

BY: Delegate Flanagan

AMENDMENTS TO HOUSE BILL NO. 2, AS AMENDED
(First Reading File Bill, Second Printing)

AMENDMENT NO. 1

On page 1 of the bill, in line 2, strike “Children’s”; in the same line, strike “Program” and substitute “Care”.

AMENDMENT NO. 2

On page 1 of the Economic Matters Committee Amendments (HB0002/713391/1), in line 13 of Amendment No. 1, after “employers;” insert “requiring the Governor to provide moneys in the State budget to pay for the expansion of home and community-based services under a certain waiver under the State Medicaid program; requiring the Governor to provide funds in the State budget to increase by a certain percentage the Medicaid reimbursement payment rates for medical day care, hospice, personal care, and private duty nursing providers; altering income eligibility levels to expand eligibility for certain Medicare-eligible individuals for pharmacy assistance benefits under the Maryland Pharmacy Assistance Program; requiring the Governor to provide funds in the State budget for the expansion of the Maryland Pharmacy Assistance Program; requiring the Governor to provide funds in the State budget to implement certain recommendations for increasing reimbursements to nursing homes made in a certain report on quality of care in nursing facilities; phasing in certain items among the increases and funding provided; creating a credit against the State income tax for premiums paid by individual taxpayers for long-term care insurance covering the individual taxpayer or certain immediate family members of the individual taxpayer; increasing that credit against the State income tax in a subsequent year; requiring the Governor to make a certain report to certain committees of the General Assembly on or before a certain date;”.

On page 1 of the bill, in line 15, strike “insurance coverage for children” and substitute “care”.

AMENDMENT NO. 3

(Over)

On page 2 of the Economic Matters Committee Amendments, in line 1 of Amendment No. 1, after “15-101(f)” insert “, 15-124(a)(1),”; and after line 10 in the same amendment, insert:

“BY adding to

Article - Tax - General

Section 10-718

Annotated Code of Maryland

(1997 Replacement Volume and 1999 Supplement)

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Article - Tax - General

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(As enacted by Section 4 of this Act)”.

AMENDMENT NO. 4

On page 8 of the Economic Matters Committee Amendments, in line 2 of Amendment No. 5, after the comma insert “That the Laws of Maryland read as follows:

Article - Health - General

15-124.

(a) (1) The Department shall maintain a Maryland Pharmacy Assistance Program for low income individuals whose:

(i) Assets are not more than 1.5 times the amount of accountable resources according to the asset schedule of the Maryland Medical Assistance Program; and

(ii) 1. Gross annual income does not exceed:

[1.] A. \$4,600 plus \$500 for each individual over 1 in a family unit; and

[2.] B. An annual increase set by the Secretary under paragraph (2)(ii)4 of this subsection; OR

2. GROSS ANNUAL FAMILY INCOME, FOR INDIVIDUALS WHO ARE MEDICARE ELIGIBLE BUT NOT OTHERWISE ELIGIBLE FOR MEDICAL ASSISTANCE BENEFITS, DOES NOT EXCEED 150 PERCENT OF THE FEDERAL POVERTY LEVEL.

Article - Tax - General

10-718.

(A) IN THIS SECTION, "ELIGIBLE LONG-TERM CARE PREMIUMS" MEANS PREMIUMS FOR LONG-TERM CARE INSURANCE, AS DEFINED IN § 18-101 OF THE INSURANCE ARTICLE, COVERING AN INDIVIDUAL WHO IS A MARYLAND RESIDENT.

(B) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 25% OF THE ELIGIBLE LONG-TERM CARE PREMIUMS PAID BY THE INDIVIDUAL DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE COVERING THE INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE, PARENT, STEPPARENT, CHILD, OR STEPCHILD.

(C) THE CREDIT ALLOWED UNDER THIS SECTION:

(1) MAY NOT EXCEED \$500 FOR EACH INSURED COVERED BY LONG-TERM CARE INSURANCE FOR WHICH THE INDIVIDUAL PAYS THE PREMIUMS; AND

(2) MAY NOT BE CLAIMED BY MORE THAN ONE TAXPAYER WITH RESPECT TO THE SAME INSURED INDIVIDUAL.

(D) THE CREDIT ALLOWED UNDER THIS SECTION DOES NOT AFFECT THE TREATMENT UNDER THIS TITLE OF ANY DEDUCTION OR EXCLUSION ALLOWED FOR FEDERAL INCOME TAX PURPOSES FOR THE ELIGIBLE LONG-TERM CARE PREMIUMS

(Over)

PAID BY THE INDIVIDUAL.

SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax -General

10-718.

(a) In this section, “eligible long-term care premiums” means premiums for long-term care insurance, as defined in § 18-101 of the Insurance Article, covering an individual who is a Maryland resident.

(b) An individual may claim a credit against the State income tax in an amount equal to [25%] 50% of the eligible long-term care premiums paid by the individual during the taxable year for long-term care insurance covering the individual or the individual's spouse, parent, stepparent, child, or stepchild.

(c) The credit allowed under this section:

(1) may not exceed [\$500] \$1,000 for each insured covered by long-term care insurance for which the individual pays the premiums; and

(2) may not be claimed by more than one taxpayer with respect to the same insured individual.

(d) The credit allowed under this section does not affect the treatment under this title of any deduction or exclusion allowed for federal income tax purposes for the eligible long-term care premiums paid by the individual.”.

AMENDMENT NO. 5

On page 8 of the Economic Matters Committee Amendments, in line 2 of Amendment No. 5, before “That” insert:

“SECTION 6. AND BE IT FURTHER ENACTED, That, beginning in the 2002 State

Operating Budget, the Governor shall provide funds in the State Operating Budget to fund reimbursement for home and community-based services provided to individuals participating in the Medicaid waiver program created under § 15-132 of the Health - General Article, subject to the following schedule:

- (1) funding for no fewer than 2,500 participants in Fiscal Year 2002;
- (2) funding for no fewer than 5,000 participants in Fiscal Year 2003; and
- (3) funding for no more than 7,500 participants in Fiscal Year 2004 and each subsequent fiscal year.

SECTION 7. AND BE IT FURTHER ENACTED, That, beginning in the 2002 State Operating Budget, the Governor shall provide funds in the State Operating Budget to fund a 5 percent increase in the reimbursement rates paid to providers, over the levels of reimbursement paid in Fiscal Year 2001, for providers of:

- (1) day care for the elderly and medically handicapped adults under § 15-111 of the Health - General Article;
- (2) hospice care services under § 15-128 of the Health - General Article;
and
- (3) routine and emergency respite care, case management services, and personal care under § 15-131 of the Health - General Article.

SECTION 8. AND BE IT FURTHER ENACTED, That, beginning in the 2002 State Operating Budget, the Governor shall provide funds in the State Operating Budget to fund the expansion of coverage under the Maryland Pharmacy Assistance Program, under § 15-124 of the Health - General Article, as enacted under this Act, to provide coverage to specified Medicare-eligible individuals whose gross family income is not more than 150 percent of the federal poverty level.

SECTION 9. AND BE IT FURTHER ENACTED, That, beginning in the 2002 State

Operating Budget, the Governor shall increase the provider reimbursement paid to comprehensive care facilities under the Maryland Medical Assistance Program to implement the recommendations of the December 1999 Report of the Task Force on Quality of Care in Maryland Nursing Facilities, according to the following schedule:

(1) an increase in reimbursement to increase the minimum staffing standards for resident care at facilities to:

(i) 3.5 hours per resident per day, with unlicensed direct care staffing set at a minimum of 2.75 hours per resident per day in Fiscal Year 2002;

(ii) 3.75 hours per resident per day, with unlicensed direct care staffing set at a minimum of 2.85 hours per resident per day in Fiscal Year 2003; and

(iii) 4 hours per resident per day, with unlicensed direct care staffing set at a minimum of 3 hours per resident per day, beginning in Fiscal Year 2004.

(2) a \$2 per hour increase in wages paid to nursing assistants, according to the following schedule:

(i) a \$1 per hour increase for wages paid to nursing assistants in Fiscal Year 2002;

(ii) an additional one-half dollar per hour increase for wages paid to nursing assistants in Fiscal Year 2003; and

(ii) an additional one-half dollar per hour increase for wages paid to nursing assistants in Fiscal Year 2004.

(3) beginning in Fiscal Year 2004, payment of at least a 25% partial reimbursement, in an amount to be determined by the Secretary of Health and Mental Hygiene, to comprehensive care providers for the installation in comprehensive care facilities of medical automated systems that are designed to facilitate quality assurance.

SECTION 9. AND BE IT FURTHER ENACTED, That, subject to § 2-1246 of the State Government Article, the Governor shall report annually to the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Environmental Matters Committee on the effects of Sections 4 through 8 of this Act.

SECTION 10. AND BE IT FURTHER ENACTED,”;

in lines 6, 8, and 10 of the same amendment, strike “5.”, “6.”, and “7.”, respectively, and substitute “11.”, “12.”, and “14.”, respectively; and in line 11 of the same amendment, strike “5 and 6” and substitute “11, 12, and 13”; and in line 9, after “2003.” insert:

“SECTION 13. AND BE IT FURTHER ENACTED, That Section 5 of this Act shall take effect June 1, 2001.”.