HOUSE BILL 444

J1, Q3

By: Delegate Queen

Introduced and read first time: January 26, 2017 Assigned to: Health and Government Operations and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

Public Health – Participation in Healthy Lifestyle Programs – Incentives and Tax Credits

4 FOR the purpose of altering the authorized uses of the HealthChoice Performance Incentive $\mathbf{5}$ Fund to include financial incentives designed to promote participation in a healthy 6 lifestyle program by Maryland Medical Assistance Program managed care 7 organization enrollees; authorizing an individual who meets certain requirements to 8 claim a credit against the State income tax for participation in a healthy lifestyle 9 program; establishing the amount of the credit; prohibiting the credit from exceeding a certain amount for certain individuals; authorizing certain individuals to claim a 10 11 tax refund in a certain amount and under certain circumstances; repealing certain 12obsolete provisions of law; defining certain terms; providing for the application of 13 certain provisions of this Act; and generally relating to incentives and tax credits for 14 participation in healthy lifestyle programs.

15 BY repealing and reenacting, with amendments,

- 16 Article Health General
- 17 Section 15–103.3
- 18 Annotated Code of Maryland
- 19 (2015 Replacement Volume and 2016 Supplement)
- 20 BY adding to
- 21 Article Tax General
- 22 Section 10–741
- 23 Annotated Code of Maryland
- 24 (2016 Replacement Volume)
- 25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 26 That the Laws of Maryland read as follows:
- 27

Article – Health – General

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



1	15–103.3.
$2 \\ 3$	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
45	(2) "Fund" means the HealthChoice Performance Incentive Fund.
6 7	(3) (I) "HEALTHY LIFESTYLE PROGRAM" MEANS AN ORGANIZED PROGRAM DESIGNED TO:
8	1. PROMOTE A HEALTHY LIFESTYLE; AND
9	2. PREVENT OR REDUCE CHRONIC DISEASE.
10	(II) "HEALTHY LIFESTYLE PROGRAM" INCLUDES:
11	1. A SMOKING CESSATION PROGRAM;
12	2. A WEIGHT LOSS PROGRAM;
13	3. AN EXERCISE PROGRAM; AND
14	4. A PHYSICIAN–PLANNED PROGRAM.
$\begin{array}{c} 15\\ 16 \end{array}$	[(a)] (B) There is a HealthChoice Performance Incentive Fund established in the Department.
17 18	[(b)] (C) (1) The Department shall pay all fines collected under § 15–103(b)(12)(v) of this subtitle to the Comptroller of the State.
19	(2) The Comptroller shall distribute the fines to the Fund.
20 21 22	[(c)] (D) (1) [(i) Except as otherwise provided in this paragraph, the] THE Fund shall be used exclusively for the provider reimbursement budget under the HealthChoice Program, including providing financial incentives designed to [improve]:
$23\\24$	(I) IMPROVE the quality of care to managed care organizations that exceed performance targets; AND
$\frac{25}{26}$	(II) PROMOTE PARTICIPATION IN A HEALTHY LIFESTYLE PROGRAM BY MANAGED CARE ORGANIZATION ENROLLEES.

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1 For fiscal years 2004 through 2006, the Fund shall be used (ii) $\mathbf{2}$ exclusively to provide grants to Medbank of Maryland, Inc. 3 (iii) The grant to Medbank of Maryland, Inc. under this section may not exceed: 4 $\mathbf{5}$ 1. \$1,200,000 in fiscal 2004; 6 2.\$1,000,000 in fiscal 2005; and 7 3. \$500,000 in fiscal 2006.] 8 (2)The Fund is a continuing nonlapsing fund not subject to § 7–302 of the 9 State Finance and Procurement Article. 10 (3)Except as provided in paragraph (4) of this subsection, any unspent portions of the Fund may not be transferred or revert to the General Fund of the State, but 11 shall remain in the Fund to be used for the purposes specified in this section. 1213 At the end of each fiscal year, any amount in excess of \$3 million shall (4)revert to the General Fund. 1415[(d)] (E) (1)The Secretary or the Secretary's designee shall administer the Fund. 16 17(2)The Secretary shall adopt regulations to carry out the provisions of this 18section, including the distribution of money from the Fund to managed care organizations. 19 [(e)] **(F)** The Legislative Auditor shall audit the accounts and transactions of the 20Fund as provided in § 2–1220 of the State Government Article. 21SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read 22as follows: 23Article - Tax - General 10-741. 24IN THIS SECTION, "HEALTHY LIFESTYLE PROGRAM" HAS THE MEANING 25(A) STATED IN § 15–103.3(A) OF THE HEALTH – GENERAL ARTICLE. 2627**(B)** AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR PARTICIPATION IN A 28HEALTHY LIFESTYLE PROGRAM. 29

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$\frac{1}{2}$	(C) SHALL:	TO BE ELIGIBLE FOR A CREDIT UNDER THIS SECTION, AN INDIVIDUAL
$\frac{3}{4}$	IN:	(1) BE ENROLLED, FOR AT LEAST 9 MONTHS OF THE TAXABLE YEAR,
$5 \\ 6$	HEALTH B	(I) A HEALTH BENEFIT PLAN THROUGH THE MARYLAND ENEFIT EXCHANGE;
7		(II) THE MARYLAND MEDICAL ASSISTANCE PROGRAM; OR
8		(III) THE MARYLAND CHILDREN'S HEALTH PROGRAM; AND
9 10	LIFESTYLE	(2) SHOW EVIDENCE OF ACTIVE PARTICIPATION IN A HEALTHY PROGRAM FOR AT LEAST 9 MONTHS OF THE TAXABLE YEAR.
11	(D)	THE CREDIT UNDER THIS SECTION:
$\frac{12}{13}$	REQUIREM	(1) SHALL BE \$500 FOR EACH INDIVIDUAL WHO MEETS THE ENTS OF THIS SECTION; AND
$\begin{array}{c} 14 \\ 15 \end{array}$	DEPENDEN	(2) MAY NOT EXCEED \$1,500 FOR AN INDIVIDUAL, SPOUSE, AND ITS.
16 17 18 19		IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR THE TOTAL INCOME TAX OTHERWISE PAYABLE BY AN INDIVIDUAL FOR ABLE YEAR, THE INDIVIDUAL MAY CLAIM A REFUND IN THE AMOUNT OF S.
$\begin{array}{c} 20\\ 21 \end{array}$		FION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be o all taxable years beginning after December 31, 2017.
$\frac{22}{23}$	SECT October 1, 2	FION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect 2017.