

HOUSE BILL 1098

C3

9lr1749

By: **Delegate Kipke**

Introduced and read first time: February 8, 2019

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2019

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Maryland Health Benefit Exchange – Small Business Tax**
3 **Credit Subsidy**

4 FOR the purpose of altering the contents of the Maryland Health Benefit Exchange Fund;
5 ~~requiring~~ authorizing the Maryland Health Benefit Exchange, in consultation with
6 the Maryland Insurance Commissioner and as approved by the Board of Trustees of
7 the Exchange, to submit a waiver under certain provisions of federal law ~~as soon as~~
8 ~~practicable but not later than a certain date~~ to allow the State to administer certain
9 tax credit assistance to small businesses; requiring the Exchange to determine,
10 before applying for a certain waiver of certain provisions of federal law, whether the
11 State needs to apply for a certain waiver to distribute certain tax credit assistance
12 to small businesses to certain employers on a certain basis; and generally relating to
13 the Maryland Health Benefit Exchange and a small business tax credit subsidy.

14 BY repealing and reenacting, without amendments,
15 Article – Insurance
16 Section 31–102(a) and (c)(3) and 31–107(a), (b)(1)(i), and (f)(1)
17 Annotated Code of Maryland
18 (2017 Replacement Volume and 2018 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Insurance
21 Section 31–107(e)
22 Annotated Code of Maryland
23 (2017 Replacement Volume and 2018 Supplement)

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.



1 BY adding to
2 Article – Insurance
3 Section 31–121
4 Annotated Code of Maryland
5 (2017 Replacement Volume and 2018 Supplement)

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

8 **Article – Insurance**

9 31–102.

10 (a) There is a Maryland Health Benefit Exchange.

11 (c) The purposes of the Exchange are to:

12 (3) assist qualified employers in the State in facilitating the enrollment of
13 their employees in qualified health plans in the small group market in the State and in
14 accessing small business tax credits;

15 31–107.

16 (a) There is a Maryland Health Benefit Exchange Fund.

17 (b) (1) The purpose of the Fund is to:

18 (i) provide funding for the operation and administration of the
19 Exchange in carrying out the purposes of the Exchange under this title; and

20 (e) The Fund consists of:

21 (1) any user fees or other assessments collected by the Exchange;

22 (2) all revenue deposited into the Fund that is received from the
23 distribution of the premium tax under § 6–103.2 of this article;

24 (3) income from investments made on behalf of the Fund;

25 (4) interest on deposits or investments of money in the Fund;

26 (5) money collected by the Board as a result of legal or other actions taken
27 by the Board on behalf of the Exchange or the Fund;

28 (6) money donated to the Fund;

1 (7) money awarded to the Fund through grants;

2 (8) any pass-through funds received from the federal government under a
3 waiver approved under § 1332 of the Affordable Care Act;

4 (9) any funds designated by the federal government to provide reinsurance
5 to carriers that offer individual health benefit plans in the State;

6 (10) any funds designated by the State to provide reinsurance to carriers
7 that offer individual health benefit plans in the State; [and]

8 **(11) ANY FEDERAL FUNDS ~~DESIGNATED~~ RECEIVED IN ACCORDANCE**
9 **WITH § 31-121 OF THIS TITLE FOR THE STATE-BASED SUBSIDY FOR THE SMALL**
10 **BUSINESS TAX CREDIT ADMINISTRATION OF SMALL BUSINESS TAX CREDITS; AND**

11 **[(11)] (12)** any other money from any other source accepted for the benefit
12 of the Fund.

13 (f) The Fund may be used only:

14 (1) for the operation and administration of the Exchange in carrying out
15 the purposes authorized under this title; and

16 **31-121.**

17 **(A) AS SOON AS PRACTICABLE BUT NOT LATER THAN JANUARY 1, 2020, THE**
18 **THE EXCHANGE, IN CONSULTATION WITH THE COMMISSIONER AND AS APPROVED**
19 **BY THE BOARD, SHALL MAY SUBMIT A STATE INNOVATION WAIVER APPLICATION**
20 **UNDER § 1332 OF THE AFFORDABLE CARE ACT TO ALLOW THE STATE TO**
21 **ADMINISTER ~~STATE-BASED TAX CREDIT ASSISTANCE~~ THE FEDERAL SMALL**
22 **BUSINESS HEALTH CARE TAX CREDIT TO SMALL BUSINESSES FOR MONTHLY**
23 **PREMIUM PAYMENTS.**

24 **(B) BEFORE APPLYING FOR A STATE INNOVATION WAIVER UNDER**
25 **SUBSECTION (A) OF THIS SECTION, THE EXCHANGE SHALL DETERMINE WHETHER**
26 **THE STATE NEEDS TO APPLY FOR A STATE INNOVATION WAIVER IN ORDER TO**
27 **DISTRIBUTE THE FEDERAL SMALL BUSINESS HEALTH CARE TAX CREDIT ON A**
28 **MONTHLY BASIS TO ELIGIBLE EMPLOYERS ENROLLING IN THE SHOP EXCHANGE.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2019.