SENATE BILL 172

By: Senators Hayes, Beidle, Benson, Ellis, Feldman, Kramer, Lee, Sydnor, Waldstreicher, Washington, and Young

Requested: September 24, 2020
Introduced and read first time: January 13, 2021
Assigned to: Budget and Taxation and Finance

A BILL ENTITLED

AN ACT concerning

Maryland Health Equity Resource Act

FOR the purpose of requiring the Secretary of Health to designate certain areas as Health Equity Resource Communities in a certain manner; specifying the purpose of establishing Health Equity Resource Communities; authorizing the Secretary to adopt certain regulations; requiring the Secretary to consult with the Office of Minority Health and Health Disparities in implementing certain provisions of this Act; requiring the Secretary to allocate staff and resources to carry out certain provisions of this Act; requiring the Secretary to establish a Health Equity Resource Community Advisory Committee; establishing the duties of the Advisory Committee; providing for the composition, cochairs, and meetings of the Advisory Committee; specifying the terms and conditions for the removal of Advisory Committee members; prohibiting a member of the Advisory Committee from receiving certain compensation, but authorizing the reimbursement of certain expenses; authorizing nonprofit community–based organizations, nonprofit hospitals, institutions of higher education, and local government agencies to apply to the Secretary on behalf of certain areas for designation as Health Equity Resource Communities; establishing certain procedures and requirements in connection with the application process; authorizing an application to include certain elements; requiring the application to allocate certain funding to cover certain costs for a certain employee; requiring the Secretary to consider certain factors and prioritize certain applications when designating areas as Health Equity Resource Communities; authorizing the Secretary to conduct certain outreach for a certain purpose; establishing certain requirements for an employee to be designated as an evaluator; establishing that the Secretary’s decision to designate an area as a Health Equity Resource Community is final; authorizing certain health care providers who practice in Health Equity Resource Communities to receive certain tax credits, assistance, and grants; authorizing certain nonprofit community–based organizations, nonprofit hospitals, institutions of higher education, and local government agencies to receive certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
grants; establishing a Health Equity Resource Community Reserve Fund; 
establishing the purpose and contents of the Fund; requiring the Secretary to 
administer the Fund; requiring the Fund to provide certain money to the Maryland 
Department of Health to supplement and not supplant existing funding for certain 
programs; requiring the State Treasurer to invest the money of the Fund in a certain 
manner; requiring the interest earnings of the Fund to be credited to the Fund; 
exempting the Fund from a certain provision of law requiring interest earnings on 
State money to accrue to the General Fund of the State; requiring certain nonprofit 
community–based organizations, nonprofit hospitals, institutions of higher 
education, and local government agencies to submit certain reports; authorizing the 
Secretary to revoke a designation of an area as a Health Equity Resource Community 
under certain circumstances; requiring the Secretary to submit certain reports; 
establishing that a designation of an area as a Health Equity Resource Community 
has a term of a certain length and may be renewed in a certain manner; authorizing 
certain credits against the State income tax for certain health care providers and 
organizations under certain circumstances; authorizing certain nonprofit 
community–based organizations, nonprofit hospitals, institutions of higher 
education, and local government agencies to apply for certain tax credits under 
certain circumstances for certain health care providers; authorizing a health care 
practitioner or community–based organization to claim a certain refundable tax 
credit, under certain circumstances; establishing certain procedures and 
requirements for certifying certain tax credits; establishing a certain limit on the 
amount of certain tax credits allowed for a fiscal year; requiring the Secretary, in 
consultation with the Comptroller, to adopt certain regulations; altering the sales 
and use tax rate for the sale of certain alcoholic beverages; requiring a certain 
percentage of revenues generated from a certain tax to be credited to the Fund; 
defining certain terms; providing for the construction 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 20–1401 through 20–1408 to be under the new subtitle “Subtitle 14. Health 
Equity Resource Communities” 
Annotated Code of Maryland 
(2019 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments, 
Article – State Finance and Procurement 
Section 6–226(a)(2)(i) 
Annotated Code of Maryland 
(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments, 
Article – State Finance and Procurement 
Section 6–226(a)(2)(ii)122. and 123. 
Annotated Code of Maryland
BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)124.
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY adding to
Article – Tax – General
Section 10–731
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–104(g)
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

Preamble

WHEREAS, Chapter 3 of 2012, the Maryland Health Improvement and Disparities Reduction Act of 2012, established Health Enterprise Zones 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; and

WHEREAS, The provisions of that Act abrogated June 30, 2017; and

WHEREAS, A 2018 study concluded that the net cost savings under that Act far outweighed the initiative’s cost to the State and that implementing such an initiative would be a viable way to reduce inpatient admissions and reduce health care costs; and

WHEREAS, The COVID–19 pandemic has made it clear that certain communities lack the health care resources they need, leading to disturbing health disparities; 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 EQUITY RESOURCE COMMUNITIES.

20–1401.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
(B) “Advisory Committee” means the Health Equity Resource Community Advisory Committee.

(C) “Community health worker” has the meaning stated in § 13–3701 of this article.

(D) “Federally qualified health center” has the meaning stated in § 24–1301 of this article.

(E) “Fund” means the Health Equity Resource Community Reserve Fund established under § 20–1407 of this subtitle.

(F) “Health care practitioner” means an individual or, collectively, a group of individuals working together within the same practice, each of whom is licensed, certified, or otherwise authorized by law to provide health care services under the Health Occupations Article.

(G) “Health disparity” means a particular type of health difference, such as a difference in rates of hypertension, heart disease, asthma, diabetes, substance abuse, mental health disorders, and maternal and infant mortality, that:

1. Is closely linked with social, economic, or environmental disadvantage; and

2. Adversely affects groups of individuals who have systematically experienced greater obstacles to health care based on their:

   (i) Race or ethnicity;

   (ii) Religion;

   (iii) Socioeconomic status;

   (iv) Gender, gender identity, or sexual orientation;

   (v) Age;

   (vi) Mental health status;
(vii) Cognitive, sensory, or physical disability;

(viii) Geographic location; or

(ix) Other characteristic historically linked to discrimination or exclusion.

(H) “Health Equity Resource Community” 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, geographic, and disability related health disparities;

(3) Is designated by the Secretary in accordance with the provisions of this subtitle; and

(4) Has a minimum population of 5,000 residents.

(I) “Hospital” has the meaning stated in § 19–301 of this article.

(J) “Institution of Higher Education” has the meaning stated in § 10–101 of the Education Article.

20-1402.

(A) The purpose of establishing Health Equity Resource Communities is to target State resources to specific areas of the State to:

(1) Reduce health disparities;

(2) Improve health outcomes;

(3) Improve access to primary care;

(4) Promote primary and secondary prevention services; and
(5) REduce health care costs and hospital admissions and readmissions.

(B) (1) The Secretary may adopt regulations to carry out the provisions of this subtitle and to specify eligibility criteria and application, approval, and monitoring processes for the resources allocated under this subtitle.

(2) The Secretary shall consult with the Office of Minority Health and Health Disparities in implementing the provisions of this subtitle.

(C) The Secretary shall allocate staff and resources as necessary to carry out the provisions of this subtitle.

20–1403.

(A) (1) On or before December 1, 2021, the Secretary shall establish a Health Equity Resource Community Advisory Committee.

(2) The duties of the Advisory Committee include:

(I) Providing initial and ongoing assistance and guidance regarding eligibility criteria and application, approval, and monitoring processes for Health Equity Resource Communities and health equity research practitioners;

(II) Coordinating with the Secretary as to the required annual report described in § 20–1408(b) of this subtitle; and

(III) Providing guidance to the Secretary as necessary to implement the provisions of this subtitle.

(B) The Advisory Committee consists of:

(1) The following members, appointed by the Governor:

(I) One representative of the Maryland Medical Assistance Program;

(II) One representative of the Office of Population Health Improvement;
(III) One representative of the Prevention and Health Promotion Administration;

(IV) One representative of the Department of Human Services;

(V) One representative of the Department of Transportation;

(VI) One representative of the Health Services Cost Review Commission; and

(VIII) One representative who is a member of the General Public and who resides in an area which has been or may be designated as a Health Equity Resource Community; and

(2) The following members, appointed by the President of the Senate:

(I) One representative of physicians;

(II) One representative of nurses;

(III) One representative of hospitals;

(IV) One representative of dentists;

(V) One representative from the behavioral health community;

(VI) One representative of the Chesapeake Regional Information System for our patients;

(VII) One representative of Accountable Health Communities;

(VIII) One representative of a care transformation organization; and

(IX) One representative who is a member of the General Public and resides in an area which has been or may be designated as a Health Equity Resource Community; and
THE FOLLOWING MEMBERS, APPOINTED BY THE SPEAKER OF THE HOUSE:

(I) ONE REPRESENTATIVE OF A STATEWIDE HEALTH CARE ADVOCACY COALITION;

(II) ONE REPRESENTATIVE OF A STATEWIDE CONSUMER ADVOCACY GROUP;

(III) ONE REPRESENTATIVE OF A STATEWIDE ADVOCACY ORGANIZATION FOR SENIORS;

(IV) ONE REPRESENTATIVE OF A STATEWIDE ORGANIZATION FOR DIVERSE COMMUNITIES;

(V) ONE REPRESENTATIVE OF A LABOR UNION;

(VI) ONE REPRESENTATIVE OF AN AREA PREVIOUSLY DESIGNATED AS A HEALTH ENTERPRISE ZONE;

(VII) ONE REPRESENTATIVE OF A STATEWIDE IMMIGRANT ADVOCACY GROUP; AND

(VIII) ONE REPRESENTATIVE WHO IS A MEMBER OF THE GENERAL PUBLIC AND RESIDES IN AN AREA WHICH HAS BEEN OR MAY BE DESIGNATED AS A HEALTH EQUITY RESOURCE COMMUNITY.

(C) (1) COLLECTIVELY, THE MEMBERS OF THE ADVISORY COMMITTEE SHALL HAVE KNOWLEDGE OF THE FOLLOWING:

(I) EXISTING OR POTENTIAL HEALTH DISPARITIES IN THE STATE;

(II) GROUPS OF RESIDENTS NEGATIVELY AFFECTED BY HEALTH DISPARITIES;

(III) SYSTEMS, POLICIES, AND METHODS LIKELY TO IMPROVE HEALTH OUTCOMES AND REDUCE HEALTH DISPARITIES;

(IV) EFFECTIVE PREVENTION SERVICES;

(V) HEALTH CARE COSTS, TRENDS, AND DRIVERS;
(VI) Clinical and health services research; and

(vii) Consumer or patient perspectives.

(2) To the extent practicable and consistent with federal and State law, the membership of the Advisory Committee shall reflect the racial, ethnic, and gender diversity of the State.

(3) The Secretary shall designate three cochairs from among the members of the Advisory Committee.

(D) (1) The term of a member of the Advisory Committee is 4 years.

(2) The Secretary shall stagger the terms of the initial appointed members.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the remainder of that term and until a successor is appointed and qualifies.

(5) The Secretary may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

(E) A member of the Advisory Committee:

(1) May not receive compensation as a member of the Advisory Committee; but

(2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(F) The Advisory Committee shall:

(1) On or before January 1, 2022, hold an initial meeting; and

(2) Meet at least once every 6 months thereafter.
(G) This section may not be construed to prevent the Secretary from convening other formal or informal working or advisory groups to facilitate the implementation of this subtitle.

(20–1404).

(A) For an area to receive a designation as a Health Equity Resource Community, a nonprofit community–based organization, a nonprofit hospital, an institution of higher education, or a local government agency shall apply to the Secretary on behalf of the area to receive the designation.

(B) Subject to subsections (C) and (E) of this section, the application shall be in the form and manner and contain the information that the Secretary requires.

(C) (1) 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.

(2) The application shall include:

   (i) A description of how funding available under this subtitle will be used to address health disparities through evidence–based, cross–sector strategies that may include:

   1. Building health care provider capacity;

   2. Improving health services delivery;

   3. Effectuating community improvements;

   4. Conducting outreach and education efforts;

   5. Implementing systemic strategies to improve coordination and communication across organizations that provide health care services;

   6. Supporting community leadership development efforts;

   7. Facilitating policy interventions to address
8. Implementing scalable approaches to meet the nonmedical social needs of populations identified in the most recent community health needs assessment, such as unstable housing, inadequate food, or job development; and

(ii) A proposal to use funding available under this subtitle to provide for loan repayment incentives to induce health care practitioners to practice in the area.

(d) The application may include:

(1) A plan to use tax credits available under this subtitle and § 10–731 of the Tax – General Article and other resources to encourage health care practitioners and community health workers to establish or expand health care practices in the area;

(2) A proposal to use innovative public health strategies to reduce health disparities in the area that may be supported by grants awarded under this subtitle, such as the use of community health workers, community health centers, federally qualified health centers, institutions of higher education, and community–based disease management activities; and

(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 nonmedical interventions that promote improved health outcomes, promote hiring, and reduce costs to the health care system.

(E) The application submitted in accordance with this section shall allocate sufficient funding to cover salary and benefit costs for the evaluator required under § 20–1406 of this subtitle.

20–1405.

(A) (1) The Secretary shall designate areas as Health Equity Resource Communities in accordance with this subtitle.

(2) The Secretary:

(i) Shall consider geographic diversity, among other
FACTORS, WHEN DESIGNATING AREAS AS HEALTH EQUITY RESOURCE COMMUNITIES; AND

(II) MAY CONDUCT OUTREACH EFFORTS TO FACILITATE A GEOGRAPHICALLY DIVERSE POOL OF APPLICANTS, INCLUDING EFFORTS TO FACILITATE SUBMISSION OF APPLICATIONS FROM RURAL AREAS.

(3) AFTER RECEIVING ALL APPLICATIONS SUBMITTED TO THE SECRETARY, THE SECRETARY SHALL REPORT TO THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, ON THE NAMES OF APPLICANTS AND GEOGRAPHIC AREAS IN WHICH APPLICANTS ARE LOCATED.

(B) THE SECRETARY SHALL GIVE PRIORITY TO APPLICATIONS THAT DEMONSTRATE:

(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) 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 EQUITY RESOURCE COMMUNITY AND STRATEGIES FOR QUALITY IMPROVEMENT; AND

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

(C) (1) AN APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY SUBMITTED BY A NONPROFIT COMMUNITY-BASED ORGANIZATION, A NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL GOVERNMENT AGENCY SHALL PROVIDE FOR THE EMPLOYMENT AND SUPERVISION OF EMPLOYMENT OF ONE FULL-TIME EMPLOYEE TO SERVE AS AN EVALUATOR OF THE OPERATION, IMPACT, AND EFFECTIVENESS OF THE HEALTH
EQUITY Resource Community designated under this subtitle.

(2) To be designated as an evaluator under this subsection, the employee must demonstrate experience in methods of qualitative and quantitative research methodology.

(3) An employee designated as an evaluator under this subsection shall coordinate with the Secretary and the Advisory Committee to:

(i) Monitor the operation, effectiveness, and impact of the Health Equity Resource Community; and

(ii) Provide data, statistics, and analysis to the Secretary and the Health Equity Resource Advisory Committee that shall address the reporting elements specified under § 20–1408(b) of this subtitle.

(D) The decision of the Secretary to designate an area as a Health Equity Resource Community shall be a final decision.

(E) A designation by the Secretary of an area as a Health Equity Resource Community shall have a term of 5 years and may be renewed in accordance with an application approved by the Secretary.

20–1406.

(A) Health care practitioners and community health workers that practice in a Health Equity Resource Community may receive:

(1) Tax credits against the State income tax as provided under § 10–731 of the Tax – General Article; and

(2) Loan repayment assistance, as provided for in the application for designation for the Health Equity Resource Community and approved by the Secretary under this subtitle.

(B) (1) A health care practitioner or community health worker 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 Equity Resource Community.

(2) To qualify for a grant under paragraph (1) of this
SUBSECTION, A HEALTH CARE PRACTITIONER OR A COMMUNITY HEALTH WORKER 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 EQUITY RESOURCE COMMUNITY.

(C) (1) A NONPROFIT COMMUNITY–BASED ORGANIZATION, A NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL GOVERNMENT AGENCY THAT RECEIVES APPROVAL OF AN APPLICATION SUBMITTED UNDER § 20–1403 OF THIS SUBTITLE MAY SUBMIT AN APPLICATION, ON ITS OWN BEHALF, TO RECEIVE GRANTS FOR CAPITAL OR LEASEHOLD IMPROVEMENTS, AS DETERMINED BY THE SECRETARY, FOR THE PURPOSES DESCRIBED UNDER SUBSECTION (B)(3)(II) OF THIS SECTION.

(2) SUBJECT TO § 20–1408(A)(2) OF THIS SUBTITLE, THE TERM OF ANY GRANT AWARDED TO A NONPROFIT COMMUNITY–BASED ORGANIZATION, A NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL GOVERNMENT AGENCY FOR CAPITAL OR LEASEHOLD IMPROVEMENTS UNDER THIS SUBSECTION SHALL HAVE A TERM OF 5 YEARS, AND MAY BE RENEWED IN ACCORDANCE WITH AN APPLICATION APPROVED BY THE SECRETARY.

20–1407.

(A) THERE IS A HEALTH EQUITY RESOURCE COMMUNITY RESERVE FUND.

(B) THE PURPOSE OF THE FUND IS TO:

(1) SUPPORT AREAS DESIGNATED BY THE SECRETARY AS HEALTH EQUITY RESOURCE COMMUNITIES BY PROVIDING GRANTS OR TAX CREDITS TO COMMUNITY–BASED ORGANIZATIONS, NONPROFIT HOSPITALS, INSTITUTIONS OF HIGHER EDUCATION, LOCAL GOVERNMENT AGENCIES, HEALTH CARE PRACTITIONERS, AND COMMUNITY HEALTH WORKERS TO FACILITATE REDUCTION OF HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES, PROVIDE DRUG TREATMENT AND REHABILITATION, AND REDUCE HEALTH COSTS AND HOSPITAL
ADMISSIONS AND READMISSIONS IN SPECIFIC AREAS OF THE STATE; AND

(2) PROVIDE FUNDING TO THE DEPARTMENT TO SUPPLEMENT AND NOT SUPPLANT EXISTING FUNDING FOR BEHAVIORAL HEALTH PROGRAMS THAT PROVIDE PREVENTION, RECOVERY SUPPORT, AND HARM REDUCTION SERVICES FOR INDIVIDUALS WITH SUBSTANCE USE AND MENTAL HEALTH DISORDERS.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) ANY UNSPENT PORTION OF THE FUND MAY NOT BE TRANSFERRED OR REVERT TO THE GENERAL FUND BUT SHALL REMAIN IN THE FUND TO BE USED FOR THE PURPOSES SPECIFIED IN THIS SUBTITLE.

(3) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

(1) 10% OF THE INCOME GENERATED FROM ALCOHOLIC BEVERAGE TAX REVENUE UNDER § 11–104(G) OF THE TAX–GENERAL ARTICLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(3) INTEREST EARNINGS OF THE FUND; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND ANNUALLY SHALL PROVIDE MONEY TO THE DEPARTMENT TO SUPPLEMENT AND NOT SUPPLANT EXISTING FUNDING FOR BEHAVIORAL HEALTH PROGRAMS THAT PROVIDE PREVENTION, RECOVERY SUPPORT, AND HARM REDUCTION SERVICES FOR INDIVIDUALS WITH SUBSTANCE USE AND MENTAL HEALTH DISORDERS IN THE FOLLOWING AMOUNTS:

(1) $1,000,000 FOR FISCAL YEAR 2022; AND

(2) $2,000,000 FOR EACH FISCAL YEAR THEREAFTER.

(G) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO THE SECRETARY FOR THE SUPPORT
OF AREAS DESIGNATED AS HEALTH EQUITY RESOURCE COMMUNITIES BY PROVIDING GRANTS OR TAX CREDITS TO COMMUNITY–BASED ORGANIZATIONS, NONPROFIT HOSPITALS, INSTITUTIONS OF HIGHER EDUCATION, LOCAL GOVERNMENT AGENCIES, HEALTH CARE PRACTITIONERS, FEDERALLY QUALIFIED HEALTH CENTERS, COMMUNITY HEALTH WORKERS, AND INSTITUTIONS OF HIGHER EDUCATION TO REDUCE HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES, PROVIDE ADDICTION AND MENTAL HEALTH SERVICES, AND REDUCE HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS.

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

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(J) MONEY EXPENDED FROM THE FUND TO SUPPORT AREAS DESIGNATED BY THE SECRETARY AS HEALTH EQUITY RESOURCE COMMUNITIES UNDER THIS SUBTITLE IS SUPPLEMENTAL TO AND IS NOT INTENDED TO SUPPLANT FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THOSE PURPOSES.

20–1408.

(A) (1) ON OR BEFORE SEPTEMBER 15 EACH YEAR, EACH NONPROFIT COMMUNITY–BASED ORGANIZATION, NONPROFIT HOSPITAL, INSTITUTION OF HIGHER EDUCATION, OR LOCAL GOVERNMENT AGENCY THAT HAS SUBMITTED A SUCCESSFUL APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY UNDER § 20–1403 OF THIS SUBTITLE SHALL SUBMIT TO THE SECRETARY A REPORT THAT INCLUDES:

(I) A DESCRIPTION OF PROGRESS MADE TOWARD THE OBJECTIVES SET FORTH IN THE APPLICATION; AND

(II) A DESCRIPTION OF OBJECTIVES TO BE MET DURING THE IMMEDIATELY FOLLOWING YEAR.

(2) THE SECRETARY MAY REVOKE A DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY IF THE NONPROFIT COMMUNITY–BASED ORGANIZATION, NONPROFIT HOSPITAL, INSTITUTION OF HIGHER EDUCATION, OR LOCAL GOVERNMENT AGENCY THAT HAS SUBMITTED A SUCCESSFUL APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY FAILS
SENATE BILL 172

TO MEET THE OBJECTIVES PROVIDED TO THE SECRETARY UNDER SUBSECTION (A)(1) OF THIS SECTION FOR A GIVEN YEAR.

(B) (1) ON OR BEFORE DECEMBER 15 EACH YEAR, THE SECRETARY SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT THAT INCLUDES:

(1) THE NUMBER AND TYPES OF INCENTIVES GRANTED IN EACH HEALTH EQUITY RESOURCE COMMUNITY;

(II) EVIDENCE OF THE IMPACT OF THE TAX AND LOAN REPAYMENT INCENTIVES IN ATTRACTING HEALTH CARE PRACTITIONERS AND COMMUNITY HEALTH WORKERS TO HEALTH EQUITY RESOURCE COMMUNITIES;

(III) EVIDENCE OF THE IMPACT OF THE INCENTIVES OFFERED IN HEALTH EQUITY RESOURCE COMMUNITIES IN REDUCING HEALTH DISPARITIES AND IMPROVING HEALTH OUTCOMES; AND

(IV) EVIDENCE OF THE PROGRESS IN REDUCING HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS IN HEALTH EQUITY RESOURCE COMMUNITIES.

(2) THE REPORT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE DATA DISAGGREGATED BY THE FOLLOWING:

(I) RACE;

(II) ETHNICITY;

(III) PRIMARY LANGUAGE;

(IV) GENDER;

(V) SOCIOECONOMIC STATUS; AND

(VI) ZIP CODE.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the
terms of a gift or settlement agreement, net interest on all State money allocated by the
State Treasurer under this section to special funds or accounts, and otherwise entitled to
receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply
to the following funds:

122. the Racing and Community Development Financing Fund;
[and]
123. the Racing and Community Development Facilities Fund;
AND
124. the Health Equity Resource Community Reserve Fund.

Article – Tax – General

10–731.

(A) (1) In this section the following words have the meanings
indicated.

(2) “Community–Based Organization” means a public or
private organization that is representative of a community or
significant segments of a community and provides educational, health,
or social services to individuals in the community.

(3) “Community Health Worker” has the meaning stated in §
13–3701 of the Health – General Article.

(4) “Department” means the Maryland Department of
Health.

(5) “Fund” means the Health Equity Resource Community
Reserve Fund established under § 20–1407 of the Health – General
Article.

(6) “Health Care Practitioner” has the meaning stated in §
20–1401 of the Health – General Article.

(7) “Health Equity Resource Community” has the meaning
stated in § 20–1401 of the Health – General Article.
(8) "Institution of higher education" has the meaning stated in § 10–101 of the Education Article.

(9) "Qualified employee" means a health care practitioner, a community health worker, an individual designated as an evaluator under § 20–1405 of the Health – General Article, or any other individual who:

   (I) provides direct support to a health care practitioner or a community health worker; and

   (II) expands access to services in a Health Equity Resource Community.

(10) (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 Equity Resource Community;

   4. is newly created as a result of the establishment of, or expansion of services in, a Health Equity Resource Community; and

   5. is filled.

   (II) "Qualified position" does not include a position that is filled for a period of less than 12 months.

(11) "Secretary" means the Secretary of Health.

(B) A health care practitioner or a community health worker who practices health care in a Health Equity Resource Community designated under Title 20, Subtitle 14 of the Health – General Article may submit to the Secretary a request for certification of eligibility for income tax credits established under subsection (D) of this section in accordance with an approved application for designation of an area
AS A Health Equity Resource Community if the individual:

(1) demonstrates competency in cultural, linguistic, and health literacy in a manner determined by the Secretary;

(2) accepts and provides care for patients enrolled in the Maryland Medical Assistance Program and for uninsured patients;

(3) undergoes training in antiracism and cultural competence through a program approved by the Secretary; and

(4) meets any other criteria established by the Secretary.

(C) A nonprofit community–based organization, a nonprofit hospital, an institution of higher education, or a local government agency that submits an application to the Secretary to establish a Health Equity Resource Community may submit to the Secretary a request for certification of eligibility for income tax credits established under subsection (D) of this section in accordance with the application for designation of an area as a Health Equity Resource Community on behalf of a health care practitioner or a community health worker who:

(1) is practicing or seeking to practice in a Health Equity Resource Community; and

(2) satisfies the requirements of subsection (B) of this section.

(D) (1) If the Secretary approves a request for certification submitted under subsection (B) or (C) of this section, a health care practitioner or a community health worker 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 care practitioner or community health worker from income derived from practice in the Health Equity Resource Community, as certified by the Secretary for the taxable year.

(2) (1) In addition to the State income tax credit provided under paragraph (1) of this subsection, a health care practitioner or a community–based organization may claim a refundable credit of $10,000 against the State income tax for hiring for a qualified position in the Health Equity Resource Community, as certified by the Secretary for
THE TAXABLE YEAR.

(II) To be eligible for the credit provided under this paragraph, a health care practitioner or a community–based organization 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 50% of 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 credit shall be recaptured as follows:

1. The 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 care practitioner or community–based organization which received the credit shall repay any amount of the credit that may have already been refunded to the health care practitioner or community–based organization that exceeds the amount recomputed by the Secretary in accordance with item 1 of this subparagraph.

(3) To be certified as eligible for the credits established under this subsection, a health care practitioner, community health worker, or community–based organization may apply for certification through the nonprofit community–based organization, nonprofit hospital, institution of higher education, or local government that receives approval from the Secretary to establish a Health Equity Resource Community.

(4) (I) Eligibility for the credits provided under this subsection is limited by availability of budgeted funds for that purpose, as determined by the Secretary.

(II) Certificates of eligibility shall be subject to approval by the Secretary on a first–come, first–served basis, as determined by the Secretary in the Secretary’s sole discretion.

(E) The Secretary shall certify to the Comptroller the
APPLICABILITY OF THE CREDITS PROVIDED UNDER THIS SECTION FOR EACH HEALTH CARE PRACTITIONER, COMMUNITY HEALTH WORKER, OR COMMUNITY–BASED ORGANIZATION AND THE AMOUNT OF EACH CREDIT ASSIGNED TO A HEALTH CARE PRACTITIONER, COMMUNITY HEALTH WORKER, OR COMMUNITY–BASED ORGANIZATION, FOR EACH TAXABLE YEAR.

(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.

(G) The Secretary, in consultation with the Comptroller, shall adopt regulations to implement the tax credit under this section.

(g) (1) (I) In this subsection the following words have the meanings indicated.

(II) "Alcoholic beverage" has the meaning stated in § 1–101 of the Alcoholic Beverages Article.

(III) "Off–sale retailers" means retail sellers and other entities holding a State or local license to sell packaged alcoholic beverages for off–site consumption.

(IV) "On–sale retailers" means restaurants, bars, breweries, wineries, distilleries, and other entities holding a State or local license to manufacture or sell alcoholic beverages:

1. For consumption on site; or

2. To sell alcoholic beverages on site as carry–out products for consumption off site.

(2) The sales and use tax rate for the sale of an alcoholic beverage[, as defined in § 5–101 of this article,] is:

[(1) 9% of the charge for the alcoholic beverage; and]

(I) 1. For sales of alcoholic beverages by off–sale retailers after October 1, 2021, 10% of the charge for the alcoholic beverage;

2. For sales of alcoholic beverages by on–sale
SENATE BILL 172

RETAILERS BETWEEN October 1, 2021, AND September 30, 2023, INCLUSIVE, 9% OF THE CHARGE FOR THE ALCOHOLIC BEVERAGE; AND

3. FOR SALES OF ALCOHOLIC BEVERAGES BY ON–SALE RETAILERS AFTER October 1, 2023, 10% OF THE CHARGE FOR THE ALCOHOLIC BEVERAGE; AND

[(2)] (II) 6% of a charge that is made in connection with the sale of an alcoholic beverage and is stated as a separate item of the consideration and made known to the buyer at the time of sale for:

[(i)] 1. any labor or service rendered;

[(ii)] 2. any material used; or

[(iii)] 3. any property sold.

(3) 10% OF THE REVENUES GENERATED UNDER THIS SUBSECTION SHALL BE CREDITED TO THE HEALTH EQUITY RESOURCE COMMUNITY RESERVE FUND ESTABLISHED UNDER § 20–1407 OF THE HEALTH – GENERAL ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.