONPROFIT COMMUNITY–BASED ORGANIZATION OR A LOCAL GOVERNMENT AGENCY THAT APPLIES ON BEHALF OF AN AREA FOR DESIGNATION AS A HEALTH ENTERPRISE ZONE MAY RECEIVE GRANTS, AS DETERMINED BY THE COMMISSION AND THE SECRETARY, TO IMPLEMENT ACTIONS OUTLINED IN THE ORGANIZATION'S OR AGENCY'S APPLICATION TO IMPROVE HEALTH OUTCOMES AND REDUCE HEALTH DISPARITIES IN THE HEALTH ENTERPRISE ZONE.

(C) (1) A HEALTH ENTERPRISE ZONE PRACTITIONER MAY APPLY TO THE SECRETARY FOR A GRANT TO DEFRAY THE COSTS OF CAPITAL OR LEASEHOLD IMPROVEMENTS TO, OR MEDICAL OR DENTAL EQUIPMENT TO BE USED IN, A HEALTH ENTERPRISE ZONE.

(2) TO QUALIFY FOR A GRANT UNDER PARAGRAPH (1) OF THIS SUBSECTION, A HEALTH ENTERPRISE ZONE PRACTITIONER SHALL:

(I) OWN OR LEASE THE HEALTH CARE FACILITY; AND

(II) PROVIDE HEALTH CARE FROM THAT FACILITY.

(3) (I) A GRANT TO DEFRAY THE COST OF MEDICAL OR DENTAL EQUIPMENT MAY NOT EXCEED THE LESSER OF $25,000 OR 50% OF THE COST OF THE EQUIPMENT.

(II) GRANTS FOR CAPITAL OR LEASEHOLD IMPROVEMENTS SHALL BE FOR THE PURPOSES OF IMPROVING OR EXPANDING THE DELIVERY OF HEALTH CARE IN THE HEALTH ENTERPRISE ZONE.

20–1406.

(A) THERE IS A HEALTH ENTERPRISE ZONE RESERVE FUND.

(B) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(C) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(D) THE MONEY IN THE FUND SHALL BE USED FOR:

(1) ANY ACTIVITY AUTHORIZED UNDER THIS SUBTITLE; AND

(2) THE STATE INCOME TAX CREDIT AUTHORIZED UNDER § 10–731 OF THE TAX – GENERAL ARTICLE.

(E) THE COMMISSION SHALL ADMINISTER THE FUND AND PROVIDE FUNDING IN ACCORDANCE WITH THE DESIGNATION BY THE SECRETARY OF A HEALTH ENTERPRISE ZONE UNDER THIS SUBTITLE.

20–1407.

ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE COMMISSION AND THE ~~DEPARTMENT~~ SECRETARY SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, A REPORT THAT INCLUDES:

(1) THE NUMBER AND TYPES OF INCENTIVES GRANTED IN EACH HEALTH ENTERPRISE ZONE;

(2) ~~ANY EVIDENCE~~ EVIDENCE OF THE ~~SUCCESS~~ IMPACT OF THE TAX AND LOAN REPAYMENT INCENTIVES IN ATTRACTING HEALTH ENTERPRISE ZONE PRACTITIONERS TO HEALTH ENTERPRISE ZONES;

(3) ~~ANY EVIDENCE~~ EVIDENCE OF THE ~~SUCCESS~~ IMPACT OF THE INCENTIVES OFFERED IN HEALTH ENTERPRISE ZONES IN REDUCING HEALTH DISPARITIES AND IMPROVING HEALTH OUTCOMES; AND

(4) ~~ANY EVIDENCE~~ EVIDENCE OF THE ~~SUCCESS~~ PROGRESS IN REDUCING HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS IN HEALTH ENTERPRISE ZONES.

Article – Tax – General

10–731.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

(3) "FUND" MEANS THE HEALTH ENTERPRISE ZONE RESERVE FUND ESTABLISHED UNDER § 20–1406 OF THE HEALTH – GENERAL ARTICLE.

~~(3)~~ (4) "HEALTH ENTERPRISE ZONE" HAS THE MEANING STATED IN § 20–1401 OF THE HEALTH – GENERAL ARTICLE.

~~(4)~~ (5) "HEALTH ENTERPRISE ZONE PRACTITIONER" HAS THE MEANING STATED IN § 20–1401 OF THE HEALTH – GENERAL ARTICLE.

(6) "QUALIFIED EMPLOYEE" MEANS A HEALTH ENTERPRISE ZONE PRACTITIONER, COMMUNITY HEALTH WORKER, OR INTERPRETER WHO:

(I) PROVIDES DIRECT SUPPORT TO A HEALTH ENTERPRISE ZONE PRACTITIONER; AND

(II) EXPANDS ACCESS TO SERVICES IN A HEALTH ENTERPRISE ZONE.

(7) (I) "QUALIFIED POSITION" MEANS A QUALIFIED EMPLOYEE POSITION THAT:

1. PAYS AT LEAST 150% OF THE FEDERAL MINIMUM WAGE;

2. IS FULL TIME AND OF INDEFINITE DURATION;

3. IS LOCATED IN A HEALTH ENTERPRISE ZONE;

4. IS NEWLY CREATED AS A RESULT OF THE ESTABLISHMENT OF, OR EXPANSION OF SERVICES IN, A HEALTH ENTERPRISE ZONE; AND

5. IS FILLED.

(II) "QUALIFIED POSITION" DOES NOT INCLUDE A POSITION THAT IS FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

(B) A HEALTH ENTERPRISE ZONE PRACTITIONER WHO PRACTICES HEALTH CARE IN A HEALTH ENTERPRISE ZONE MAY BE ELIGIBLE FOR A TAX CREDIT AGAINST THE STATE INCOME TAX IN ACCORDANCE WITH A PROPOSAL APPROVED BY THE SECRETARY OF HEALTH AND MENTAL HYGIENE, IF THE INDIVIDUAL:

(1) DEMONSTRATES COMPETENCY IN CULTURAL, LINGUISTIC, AND HEALTH LITERACY IN A MANNER DETERMINED BY THE DEPARTMENT;

(2) ACCEPTS AND PROVIDES CARE FOR PATIENTS ENROLLED IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM AND FOR UNINSURED PATIENTS; AND

(3) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE DEPARTMENT.

(C) (1) A NONPROFIT COMMUNITY–BASED ORGANIZATION OR A LOCAL GOVERNMENT AGENCY ~~MAY SUBMIT~~ THAT SUBMITS A PROPOSAL TO THE DEPARTMENT AND THE COMMUNITY HEALTH RESOURCES COMMISSION UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE ~~REQUESTING AN ALLOCATION OF TAX CREDITS AGAINST THE STATE INCOME TAX FOR USE BY~~ MAY ALSO SUBMIT TO THE DEPARTMENT A REQUEST FOR CERTIFICATION OF ELIGIBILITY FOR CERTAIN INCOME TAX CREDITS ON BEHALF OF A HEALTH ENTERPRISE ZONE ~~PRACTITIONERS~~ PRACTITIONER PRACTICING OR SEEKING TO PRACTICE IN A HEALTH ENTERPRISE ZONE.

(2) THE PROPOSAL SHALL MEET THE REQUIREMENTS SPECIFIED UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE.

(D) ~~IF THE DEPARTMENT APPROVES A PROPOSAL SUBMITTED UNDER THIS SECTION AND UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE, THE NONPROFIT COMMUNITY BASED ORGANIZATION OR LOCAL GOVERNMENT AGENCY THAT SUBMITTED THE PROPOSAL MAY ASSIGN THE TAX CREDIT AMOUNTS ALLOCATED TO THE HEALTH ENTERPRISE ZONE FOR A TAXABLE YEAR TO HEALTH ENTERPRISE ZONE PRACTITIONERS THAT ESTABLISH, EXPAND, OR MAINTAIN HEALTH CARE PRACTICES IN THE HEALTH ENTERPRISE ZONE DURING THE TAXABLE YEAR AND MEET THE REQUIREMENTS OF THIS SECTION.~~

~~(E) A HEALTH ENTERPRISE ZONE PRACTITIONER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE AMOUNT OF THE TAX CREDIT ASSIGNED BY THE NONPROFIT COMMUNITY–BASED ORGANIZATION OR LOCAL GOVERNMENT AGENCY, AS CERTIFIED BY THE DEPARTMENT, FOR THE TAXABLE YEAR~~

(1) IF THE DEPARTMENT APPROVES A REQUEST FOR CERTIFICATION SUBMITTED UNDER THIS SECTION, A HEALTH ENTERPRISE ZONE PRACTITIONER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 100% OF THE AMOUNT OF THE STATE INCOME TAX EXPECTED TO BE DUE FROM THE HEALTH ENTERPRISE ZONE PRACTITIONER FROM INCOME TO BE DERIVED FROM PRACTICE IN THE HEALTH ENTERPRISE ZONE, AS CERTIFIED BY THE DEPARTMENT FOR THE TAXABLE YEAR.

(2) (I) IN ADDITION TO THE STATE INCOME TAX CREDIT PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, A HEALTH ENTERPRISE ZONE PRACTITIONER MAY CLAIM A REFUNDABLE CREDIT OF $10,000 AGAINST THE STATE INCOME TAX FOR HIRING FOR A QUALIFIED POSITION IN THE HEALTH ENTERPRISE ZONE, AS CERTIFIED BY THE DEPARTMENT FOR THE TAXABLE YEAR.

(II) TO BE ELIGIBLE FOR THE CREDIT PROVIDED UNDER THIS PARAGRAPH, A HEALTH ENTERPRISE ZONE PRACTITIONER MAY CREATE ONE OR MORE QUALIFIED POSITIONS DURING ANY 24–MONTH PERIOD.

(III) THE CREDIT EARNED UNDER THIS PARAGRAPH SHALL BE TAKEN OVER A 24–MONTH PERIOD, WITH ONE–HALF FOR THE CREDIT AMOUNT ALLOWED EACH YEAR BEGINNING WITH THE FIRST TAXABLE YEAR IN WHICH THE CREDIT IS CERTIFIED.

(IV) IF THE QUALIFIED POSITION IS FILLED FOR A PERIOD OF LESS THAN 24 MONTHS, THE TAX CREDIT SHALL BE RECAPTURED AS FOLLOWS:

1. THE TAX CREDIT SHALL BE RECOMPUTED AND REDUCED ON A PRORATED BASIS, BASED ON THE PERIOD OF TIME THE POSITION WAS FILLED, AS DETERMINED BY THE DEPARTMENT AND REPORTED TO THE COMPTROLLER; AND

2. THE HEALTH ENTERPRISE ZONE PRACTITIONER WHO RECEIVED THE TAX CREDIT SHALL REPAY ANY AMOUNT OF THE CREDIT THAT MAY HAVE ALREADY BEEN REFUNDED TO THE PRACTITIONER THAT EXCEEDS THE AMOUNT RECOMPUTED BY THE DEPARTMENT IN ACCORDANCE WITH ITEM 1 OF THIS SUBPARAGRAPH.

(3) (I) TO BE CERTIFIED AS ELIGIBLE FOR THE CREDITS PROVIDED UNDER THIS SECTION, A HEALTH ENTERPRISE ZONE PRACTITIONER MAY APPLY FOR CERTIFICATION THROUGH THE NONPROFIT COMMUNITY–BASED ORGANIZATION OR LOCAL GOVERNMENT THAT SUBMITS AN APPROVED PROPOSAL UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE.

(II) 1. ELIGIBILITY FOR THE CERTIFICATION FOR THE CREDITS PROVIDED UNDER THIS SECTION IS LIMITED BY AVAILABILITY OF BUDGETED FUNDS FOR THAT PURPOSE, AS DETERMINED BY THE DEPARTMENT.

2. CERTIFICATES OF ELIGIBILITY SHALL BE SUBJECT TO APPROVAL BY THE DEPARTMENT ON A FIRST–COME,

FIRST–SERVED BASIS, AS DETERMINED BY THE DEPARTMENT IN ITS SOLE DISCRETION.

~~(F)~~ (E) THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE APPLICABILITY OF THE CREDIT PROVIDED UNDER THIS SECTION FOR EACH HEALTH ENTERPRISE ZONE PRACTITIONER AND THE AMOUNT OF EACH CREDIT ASSIGNED TO A HEALTH ENTERPRISE ZONE PRACTITIONER, FOR EACH TAXABLE YEAR.

~~(G)~~ (F) THE CREDITS ALLOWED UNDER THIS SECTION FOR A FISCAL YEAR MAY NOT EXCEED THE AMOUNT PROVIDED FOR IN THE STATE BUDGET FOR THAT FISCAL YEAR.

~~(H)~~ (G) THE DEPARTMENT, IN CONSULTATION WITH THE COMPTROLLER, SHALL ADOPT REGULATIONS TO IMPLEMENT THE TAX CREDIT UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Health – General

19–134.

(c) (1) The Commission shall:

(i) Establish and implement a system to comparatively evaluate the quality of care and performance of categories of health benefit plans as determined by the Commission on an objective basis; and

(ii) Annually publish the summary findings of the evaluation.

(2) The purpose of the evaluation system established under this subsection is to assist carriers to improve care by establishing a common set of quality and performance measurements and disseminating the findings to carriers and other interested parties.

(3) The system, where appropriate, shall:

(i) Solicit performance information from enrollees of health benefit plans; **[**and**]**

(ii) **[**On or before October 1, 2007, to the extent feasible, incorporate racial and ethnic variations**]** **ESTABLISH AND INCORPORATE A**

STANDARD SET OF MEASURES REGARDING RACIAL AND ETHNIC VARIATIONS IN QUALITY AND OUTCOMES; AND

(III) INCLUDE INFORMATION ON THE ACTIONS TAKEN BY CARRIERS TO TRACK AND REDUCE HEALTH DISPARITIES, INCLUDING WHETHER THE HEALTH BENEFIT PLAN PROVIDES CULTURALLY APPROPRIATE EDUCATIONAL MATERIALS FOR ITS MEMBERS.

(4) (i) The Commission shall adopt regulations to establish the system of evaluation provided under this subsection.

(ii) Before adopting regulations to implement an evaluation system under this subsection, the Commission shall consider recommendations of nationally recognized organizations that are involved in quality of care and performance measurement.

(III) IN IMPLEMENTING PARAGRAPH (3)(II) AND (III) OF THIS SUBSECTION, THE COMMISSION SHALL CONSULT WITH APPROPRIATE STAKEHOLDERS, INCLUDING AT LEAST ONE REPRESENTATIVE OF A CARRIER THAT DOES BUSINESS PREDOMINANTLY IN THE STATE AND A CARRIER THAT DOES BUSINESS IN THE STATE AND NATIONALLY, TO DETERMINE NATIONAL STANDARDS FOR EVALUATING THE EFFECTIVENESS OF CARRIERS IN ADDRESSING HEALTH DISPARITIES AND TO FULFILL THE PURPOSES OF PARAGRAPH (3)(II) AND (III) OF THIS SUBSECTION IN A MANNER THAT CAN BE EASILY REPLICATED IN OTHER STATES.

(5) The Commission may contract with a private, nonprofit entity to implement the system required under this subsection provided that the entity is not an insurer.

(6) The annual evaluation summary required under paragraph (1) of this subsection shall include to the extent feasible information on racial and ethnic variations.

19–303.

(c) (1) Each nonprofit hospital shall submit an annual community benefit report to the Health Services Cost Review Commission detailing the community benefits provided by the hospital during the preceding year.

(2) The community benefit report shall include:

(i) The mission statement of the hospital;

(ii) A list of the initiatives that were undertaken by the hospital;

(iii) The cost to the hospital of each community benefit initiative;

(iv) The objectives of each community benefit initiative;

(v) A description of efforts taken to evaluate the effectiveness of each community benefit initiative; **[**and**]**

(vi) A description of gaps in the availability of specialist providers to serve the uninsured in the hospital**; AND**

(VII) A DESCRIPTION OF THE HOSPITAL'S EFFORTS TO TRACK AND REDUCE HEALTH DISPARITIES IN THE COMMUNITY THAT THE HOSPITAL SERVES~~, IN THE FORM SET BY THE DEPARTMENT BY REGULATION~~.

20–904.

(A) ON OR BEFORE DECEMBER 1 OF EACH YEAR, EACH INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT ~~INCLUDES IN THE CURRICULUM COURSES~~ OFFERS A PROGRAM NECESSARY FOR THE LICENSING OF HEALTH CARE PROFESSIONALS IN THE STATE SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE ACTIONS TAKEN BY THE INSTITUTION TO REDUCE HEALTH DISPARITIES.

(B) THE ~~DEPARTMENT~~ SECRETARY MAY SET STANDARDS FOR THE FORM OF THE REPORT REQUIRED UNDER THIS SECTION.

SECTION 3. AND BE IT FURTHER ENACTED, That the Health Services Cost Review Commission and the Maryland Health Care Commission shall:

(1) Study the feasibility of including racial and ethnic performance data tracking in quality incentive programs;

(2) In coordination with the evaluation of the Maryland Patient Centered Medical Home, develop recommendations for criteria and standards to measure the impact of the Maryland Patient Centered Medical Home on eliminating disparities in health care outcomes;

~~(2)~~ (3) Report to the General Assembly on or before January 1, 2013, data by race and ethnicity in quality incentive programs where feasible and recommendations for criteria and standards to measure the impact of the Maryland Patient Centered Medical Home on eliminating disparities in health care outcomes; and

~~(3)~~ (4) Submit a report on or before January 1, 2013, to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly

that explains when data cannot be reported by race and ethnicity and describes any necessary changes to overcome those limitations.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(1) ~~the~~ The Maryland Health Quality and Cost Council shall:

~~(1)~~ (i) Convene a workgroup to examine appropriate standards for cultural and linguistic competency for medical and behavioral health treatment and the feasibility and desirability of incorporating these standards into reporting by health care providers and tiering of reimbursement rates by payors; ~~and~~

(ii) Assess the feasibility of and develop recommendations for criteria and standards establishing multicultural health care equity and assessment programs for the Maryland Patient Centered Medical Home program and other health care settings; and

(iii) Recommend criteria for health care providers in the State to receive continuing education in multicultural health care, including cultural competency and health literacy training.

(2) The workgroup established under this section may include representatives from:

(i) The Maryland Health Care Commission;

(ii) The Maryland Office of Minority Health and Health Disparities;

(iii) Academic centers of health literacy and academic centers for health disparities research;

(iv) The Department of Health and Mental Hygiene;

(v) Health Occupations Boards in the State;

(vi) A wide range of health care professionals and providers;

(vii) Experts on health disparities and health literacy;

(viii) Accreditation entities, including the National Committee for Quality Assurance and URAC;

(ix) Members of the Maryland Patient Centered Medical Home Program Learning Collaborative; and

(x) The Maryland Advisory Council on Mental Hygiene/Cultural Competence Advisory Group.

(3) The academic centers of health literacy and the academic centers for health disparities research shall assist the Maryland Health Care Commission and the Department of Health and Mental Hygiene in staffing and leading the workgroup.

~~(2)~~ (4) ~~Submit~~ The workgroup shall submit a report to the ~~Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly~~ Maryland Quality and Cost Council on or before ~~January~~ December 1, 2013, on its findings and recommendations.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2012, but before January 1, 2016.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 2012. It shall remain effective for a period of 4 years and, at the end of June 30, 2016, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.

SECTION 7. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect on October 1, 2012.

SECTION 8. AND BE IT FURTHER ENACTED, That, except as provided in Sections 6 and 7 of this Act, this Act shall take effect July 1, 2012.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.