

HOUSE BILL 1271

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2004 Regular Session
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By: **Delegates Hurson, Barve, Benson, Brown, Burns, Conroy, Donoghue, Franchot, Goldwater, Hammen, Haynes, Healey, Heller, Howard, Hubbard, King, Lee, Madaleno, Marriott, Menes, Moe, Montgomery, Morhaim, Murray, Nathan-Pulliam, Oaks, Parker, Pendergrass, Petzold, Rosenberg, Ross, Rudolph, Sophocleus, F. Turner, and V. Turner**

Introduced and read first time: February 13, 2004
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Access to Health Care and Community Health Care Safety Net Act of 2004**

3 FOR the purpose of requiring nonprofit hospitals to include certain information in the
4 community benefit report to the Health Services Cost Review Commission;
5 establishing the Maryland Community Health Resources Commission as an
6 independent commission that functions within the Department of Health and
7 Mental Hygiene; establishing the powers and duties of the Commission;
8 requiring the Commission to adopt certain regulations on or before a certain
9 date; providing for the purpose, duties, membership, terms of members,
10 meetings, composition, staff, and appointment of a chairman, vice chairman,
11 and executive director of the Commission; requiring the Commission to submit a
12 certain annual report to the Governor, Secretary of Health and Mental Hygiene,
13 and General Assembly; providing that certain powers of the Secretary of Health
14 and Mental Hygiene do not apply to the Commission; establishing the
15 Community Health Resources Health Care Access Program in the Commission;
16 requiring the Commission to consult with the Motor Vehicle Administration to
17 establish the Program; establishing the purpose of the Program and the duties
18 of the Motor Vehicle Administration under the Program; requiring the
19 Commission to use certain information received from the Motor Vehicle
20 Administration and other sources to refer certain individuals to community
21 health resources; requiring the Commission to refer individuals to community
22 health resources according to a certain schedule and in a certain manner;
23 requiring the Commission to establish a certain toll-free hotline; requiring the
24 Commission to adopt certain regulations in consultation with the Motor Vehicle
25 Administration; establishing the Program to Access Capital and Operational
26 Funding in the Commission; providing for the duties of the Program to Access
27 Capital and Operational Funding; establishing the Council on Hospital and
28 Community Health Resources Relations in the Commission; providing for the
29 membership, chairman, terms of members, duties, and meetings of the Council;
30 requiring the Council to make a certain report to the Governor and General

1 Assembly on or before a certain date; establishing the Advisory Council on
2 School-Based Community Health Center Expansion in the Commission;
3 providing for the membership, chairman, terms of members, and meetings of the
4 Advisory Council; requiring the Advisory Council to conduct a certain study,
5 make certain recommendations, and report to the General Assembly on or before
6 a certain date; establishing the Community Health Resources Commission
7 Fund; requiring revenue from a certain tax imposed on health maintenance
8 organizations and managed care organizations be distributed annually to the
9 Fund; requiring the Commission to adopt certain regulations relating to grants
10 made from the Fund; providing that grants awarded to community health
11 resources from the Fund may be used for certain purposes; establishing the
12 Federally Qualified Health Centers Grant Program; authorizing the Board of
13 Public Works, on the recommendation of the Secretary of Health and Mental
14 Hygiene, to provide grants under the Program to counties, municipal
15 corporations, and nonprofit corporations for the conversion of public buildings to
16 Federally Qualified Health Centers facilities, the acquisition of existing
17 buildings or parts of buildings for use as Federally Qualified Health Centers,
18 the renovation of Federally Qualified Health Centers, the purchase of capital
19 equipment for Federally Qualified Health Centers, and the planning, design,
20 and construction of Federally Qualified Health Centers; requiring the
21 Department of Health and Mental Hygiene to make certain recommendations;
22 providing for the application process; authorizing the Board of Public Works to
23 adopt certain regulations; providing certain terms, conditions, and limitations
24 on the allocations, use, and amount of State grants; prohibiting proceeds of a
25 grant from being used for certain religious purposes; authorizing the State,
26 under certain circumstances, to recover a certain portion of the State funds
27 expended; providing for a certain judicial proceeding and liens to enforce the
28 State's right of recovery and the priority of the proceeding and the lien;
29 requiring the Department of Health and Mental Hygiene to adopt certain
30 regulations; prohibiting certain insurance carriers from discriminating against
31 certain providers; requiring certain insurance carriers to pay certain providers
32 at a certain rate; imposing a certain premium tax on health maintenance
33 organizations and managed care organizations; providing that premiums to be
34 taxed include certain amounts paid to a health maintenance organization;
35 altering the contents of a certain report that must be filed by persons subject to
36 the premium tax; requiring certain employers to pay a certain payroll tax to the
37 Secretary of Labor, Licensing, and Regulation; authorizing an employer to claim
38 a certain credit against the payroll tax; prohibiting an employer from deducting
39 the payroll tax from an employee's wages; requiring certain employers to pay
40 the payroll tax on a periodic basis and to submit periodic reports to the
41 Secretary of Labor, Licensing, and Regulation; authorizing certain employers to
42 exempt certain wages when calculating the payroll tax; requiring the Secretary
43 of Labor, Licensing, and Regulation to adopt certain regulations and to pay the
44 revenue from the payroll tax into the Community Health Resources Commission
45 Fund; providing that certain health care providers are State personnel who are
46 immune from certain liability; requiring the Medical Assistance Program to
47 provide certain health care services to certain adults; requiring the Department
48 of Health and Mental Hygiene to apply for a certain waiver from the Centers for

1 Medicare and Medicaid to allow the State to provide health care services to
2 certain adults; establishing the Small Employer Health Insurance Program in
3 the Commission; providing for the purpose of the Program; requiring the
4 Commission to administer the Program as allowed by federal law or waiver;
5 authorizing the Commission to contract with a third party to administer the
6 Program; requiring the Commission to adopt regulations to implement the
7 Program; requiring the Department to apply for a certain waiver to implement
8 the Program; requiring the Commission to make certain reports to the General
9 Assembly on or before certain dates; requiring the Commission to identify
10 certain methods to increase the reimbursement rates paid to certain providers
11 and to make a certain report to the General Assembly on or before a certain
12 date; requiring the Commission to identify certain methods to increase the
13 availability of health insurance from certain employers and to make a certain
14 report to the General Assembly on or before a certain date; making this Act,
15 except for certain provisions, subject to certain contingencies; defining certain
16 terms; and generally relating to access to health care.

17 BY repealing and reenacting, without amendments,
18 Article - Courts and Judicial Proceedings
19 Section 5-522(b)
20 Annotated Code of Maryland
21 (2002 Replacement Volume and 2003 Supplement)

22 BY adding to
23 Article - Health - General
24 Section 15-102.7; 19-2101 through 19-2115, inclusive, to be under the new
25 subtitle "Subtitle 21. Maryland Community Health Resources
26 Commission"; and 24-1101 through 24-1107, inclusive, to be under the
27 new subtitle "Subtitle 11. Federally Qualified Health Centers Grant
28 Program"
29 Annotated Code of Maryland
30 (2000 Replacement Volume and 2003 Supplement)

31 BY repealing and reenacting, with amendments,
32 Article - Health - General
33 Section 15-103(a), 19-303, and 19-727
34 Annotated Code of Maryland
35 (2000 Replacement Volume and 2003 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article - Insurance
38 Section 6-101, 6-102(b), 6-103, 6-104(a), and 6-107(a)
39 Annotated Code of Maryland
40 (2003 Replacement Volume)

41 BY adding to

1 Article - Insurance
2 Section 6-103.2
3 Annotated Code of Maryland
4 (2003 Replacement Volume)

5 BY adding to
6 Article - Insurance
7 Section 15-131
8 Annotated Code of Maryland
9 (2002 Replacement Volume and 2003 Supplement)

10 BY adding to
11 Article - Labor and Employment
12 Section 8.5-101 to be under the new title "Title 8.5. Payroll Tax"
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2003 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - State Government
17 Section 12-101
18 Annotated Code of Maryland
19 (1999 Replacement Volume and 2003 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article - State Government
22 Section 12-104 and 12-105
23 Annotated Code of Maryland
24 (1999 Replacement Volume and 2003 Supplement)

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

27 **Article - Courts and Judicial Proceedings**

28 5-522.

29 (b) State personnel, as defined in § 12-101 of the State Government Article,
30 are immune from suit in courts of the State and from liability in tort for a tortious act
31 or omission that is within the scope of the public duties of the State personnel and is
32 made without malice or gross negligence, and for which the State or its units have
33 waived immunity under Title 12, Subtitle 1 of the State Government Article, even if
34 the damages exceed the limits of that waiver.

Article - Health - General

15-102.7.

THE PREMIUM TAX IMPOSED UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE
ARTICLE APPLIES TO MANAGED CARE ORGANIZATIONS IN THE SAME MANNER AS IT
APPLIES TO HEALTH MAINTENANCE ORGANIZATIONS.

19-303.

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

(2) "Commission" means the Health Services Cost Review Commission.

(3) "Community benefit" means an activity that is intended to address
community needs and priorities primarily through disease prevention and
improvement of health status, including:

(i) Health services provided to vulnerable or underserved
populations such as Medicaid, Medicare, or Maryland Children's Health Program
enrollees;

(ii) Financial or in kind support of public health programs;

(iii) Donations of funds, property, or other resources that contribute
to a community priority;

(iv) Health care cost containment activities; and

(v) Health education, screening, and prevention services.

(4) "Community needs assessment" means the process by which unmet
community health care needs and priorities are identified.

(b) In identifying community health care needs, a nonprofit hospital:

(1) Shall consider, if available, the most recent community needs
assessment developed by the Department or the local health department for the
county in which the nonprofit hospital is located;

(2) May consult with community leaders and local health care providers;
and

(3) May consult with any appropriate person that can assist the hospital
in identifying community health needs.

(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:

- 1 (i) The mission statement of the hospital;
- 2 (ii) A list of the initiatives that were undertaken by the hospital;
- 3 (iii) The cost to the hospital of each community benefit initiative;
- 4 (iv) The objectives of each community benefit initiative; [and]
- 5 (v) A description of efforts taken to evaluate the effectiveness of
- 6 each community benefit initiative; AND

7 (VI) A DESCRIPTION OF EFFORTS TAKEN TO ASSIST SPECIALIST

8 PROVIDERS TO SERVE THE UNINSURED.

9 (d) (1) The Commission shall compile the reports required under subsection

10 (c) of this section and issue an annual Nonprofit Hospital Community Health Benefit

11 Report.

12 (2) In addition to the information required under paragraph (1) of this

13 subsection, the Nonprofit Hospital Community Health Benefit Report shall contain a

14 list of the unmet community health care needs identified in the most recent

15 community needs assessment prepared by the Department or local health department

16 for each county.

17 (3) The Nonprofit Hospital Community Health Benefit Report shall be

18 made available to the public free of charge.

19 (4) The Commission shall submit a copy of the annual Nonprofit

20 Hospital Community Health Benefit Report, subject to § 2-1246 of the State

21 Government Article, to the House Economic Matters Committee and the Senate

22 Finance Committee.

23 (e) The Commission shall adopt regulations, in consultation with

24 representatives of nonprofit hospitals, that establish:

25 (1) A standard format for reporting the information required under this

26 section;

27 (2) The date on which nonprofit hospitals must submit the annual

28 community benefit reports; and

29 (3) The period of time that the annual community benefit report must

30 cover.

31 19-727.

32 [(a) Except as provided in subsection (b) of this section, a] A health

33 maintenance organization is not exempted from any State, county, or local taxes

34 solely because of this subtitle.

1 [(b) (1) Each health maintenance organization that is authorized to operate
2 under this subtitle is exempted from paying the premium tax imposed under Title 6,
3 Subtitle 1 of the Insurance Article.

4 (2) Premiums received by an insurer under policies that provide health
5 maintenance organization benefits are not subject to the premium tax imposed under
6 Title 6, Subtitle 1 of the Insurance Article to the extent:

7 (i) Of the amounts actually paid by the insurer to a nonprofit
8 health maintenance organization that operates only as a health maintenance
9 organization; or

10 (ii) The premiums have been paid by that nonprofit health
11 maintenance organization.]

12 SUBTITLE 21. MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION.

13 19-2101.

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

16 (B) "COMMISSION" MEANS THE MARYLAND COMMUNITY HEALTH RESOURCES
17 COMMISSION.

18 (C) (1) "COMMUNITY HEALTH RESOURCE" MEANS A NONPROFIT HEALTH
19 CARE CENTER OR PROGRAM THAT OFFERS THE PRIMARY HEALTH CARE SERVICES
20 REQUIRED BY THE COMMISSION UNDER § 19-2102(C)(2) TO AN INDIVIDUAL ON A
21 SLIDING SCALE FEE SCHEDULE AND WITHOUT REGARD TO AN INDIVIDUAL'S ABILITY
22 TO PAY.

23 (2) "COMMUNITY HEALTH RESOURCE" INCLUDES:

24 (I) A FEDERALLY QUALIFIED HEALTH CENTER;

25 (II) A FEDERALLY QUALIFIED HEALTH CENTER "LOOK-ALIKE";

26 (III) A COMMUNITY HEALTH CENTER;

27 (IV) A MIGRANT HEALTH CENTER;

28 (V) A HEALTH CARE PROGRAM FOR THE HOMELESS;

29 (VI) A PRIMARY CARE PROGRAM FOR A PUBLIC HOUSING PROJECT;

30 (VII) A LOCAL NONPROFIT AND COMMUNITY-OWNED HEALTH CARE
31 PROGRAM;

32 (VIII) A SCHOOL-BASED CLINIC;

33 (IX) A TEACHING CLINIC; AND

1 (X) ANY OTHER CENTER OR PROGRAM IDENTIFIED BY THE
2 COMMISSION AS A COMMUNITY HEALTH RESOURCE.

3 19-2102.

4 (A) THERE IS A MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION.

5 (B) THE COMMISSION IS AN INDEPENDENT COMMISSION THAT FUNCTIONS
6 WITHIN THE DEPARTMENT.

7 (C) THE PURPOSE OF THE COMMISSION IS TO INCREASE ACCESS TO HEALTH
8 CARE THROUGH COMMUNITY HEALTH RESOURCES.

9 19-2103.

10 (A) (1) THE COMMISSION CONSISTS OF SEVEN MEMBERS APPOINTED BY
11 THE GOVERNOR.

12 (2) OF THE SEVEN MEMBERS, FOUR SHALL BE INDIVIDUALS WHO DO
13 NOT HAVE ANY CONNECTION WITH THE MANAGEMENT OR POLICY OF ANY
14 COMMUNITY HEALTH RESOURCE.

15 (B) (1) THE TERM OF A MEMBER IS 4 YEARS.

16 (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE
17 TERMS PROVIDED FOR MEMBERS OF THE COMMISSION ON OCTOBER 1, 2004.

18 (3) THE TERMS OF THE INITIAL MEMBERS OF THE COMMISSION END AS
19 FOLLOWS:

20 (I) TWO IN 2005;

21 (II) ONE IN 2006;

22 (III) TWO IN 2007; AND

23 (IV) TWO IN 2008.

24 (4) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
25 SUCCESSOR IS APPOINTED AND QUALIFIES.

26 (5) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
27 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
28 QUALIFIES.

29 (6) A MEMBER WHO SERVES TWO CONSECUTIVE 4-YEAR TERMS MAY
30 NOT BE REAPPOINTED FOR 4 YEARS AFTER COMPLETION OF THOSE TERMS.

31 (7) TO THE EXTENT PRACTICABLE, WHEN APPOINTING MEMBERS TO
32 THE COMMISSION, THE GOVERNOR SHALL ASSURE GEOGRAPHIC BALANCE AND
33 PROMOTE RACIAL DIVERSITY IN THE COMMISSION'S MEMBERSHIP.

1 19-2104.

2 ANNUALLY, FROM AMONG THE MEMBERS OF THE COMMISSION:

3 (1) THE GOVERNOR SHALL APPOINT A CHAIRMAN; AND

4 (2) THE CHAIRMAN SHALL APPOINT A VICE CHAIRMAN.

5 19-2105.

6 (A) WITH THE APPROVAL OF THE GOVERNOR, THE COMMISSION SHALL
7 APPOINT AN EXECUTIVE DIRECTOR, WHO IS THE CHIEF ADMINISTRATIVE OFFICER
8 OF THE COMMISSION.

9 (B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE
10 COMMISSION.

11 (C) UNDER THE DIRECTION OF THE COMMISSION, THE EXECUTIVE DIRECTOR
12 SHALL PERFORM ANY DUTY OR FUNCTION THAT THE COMMISSION REQUIRES.

13 19-2106.

14 (A) (1) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE
15 COMMISSION IS A QUORUM.

16 (2) THE COMMISSION MAY NOT ACT ON ANY MATTER UNLESS AT LEAST
17 FOUR MEMBERS IN ATTENDANCE CONCUR.

18 (B) THE COMMISSION SHALL MEET AT LEAST SIX TIMES A YEAR, AT THE
19 TIMES AND PLACES THAT IT DETERMINES.

20 (C) EACH MEMBER OF THE COMMISSION IS ENTITLED TO:

21 (1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND

22 (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE
23 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

24 (D) (1) THE COMMISSION MAY EMPLOY A STAFF IN ACCORDANCE WITH THE
25 STATE BUDGET.

26 (2) THE COMMISSION SHALL EMPLOY AN INDIVIDUAL WHO IS
27 RESPONSIBLE FOR PREPARING GRANT APPLICATIONS.

28 (3) THE COMMISSION, IN CONSULTATION WITH THE SECRETARY, SHALL
29 DETERMINE THE APPROPRIATE JOB CLASSIFICATIONS AND GRADES FOR ALL STAFF.

30 19-2107.

31 (A) IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE,
32 THE COMMISSION MAY:

- 1 (1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS
2 SUBTITLE;
- 3 (2) CREATE COMMITTEES FROM AMONG ITS MEMBERS;
- 4 (3) APPOINT ADVISORY COMMITTEES, WHICH MAY INCLUDE
5 INDIVIDUALS AND REPRESENTATIVES OF INTERESTED PUBLIC OR PRIVATE
6 ORGANIZATIONS;
- 7 (4) APPLY FOR AND ACCEPT ANY FUNDS, PROPERTY, OR SERVICES FROM
8 ANY PERSON OR GOVERNMENT AGENCY;
- 9 (5) MAKE AGREEMENTS WITH A GRANTOR OR PAYOR OF FUNDS,
10 PROPERTY, OR SERVICES, INCLUDING AN AGREEMENT TO MAKE ANY STUDY, PLAN,
11 DEMONSTRATION, OR PROJECT;
- 12 (6) PUBLISH AND GIVE OUT ANY INFORMATION THAT RELATES TO
13 EXPANDING ACCESS TO HEALTH CARE THROUGH COMMUNITY HEALTH RESOURCES
14 AND IS CONSIDERED DESIRABLE IN THE PUBLIC INTEREST; AND
- 15 (7) SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, EXERCISE ANY
16 OTHER POWER THAT IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSES OF
17 THIS SUBTITLE.
- 18 (B) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE,
19 THE COMMISSION SHALL:
- 20 (1) ADOPT RULES AND REGULATIONS THAT RELATE TO ITS MEETINGS,
21 MINUTES, AND TRANSACTIONS;
- 22 (2) KEEP MINUTES OF EACH MEETING;
- 23 (3) PREPARE ANNUALLY A BUDGET PROPOSAL THAT INCLUDES THE
24 ESTIMATED INCOME OF THE COMMISSION AND PROPOSED EXPENSES FOR ITS
25 ADMINISTRATION AND OPERATION; AND
- 26 (4) ON OR BEFORE OCTOBER 1 OF EACH YEAR, SUBMIT TO THE
27 GOVERNOR, TO THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE
28 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY AN ANNUAL REPORT ON THE
29 OPERATIONS AND ACTIVITIES OF THE COMMISSION DURING THE PRECEDING FISCAL
30 YEAR.
- 31 19-2108.
- 32 (A) THE POWER OF THE SECRETARY OVER PLANS, PROPOSALS, AND PROJECTS
33 OF UNITS IN THE DEPARTMENT DOES NOT INCLUDE THE POWER TO DISAPPROVE OR
34 MODIFY ANY DECISION OR DETERMINATION THAT THE COMMISSION MAKES UNDER
35 AUTHORITY SPECIFICALLY DELEGATED BY LAW TO THE COMMISSION.

1 (B) THE POWER OF THE SECRETARY TO TRANSFER BY RULE, REGULATION, OR
2 WRITTEN DIRECTIVE, ANY STAFF, FUNCTIONS, OR FUNDS OF UNITS IN THE
3 DEPARTMENT DOES NOT APPLY TO ANY STAFF, FUNCTION, OR FUNDS OF THE
4 COMMISSION.

5 (C) (1) THE POWER OF THE SECRETARY OVER THE PROCUREMENT
6 PROCEDURE FOR UNITS IN THE DEPARTMENT DOES NOT APPLY TO THE
7 PROCUREMENT PROCEDURE FOR THE COMMISSION.

8 (2) SUBJECT TO THE PROVISIONS OF PARAGRAPH (1) OF THIS
9 SUBSECTION, ANY PROCUREMENT FOR SERVICES TO BE PERFORMED OR FOR
10 SUPPLIES TO BE DELIVERED TO THE COMMISSION IS SUBJECT TO THE PURPOSES,
11 AND REQUIREMENTS OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

12 19-2109.

13 (A) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE,
14 THE COMMISSION SHALL:

15 (1) ESTABLISH THE CRITERIA TO QUALIFY AS A COMMUNITY HEALTH
16 RESOURCE UNDER THIS SUBTITLE;

17 (2) IDENTIFY THE SERVICES THAT A COMMUNITY HEALTH RESOURCE
18 SHALL PROVIDE TO QUALIFY AS A COMMUNITY HEALTH RESOURCE WHICH MAY
19 INCLUDE THE PROVISION OF FAMILY MEDICINE, GENERAL INTERNAL MEDICINE,
20 GENERAL PEDIATRIC CARE, LABORATORY SERVICES, PHARMACY SERVICES, AND
21 OBSTETRIC AND GYNECOLOGY SERVICES;

22 (3) IDENTIFY AND SEEK FEDERAL AND STATE FUNDING FOR THE
23 EXPANSION OF COMMUNITY HEALTH RESOURCES;

24 (4) ADMINISTER OPERATING AND CAPITAL GRANT FUND PROGRAMS
25 FOR QUALIFYING COMMUNITY HEALTH RESOURCES;

26 (5) ASSIST INDIVIDUALS UNDER 300 PERCENT OF THE FEDERAL
27 POVERTY LEVEL WHO DO NOT HAVE HEALTH INSURANCE TO ACCESS HEALTH CARE
28 THROUGH COMMUNITY HEALTH RESOURCES;

29 (6) ESTABLISH GUIDELINES FOR SLIDING SCALE FEE PAYMENTS BY
30 INDIVIDUALS SERVED BY COMMUNITY HEALTH RESOURCES WHO ARE BETWEEN 100
31 PERCENT AND 300 PERCENT OF THE FEDERAL POVERTY LEVEL;

32 (7) ESTABLISH AND ADMINISTER A SMALL EMPLOYER HEALTH
33 INSURANCE PROGRAM THAT PROVIDES HEALTH CARE TO EMPLOYEES THROUGH
34 COMMUNITY HEALTH RESOURCES;

35 (8) IDENTIFY AND PROVIDE ASSISTANCE, INCLUDING TECHNICAL
36 ASSISTANCE, TO ENABLE COMMUNITY HEALTH RESOURCES TO RECEIVE FEDERAL
37 OR STATE DESIGNATIONS FOR WHICH THE RESOURCE MAY BE ELIGIBLE;

1 (9) SERVE AS THE STATE LIAISON WITH THE FEDERAL BUREAU OF
2 PRIMARY HEALTH CARE IN THE IDENTIFICATION OF THE STATE'S HEALTH
3 PROFESSIONAL SHORTAGE AREAS, MEDICALLY UNDERSERVED AREAS, AND
4 MEDICALLY UNDERSERVED POPULATIONS;

5 (10) ESTABLISH A UNIFORM DATA SET TO BE SUBMITTED BY A
6 COMMUNITY HEALTH RESOURCE TO THE COMMISSION, TO BE USED AS THE
7 CRITERIA FOR PROVIDING FUNDING TO THE COMMUNITY HEALTH RESOURCE, THAT
8 INCLUDES:

9 (I) THE PRIMARY CARE SERVICES OFFERED BY THE COMMUNITY
10 HEALTH RESOURCE;

11 (II) THE NUMBER OF INDIVIDUALS RECEIVING PRIMARY CARE
12 SERVICES AT THE COMMUNITY HEALTH RESOURCE; AND

13 (III) ANY OTHER MEASURE OF HEALTH CARE QUALITY;

14 (11) DEVELOP A UNIFIED INFORMATION AND DATA MANAGEMENT
15 SYSTEM FOR USE BY ALL COMMUNITY HEALTH RESOURCES THAT IS INTEGRATED
16 WITH LOCAL HOSPITAL SYSTEMS TO TRACK THE TREATMENT OF INDIVIDUAL
17 PATIENTS AND THAT PROVIDES REAL-TIME INDICATORS OF AVAILABLE RESOURCES;
18 AND

19 (12) DEVELOP AND IMPLEMENT PROGRAMS TO PROVIDE INCENTIVES TO
20 SPECIALIST PROVIDERS TO SERVE INDIVIDUALS REFERRED FROM COMMUNITY
21 HEALTH RESOURCES, INCLUDING PROGRAMS:

22 (I) TO REDUCE LICENSURE FEES FOR SPECIALIST PROVIDERS WHO
23 SERVE A DESIGNATED NUMBER OF INDIVIDUALS REFERRED EACH YEAR FROM
24 COMMUNITY HEALTH RESOURCES;

25 (II) THAT PROVIDE TAX CREDITS, DEDUCTIONS, OR BOTH TO
26 SPECIALIST PROVIDERS BASED ON THE LEVEL OF UNCOMPENSATED CARE
27 PROVIDED EACH YEAR TO INDIVIDUALS REFERRED FROM COMMUNITY HEALTH
28 RESOURCES; AND

29 (III) TO INCREASE HEALTH PROFESSIONAL VOLUNTEERISM.

30 (B) ON OR BEFORE OCTOBER 1, 2005, THE COMMISSION SHALL ADOPT
31 REGULATIONS TO IMPLEMENT THE PROGRAMS REQUIRED UNDER SUBSECTION
32 (A)(12) OF THIS SECTION.

33 19-2110.

34 (A) IN THIS SECTION, "PROGRAM" MEANS THE COMMUNITY HEALTH
35 RESOURCES HEALTH CARE ACCESS PROGRAM.

1 (B) THE COMMISSION, IN CONSULTATION WITH THE MOTOR VEHICLE
2 ADMINISTRATION, SHALL ESTABLISH A COMMUNITY HEALTH RESOURCES HEALTH
3 CARE ACCESS PROGRAM.

4 (C) THE PURPOSE OF THE PROGRAM IS TO ASSIST INDIVIDUALS BELOW 300
5 PERCENT OF THE FEDERAL POVERTY LEVEL TO ACCESS HEALTH CARE THROUGH
6 COMMUNITY HEALTH RESOURCES.

7 (D) UNDER THE PROGRAM, THE MOTOR VEHICLE ADMINISTRATION SHALL:

8 (1) COLLECT ON A VOLUNTARY BASIS INFORMATION ON AN
9 INDIVIDUAL'S INCOME AND HEALTH INSURANCE COVERAGE WHEN AN INDIVIDUAL
10 REGISTERS A MOTOR VEHICLE OR APPLIES FOR OR RENEWS A DRIVER'S LICENSE OR
11 IDENTIFICATION CARD; AND

12 (2) PROVIDE THE INFORMATION COLLECTED UNDER ITEM (1) OF THIS
13 SUBSECTION TO THE COMMISSION.

14 (E) SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE COMMISSION SHALL
15 USE THE INFORMATION RECEIVED FROM THE MOTOR VEHICLE ADMINISTRATION
16 AND FROM ANY OTHER SOURCE, INCLUDING LOCAL HEALTH DEPARTMENTS, TO
17 REFER UNINSURED INDIVIDUALS UNDER 300 PERCENT OF THE FEDERAL POVERTY
18 LEVEL TO COMMUNITY HEALTH RESOURCES.

19 (F) THE COMMISSION SHALL REFER INDIVIDUALS TO COMMUNITY HEALTH
20 RESOURCES BASED ON THE FOLLOWING SCHEDULE:

21 (1) ON OR BEFORE OCTOBER 1, 2005, THE COMMISSION SHALL REFER
22 INDIVIDUALS BELOW 100 PERCENT OF THE FEDERAL POVERTY LEVEL;

23 (2) BEGINNING ON OR BEFORE OCTOBER 1, 2006, THE COMMISSION
24 SHALL REFER INDIVIDUALS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL;
25 AND

26 (3) BEGINNING ON OR BEFORE OCTOBER 1, 2007, THE COMMISSION
27 SHALL REFER INDIVIDUALS BELOW 300 PERCENT OF THE FEDERAL POVERTY LEVEL.

28 (G) (1) THE COMMISSION SHALL ESTABLISH A TOLL-FREE HOTLINE.

29 (2) THE TOLL-FREE HOTLINE SHALL:

30 (I) DETERMINE A CALLER'S ELIGIBILITY FOR HEALTH CARE
31 SERVICES;

32 (II) ASSIST CALLERS IN COMPLETING APPLICATION FORMS FOR
33 HEALTH CARE SERVICES;

34 (III) REFER CALLERS TO A COMMUNITY HEALTH RESOURCE BASED
35 ON ELIGIBILITY CRITERIA ESTABLISHED BY THE COMMISSION;

1 (IV) ASSIGN CALLERS TO THE COMMUNITY HEALTH RESOURCE
2 THAT IS THE CLOSEST DISTANCE TO THE CALLER'S RESIDENCE OR WORKPLACE AND
3 AUTO-ASSIGN CALLERS ON A ROTATING BASIS WHEN MULTIPLE CENTERS ARE
4 CLOSE TO THE CALLER'S RESIDENCE OR WORKPLACE; AND

5 (V) PROVIDE OUTREACH SERVICES TO EDUCATE AND INFORM
6 INDIVIDUALS OF THE AVAILABILITY OF COMMUNITY HEALTH RESOURCES AND THE
7 ELIGIBILITY CRITERIA OF COMMUNITY HEALTH RESOURCES.

8 (H) WHEN REFERRING INDIVIDUALS TO A COMMUNITY HEALTH RESOURCE,
9 THE COMMISSION SHALL PROMOTE AN EQUITABLE DISTRIBUTION OF REFERRALS
10 AMONG THE COMMUNITY HEALTH RESOURCES.

11 (I) THE COMMISSION, IN CONSULTATION WITH THE MOTOR VEHICLE
12 ADMINISTRATION AND COMMUNITY HEALTH RESOURCES, SHALL ADOPT
13 REGULATIONS IMPLEMENTING THIS SECTION.

14 19-2111.

15 (A) IN THIS SECTION, "PROGRAM" MEANS THE PROGRAM TO ACCESS CAPITAL
16 AND OPERATIONAL FUNDING.

17 (B) THE COMMISSION SHALL ESTABLISH A PROGRAM TO ACCESS CAPITAL
18 AND OPERATIONAL FUNDING.

19 (C) THE PROGRAM SHALL:

20 (1) IDENTIFY AVAILABLE FEDERAL GRANTS FOR OPERATIONAL
21 ASSISTANCE, INCLUDING REACH INITIATIVE AND COMMUNITY ACCESS PROGRAM
22 GRANTS;

23 (2) ASSIST COMMUNITY HEALTH RESOURCES IN OBTAINING THE
24 GRANTS IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION;

25 (3) ESTABLISH A STATE NEW MARKET TAX CREDIT PROGRAM TO ASSIST
26 LENDING INSTITUTIONS AND COMMUNITY DEVELOPMENT GROUPS IN OBTAINING
27 CAPITAL FINANCING THROUGH THE FEDERAL NEW MARKET TAX CREDIT;

28 (4) ESTABLISH A CAPITAL BOND COMMITTEE TO ASSIST FEDERALLY
29 QUALIFIED HEALTH CENTERS IN APPLYING FOR CAPITAL BOND FINANCING AS
30 PROVIDED IN TITLE 24, SUBTITLE 11 OF THIS ARTICLE BY:

31 (I) PROVIDING TECHNICAL ASSISTANCE TO COMMUNITY HEALTH
32 RESOURCES IN APPLYING FOR CAPITAL BOND FINANCING;

33 (II) COLLECTING APPLICATIONS FROM COMMUNITY HEALTH
34 RESOURCES FOR CAPITAL BOND FINANCING; AND

35 (III) SUBMITTING APPLICATIONS FOR CAPITAL BOND FINANCING TO
36 THE BOARD OF PUBLIC WORKS; AND

1 (5) DEVELOP A REVOLVING LOAN PROGRAM TO ASSIST COMMUNITY
2 HEALTH RESOURCES TO OBTAIN REDUCED DRUG PRICES UNDER § 340B OF THE
3 FEDERAL PUBLIC HEALTH SERVICE ACT.

4 19-2112.

5 (A) IN THIS SECTION, "COUNCIL" MEANS THE COUNCIL ON HOSPITAL AND
6 COMMUNITY HEALTH RESOURCES RELATIONS.

7 (B) THERE IS A COUNCIL ON HOSPITAL AND COMMUNITY HEALTH
8 RESOURCES RELATIONS IN THE COMMISSION.

9 (C) THE COUNCIL SHALL CONSIST OF THE FOLLOWING 13 MEMBERS:

10 (1) THE FOLLOWING 12 MEMBERS, APPOINTED BY THE COMMISSION:

11 (I) THREE REPRESENTATIVES OF COMMUNITY HEALTH
12 RESOURCES;

13 (II) THREE REPRESENTATIVES OF STATE ACUTE CARE HOSPITALS;

14 (III) THREE REPRESENTATIVES OF STATE HOSPITAL-BASED
15 PHYSICIAN PRACTICES; AND

16 (IV) THREE SPECIALIST PROVIDERS LICENSED IN THE STATE; AND

17 (2) ONE INDIVIDUAL WHO IS NOT AFFILIATED WITH ANY OF THE
18 PROVIDERS LISTED IN ITEM (1) OF THIS SUBSECTION, APPOINTED BY THE
19 SECRETARY.

20 (D) THE INDIVIDUAL APPOINTED UNDER SUBSECTION (C)(2) OF THIS SECTION
21 SHALL SERVE AS CHAIRMAN OF THE COUNCIL.

22 (E) THE TERM OF A MEMBER OF THE COUNCIL IS 3 YEARS.

23 (F) (1) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY
24 THE TERMS PROVIDED FOR THE MEMBERS ON OCTOBER 1, 2004.

25 (2) THE TERMS OF THE INITIAL MEMBERS OF THE COMMISSION END AS
26 FOLLOWS:

27 (I) FIVE IN 2005;

28 (II) FOUR IN 2006; AND

29 (III) FOUR IN 2007.

30 (G) THE COUNCIL SHALL MEET QUARTERLY.

31 (H) THE COUNCIL SHALL:

1 (1) MAKE RECOMMENDATIONS TO THE COMMISSION ON PROPOSALS TO
2 ENCOURAGE HOSPITALS AND COMMUNITY HEALTH RESOURCES TO PARTNER TO
3 INCREASE ACCESS TO HEALTH CARE, INCLUDING PROGRAMS FOR HOSPITAL
4 FINANCIAL AND PROGRAM SUPPORT FOR CARE PROVIDED BY SPECIALISTS TO
5 INDIVIDUALS REFERRED TO THE SPECIALISTS BY COMMUNITY HEALTH RESOURCES;
6 AND

7 (2) ESTABLISH A REVERSE REFERRAL PILOT PROGRAM UNDER WHICH A
8 HOSPITAL WILL IDENTIFY AND ASSIST PATIENTS IN ACCESSING HEALTH CARE
9 SERVICES THROUGH A COMMUNITY HEALTH RESOURCE.

10 (I) ON OR BEFORE OCTOBER 1, 2006, THE COUNCIL SHALL REPORT ITS
11 FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR, AND IN ACCORDANCE WITH
12 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

13 19-2113.

14 (A) IN THIS SECTION, "ADVISORY COUNCIL" MEANS THE ADVISORY COUNCIL
15 ON SCHOOL-BASED COMMUNITY HEALTH CENTER EXPANSION.

16 (B) THERE IS AN ADVISORY COUNCIL ON SCHOOL-BASED COMMUNITY
17 HEALTH CENTER EXPANSION.

18 (C) THE ADVISORY COUNCIL SHALL CONSIST OF THE FOLLOWING MEMBERS:

19 (1) TWO REPRESENTATIVES OF THE DEPARTMENT;

20 (2) ONE REPRESENTATIVE OF THE MARYLAND INSURANCE
21 ADMINISTRATION;

22 (3) TWO HEALTH CARE PROVIDERS WHO PROVIDE SERVICES IN A
23 SCHOOL-BASED HEALTH CENTER;

24 (4) ONE NURSE PRACTITIONER;

25 (5) ONE PHYSICIAN ASSISTANT; AND

26 (6) TWO CONSUMERS OF SERVICES PROVIDED BY A SCHOOL-BASED
27 COMMUNITY HEALTH CENTER.

28 (D) THE TERM OF A MEMBER OF THE COUNCIL IS 3 YEARS.

29 (E) (1) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY
30 THE TERMS PROVIDED FOR THE MEMBERS ON OCTOBER 1, 2004.

31 (2) THE TERMS OF THE INITIAL MEMBERS OF THE COMMISSION END AS
32 FOLLOWS:

33 (I) THREE IN 2005;

34 (II) THREE IN 2006; AND

1 (III) THREE IN 2007.

2 (F) THE COMMISSION SHALL DESIGNATE THE CHAIRMAN OF THE ADVISORY
3 COUNCIL.

4 (G) THE ADVISORY COUNCIL SHALL MEET MONTHLY.

5 (H) (1) THE ADVISORY COUNCIL SHALL STUDY AND MAKE
6 RECOMMENDATIONS RELATED TO THE EXPANSION OF SCHOOL-BASED COMMUNITY
7 HEALTH CENTERS TO PROVIDE PRIMARY CARE SERVICES, SPECIALTY SERVICES, AND
8 REFERRAL SERVICES TO ALL MEMBERS OF THE COMMUNITY.

9 (2) IN CONDUCTING THE STUDY REQUIRED UNDER PARAGRAPH (1) OF
10 THIS SUBSECTION, THE ADVISORY COUNCIL SHALL IDENTIFY THE FOLLOWING:

11 (I) A SCHEDULE FOR PREMIUM PAYMENTS AND SLIDING SCALE
12 FEES TO BE PAID BY INDIVIDUALS ACCESSING A SCHOOL-BASED COMMUNITY
13 HEALTH CENTER;

14 (II) A SCHEDULE FOR THE REIMBURSEMENT TO BE PAID BY
15 MANAGED CARE ORGANIZATIONS AND PRIVATE INSURERS TO THE SCHOOL-BASED
16 COMMUNITY HEALTH CENTER;

17 (III) BARRIERS TO THE REIMBURSEMENT OF LICENSED HEALTH
18 CARE PROVIDERS WHO PROVIDE SERVICES AT SCHOOL-BASED HEALTH CLINICS,
19 INCLUDING NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS; AND

20 (IV) A SYSTEM OF REGISTERING INDIVIDUALS WHO RECEIVE
21 HEALTH CARE SERVICES FROM A SCHOOL-BASED COMMUNITY HEALTH CENTER
22 THAT REQUIRES AN INDIVIDUAL TO PAY PREMIUMS AND SLIDING SCALE FEES; AND

23 (V) SECURITY MEASURES TO BE UTILIZED BY SCHOOL-BASED
24 COMMUNITY HEALTH CENTERS.

25 (3) (I) ON OR BEFORE DECEMBER 1, 2005, THE ADVISORY COUNCIL
26 SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN
27 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
28 ASSEMBLY.

29 (II) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS
30 PARAGRAPH SHALL INCLUDE A PLAN FOR IMPLEMENTING THE EXPANSION OF
31 COMMUNITY SCHOOL-BASED HEALTH CENTERS TO PROVIDE SERVICES TO ALL
32 MEMBERS OF THE COMMUNITY ON OR BEFORE DECEMBER 1, 2006.

33 19-2114.

34 (A) IN THIS SECTION, "FUND" MEANS THE COMMUNITY HEALTH RESOURCES
35 COMMISSION FUND.

36 (B) THERE IS A COMMUNITY HEALTH RESOURCES COMMISSION FUND.

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

3 (2) THE TREASURER SHALL HOLD THE FUND, AND THE COMPTROLLER
4 SHALL ACCOUNT FOR THE FUND.

5 (D) THE FUND CONSISTS OF:

6 (I) ANY REVENUE RECEIVED FROM THE TAX IMPOSED ON HEALTH
7 MAINTENANCE ORGANIZATIONS AND MANAGED CARE ORGANIZATIONS UNDER §
8 6-102 OF THE INSURANCE ARTICLE;

9 (II) ANY REVENUE RECEIVED FROM THE TAX IMPOSED ON EMPLOYERS
10 UNDER § 15-131 OF THIS ARTICLE;

11 (III) ANY FUNDS MADE AVAILABLE TO THE STATE THAT RESULT FROM
12 SAVINGS WITHIN THE STATE'S PRESCRIPTION DRUG ASSISTANCE PROGRAMS UPON
13 THE IMPLEMENTATION OF A MEDICARE PRESCRIPTION DRUG BENEFIT, INCLUDING
14 ANY SAVINGS OF STATE FUNDS FROM THE MARYLAND MEDICAL ASSISTANCE
15 PROGRAM AND THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE
16 BENEFITS PROGRAM;

17 (IV) NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, ANY
18 FUNDS IN THE MARYLAND HEALTH INSURANCE PLAN FUND ESTABLISHED UNDER §
19 14-504 OF THE INSURANCE ARTICLE IN EXCESS OF FUNDS NEEDED FOR THE
20 OPERATION AND ADMINISTRATION OF THE MARYLAND HEALTH INSURANCE PLAN;
21 AND

22 (V) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE
23 BENEFIT OF THE FUND.

24 (E) (1) THE FUND MAY BE USED ONLY TO:

25 (I) COVER THE ADMINISTRATIVE COSTS OF THE COMMISSION;

26 (II) COVER THE ACTUAL DOCUMENTED DIRECT COSTS OF
27 FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE COMMISSION IN
28 ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

29 (III) PROVIDE GRANTS TO QUALIFYING COMMUNITY HEALTH
30 RESOURCES;

31 (IV) SUBJECT TO THE APPROVAL OF A FEDERAL WAIVER, MAKE
32 TRANSFERS TO THE DEPARTMENT TO BE USED AS MEDICAL ASSISTANCE PROGRAM
33 PAYMENTS FOR PROGRAM ENROLLEES BETWEEN 45 AND 100 PERCENT OF THE
34 FEDERAL POVERTY LEVEL; AND

35 (V) PROVIDE STIPENDS TO SPECIALISTS WHO PROVIDE HEALTH
36 CARE SERVICES TO INDIVIDUALS RECEIVING PRIMARY CARE SERVICES FROM A
37 COMMUNITY HEALTH RESOURCE.

1 (2) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

2 (I) ESTABLISH THE CRITERIA FOR A COMMUNITY HEALTH
3 RESOURCE TO QUALIFY FOR A GRANT;

4 (II) ESTABLISH THE PROCEDURES TO BE FOLLOWED BY A
5 COMMUNITY HEALTH RESOURCE WHEN APPLYING FOR A GRANT; AND

6 (III) DEVELOP A FORMULA FOR DISBURSING GRANTS TO
7 QUALIFYING COMMUNITY HEALTH RESOURCES.

8 (3) GRANTS AWARDED TO A COMMUNITY HEALTH RESOURCE UNDER
9 THIS SECTION MAY BE USED:

10 (I) TO SUBSIDIZE THE COSTS OF CARE PROVIDED TO INDIVIDUALS
11 BETWEEN 200 AND 300 PERCENT OF THE FEDERAL POVERTY LEVEL;

12 (II) TO PROVIDE OPERATIONAL ASSISTANCE TO A COMMUNITY
13 HEALTH RESOURCE;

14 (III) TO PROVIDE SUPPORT FOR INFORMATION AND DATA
15 TECHNOLOGY SYSTEMS TO EXPAND SERVICES OF A COMMUNITY HEALTH
16 RESOURCE; AND

17 (IV) FOR ANY OTHER PURPOSE THE COMMISSION DETERMINES IS
18 APPROPRIATE TO ASSIST A COMMUNITY HEALTH RESOURCE.

19 (F) (1) THE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE
20 SAME MANNER AS OTHER MONEY MAY BE INVESTED.

21 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO
22 THE CREDIT OF THE FUND.

23 (G) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF
24 LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT
25 ARTICLE.

26 SUBTITLE 11. FEDERALLY QUALIFIED HEALTH CENTERS GRANT PROGRAM.

27 24-1101.

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

30 (B) "FEDERALLY QUALIFIED HEALTH CENTER" MEANS A HEALTH CENTER
31 THAT IS:

32 (1) DESIGNATED AS A FEDERALLY QUALIFIED HEALTH CENTER UNDER
33 § 330 OF THE FEDERAL PUBLIC HEALTH SERVICE ACT, 42 U.S.C. 254B; AND

1 (2) WHOLLY OWNED BY AND OPERATED UNDER THE AUTHORITY OF A
2 COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION.

3 (C) "NONPROFIT ORGANIZATION" MEANS:

4 (1) A BONA FIDE RELIGIOUS ORGANIZATION, NO PART OF THE
5 EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY INDIVIDUAL OR IS USED FOR
6 ANY PURPOSE OTHER THAN THE MAINTENANCE AND OPERATION OF A FACILITY,
7 THE PURCHASE OF EQUIPMENT TO BE USED IN A FACILITY, OR THE EXPANSION OF A
8 FACILITY; OR

9 (2) AN ORGANIZATION:

10 (I) THAT IS CHARTERED AS A NONPROFIT CORPORATION AND
11 CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS NONPROFIT; AND

12 (II) NO PART OF THE EARNINGS OF WHICH INURES TO THE
13 BENEFIT OF ANY INDIVIDUAL OR IS USED FOR ANY PURPOSE OTHER THAN THE
14 MAINTENANCE AND OPERATION OF A FACILITY, THE PURCHASE OF EQUIPMENT TO
15 BE USED IN A FACILITY, OR THE EXPANSION OF A FACILITY.

16 (D) "WHOLLY OWNED" INCLUDES LEASED, IF:

17 (1) (I) THE LEASE IS FOR A MINIMUM TERM OF 30 YEARS FOLLOWING
18 PROJECT COMPLETION; OR

19 (II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE
20 TO THE LESSEE; AND

21 (2) THE LESSOR CONSENTS TO THE RECORDING IN THE LAND RECORDS
22 OF THE COUNTY OR BALTIMORE CITY WHERE THE FACILITY IS LOCATED, OF A
23 NOTICE OF THE STATE'S RIGHT OF RECOVERY AS PROVIDED UNDER § 24-1106 OF THIS
24 SUBTITLE.

25 24-1102.

26 (A) THERE IS A FEDERALLY QUALIFIED HEALTH CENTERS GRANT PROGRAM.

27 (B) ON THE RECOMMENDATION OF THE SECRETARY, THE BOARD OF PUBLIC
28 WORKS MAY MAKE GRANTS TO COUNTIES, MUNICIPAL CORPORATIONS, AND
29 NONPROFIT ORGANIZATIONS FOR:

30 (1) THE CONVERSION OF PUBLIC BUILDINGS OR PARTS OF PUBLIC
31 BUILDINGS TO FEDERALLY QUALIFIED HEALTH CENTERS;

32 (2) THE ACQUISITION OF EXISTING BUILDINGS OR PARTS OF BUILDINGS
33 FOR USE AS FEDERALLY QUALIFIED HEALTH CENTERS;

34 (3) THE RENOVATION OF FEDERALLY QUALIFIED HEALTH CENTERS;

1 (4) THE PURCHASE OF CAPITAL EQUIPMENT FOR FEDERALLY
2 QUALIFIED HEALTH CENTERS; OR

3 (5) THE PLANNING, DESIGN, AND CONSTRUCTION OF FEDERALLY
4 QUALIFIED HEALTH CENTERS.

5 24-1103.

6 (A) ANY COUNTY, MUNICIPAL CORPORATION, OR NONPROFIT ORGANIZATION
7 SPONSORING A PROJECT INVOLVING WORK SPECIFIED IN § 24-1102 OF THIS
8 SUBTITLE MAY APPLY TO THE SECRETARY FOR A STATE GRANT TO BE APPLIED
9 TOWARD THE COST OF THAT PROJECT.

10 (B) THE APPLICATION SHALL INCLUDE:

11 (1) PROJECT PLANS FOR THE WORK TO BE CARRIED OUT;

12 (2) A STATEMENT LISTING THE PERSONNEL EMPLOYED OR TO BE
13 EMPLOYED AT THE FEDERALLY QUALIFIED HEALTH CENTER, INCLUDING ALL
14 REMUNERATION AND PERQUISITES FOR PERSONAL SERVICES AND ALL OTHER
15 EXPENSES PAID OR TO BE PAID TO THESE PERSONNEL;

16 (3) ALL OTHER EXPENSES INCURRED OR TO BE INCURRED IN
17 OPERATING THE FEDERALLY QUALIFIED HEALTH CENTER; AND

18 (4) THE SCHEDULE OF RATES CHARGED OR TO BE CHARGED FOR
19 SERVICES RENDERED.

20 (C) ON APPROVAL OF A PROJECT AND THE PROJECT PLANS, THE SECRETARY
21 SHALL PROMPTLY REPORT THE APPLICATION TO THE BOARD OF PUBLIC WORKS,
22 TOGETHER WITH THE SECRETARY'S RECOMMENDATION, THAT THE BOARD MAKE
23 FUNDS AVAILABLE AS PROVIDED IN THIS SUBTITLE.

24 24-1104.

25 (A) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE ARE
26 SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS SECTION.

27 (B) STATE FUNDS MAY ONLY BE USED FOR THE PURPOSES LISTED UNDER §
28 24-1102 OF THIS SUBTITLE AND APPROVED BY THE SECRETARY UNDER § 24-1103 OF
29 THIS SUBTITLE.

30 (C) (1) THE ALLOCATION AND USE OF STATE FUNDS UNDER THIS SUBTITLE
31 ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS.

32 (2) ANY FEDERAL OR OTHER GRANT THAT IS RECEIVED FOR AN
33 ELIGIBLE PROJECT SHALL BE APPLIED FIRST TO THE COST OF THE PROJECT.

34 (3) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A STATE
35 GRANT MAY NOT EXCEED THE LESSER OF \$500,000 OR 50% OF THE COST OF ELIGIBLE
36 WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN APPLIED.

1 (4) FOR PURPOSES OF THIS SUBTITLE, COMMUNITY DEVELOPMENT
2 BLOCK GRANT FUNDS SHALL BE CONSIDERED AS LOCAL MATCHING FUNDS AND MAY
3 NOT BE CONSIDERED AS FEDERAL GRANT FUNDS.

4 (D) FOR A PROJECT DESIGNATED AS ELIGIBLE FOR POVERTY AREA FUNDING
5 UNDER FEDERAL REGULATIONS, STATE PLANS, OR DEPARTMENTAL REGULATIONS, A
6 STATE GRANT MAY COVER UP TO THE LESSER OF \$500,000 OR 75% OF THE COST OF
7 ELIGIBLE WORK REMAINING UNPAID AFTER ALL FEDERAL GRANTS HAVE BEEN
8 APPLIED.

9 (E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF
10 PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION
11 OF:

12 (1) ALL ELIGIBLE PROJECTS;

13 (2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE
14 TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;
15 AND

16 (3) THE PRIORITIES OF AREA NEED ESTABLISHED BY THE DEPARTMENT.

17 (F) (1) NO PORTION OF THE PROCEEDS OF A STATE GRANT MAY BE USED:

18 (I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

19 (II) IN CONNECTION WITH THE DESIGN, ACQUISITION, OR
20 CONSTRUCTION OF ANY BUILDING TO BE USED AS A PLACE OF SECTARIAN
21 RELIGIOUS WORSHIP OR INSTRUCTION; OR

22 (III) IN CONNECTION WITH ANY PROGRAM OR DEPARTMENT OF
23 DIVINITY FOR ANY RELIGIOUS DENOMINATION.

24 (2) ON THE REQUEST OF THE BOARD OF PUBLIC WORKS, THE
25 APPLICANT SHALL SUBMIT EVIDENCE SATISFACTORY TO THE BOARD THAT THE
26 PROCEEDS OF THE GRANT ARE NOT BEING USED FOR A PURPOSE PROHIBITED
27 UNDER THIS SUBSECTION OR UNDER APPLICABLE FEDERAL LAW.

28 24-1105.

29 (A) THE BOARD OF PUBLIC WORKS SHALL MAKE ALLOCATIONS FROM FUNDS
30 AVAILABLE UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SUBTITLE.

31 (B) THE BOARD SHALL CERTIFY THE ALLOCATIONS TO THE PROPER STATE
32 OFFICERS, AND THE TREASURER SHALL MAKE PAYMENTS TO OR ON BEHALF OF THE
33 APPLICANT, WHEN NEEDED, FOR THE APPROVED PROJECT.

34 (C) THE BOARD OF PUBLIC WORKS MAY ADOPT REGULATIONS TO IMPLEMENT
35 THIS SECTION.

1 24-1106.

2 (A) THE STATE MAY RECOVER FROM EITHER THE TRANSFEROR OR
3 TRANSFEREE OR, IN THE CASE OF A PROPERTY THAT HAS CEASED TO BE A
4 FEDERALLY QUALIFIED HEALTH CENTER, FROM THE OWNER, AN AMOUNT BEARING
5 THE SAME RATIO TO THE THEN CURRENT VALUE OF SO MUCH OF THE PROPERTY AS
6 CONSTITUTED AN APPROVED PROJECT AS THE AMOUNT OF THE STATE
7 PARTICIPATION BORE TO THE TOTAL ELIGIBLE COST OF THE APPROVED PROJECT,
8 TOGETHER WITH ALL COSTS AND REASONABLE ATTORNEYS' FEES INCURRED BY THE
9 STATE IN THE RECOVERY PROCEEDINGS, IF, WITHIN 30 YEARS AFTER COMPLETION
10 OF A PROJECT, A PROPERTY FOR WHICH FUNDS HAVE BEEN PAID UNDER THIS
11 SUBTITLE:

12 (1) IS SOLD OR TRANSFERRED TO ANY PERSON, AGENCY, OR
13 ORGANIZATION THAT WOULD NOT QUALIFY AS AN APPLICANT UNDER THIS
14 SUBTITLE, OR THAT IS NOT APPROVED AS A TRANSFEREE BY THE BOARD OF PUBLIC
15 WORKS; OR

16 (2) CEASES TO BE A FEDERALLY QUALIFIED HEALTH CENTER AS
17 DEFINED IN THIS SUBTITLE.

18 (B) (1) BEFORE THE STATE MAKES ANY FUNDS AVAILABLE FOR AN
19 APPROVED PROJECT, THE DEPARTMENT SHALL CAUSE A NOTICE OF THIS RIGHT OF
20 RECOVERY TO BE RECORDED IN THE LAND RECORDS OF THE COUNTY OR
21 BALTIMORE CITY WHERE THE PROPERTY IS LOCATED.

22 (2) THE RECORDING OF THE NOTICE:

23 (I) DOES NOT CREATE A LIEN AGAINST THE PROPERTY; BUT

24 (II) SHALL CONSTITUTE NOTICE TO ANY POTENTIAL TRANSFEREE,
25 POTENTIAL TRANSFEROR, POTENTIAL CREDITOR, OR OTHER INTERESTED PARTY OF
26 THE POSSIBILITY THAT THE STATE MAY OBTAIN A LIEN UNDER THIS SUBTITLE.

27 (C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY FILE A
28 CIVIL COMPLAINT UNDER SUBSECTION (B) OF THIS SECTION, IN THE CIRCUIT COURT
29 FOR THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED, AGAINST
30 THE OWNER OF THE PROPERTY AND ANY OTHER INTERESTED PARTIES, INCLUDING
31 ANY TRANSFEROR THAT THE STATE WISHES TO MAKE A PARTY.

32 (II) THE COMPLAINT SHALL BE FILED WITH:

33 1. SWORN AFFIDAVITS STATING FACTS ON WHICH THE
34 ALLEGATIONS OF DEFAULT ARE BASED; AND

35 2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

36 (2) IF THE CIRCUIT COURT DETERMINES FROM THE STATE'S INITIAL
37 FILING THAT A DEFAULT HAS OCCURRED, PENDING FULL DETERMINATION OF THE

1 STATE'S CLAIM, THE COURT SHALL AUTHORIZE A TEMPORARY LIEN ON THE
2 PROPERTY:

3 (I) IN THE AMOUNT OF THE STATE'S COMPLAINT PLUS ANY
4 ADDITIONAL AMOUNT ESTIMATED TO BE NECESSARY TO COVER THE COSTS AND
5 REASONABLE ATTORNEYS' FEES INCURRED BY THE STATE; OR

6 (II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE
7 REASONABLE.

8 (3) (I) A TEMPORARY LIEN SHALL TAKE EFFECT:

9 1. ON THE DATE OF THE COURT'S AUTHORIZATION, IF THE
10 SECRETARY OF THE BOARD OF PUBLIC WORKS RECORDS A NOTICE OF TEMPORARY
11 LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY WHERE THE
12 PROPERTY IS LOCATED WITHIN 10 DAYS AFTER THE COURT'S AUTHORIZATION; OR

13 2. ON THE DATE A NOTICE OF TEMPORARY LIEN IS
14 RECORDED.

15 (II) WHILE THE TEMPORARY LIEN IS IN EFFECT, NEITHER THE
16 OWNER NOR ANY PERSON WHO ACQUIRED AN INTEREST IN THE PROPERTY AFTER
17 THE STATE FIRST MADE FUNDS AVAILABLE IN CONNECTION WITH THE PROPERTY
18 MAY WITHOUT THE PRIOR WRITTEN CONSENT OF THE STATE:

19 1. TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO
20 THE PROPERTY; OR

21 2. INSTITUTE ANY PROCEEDINGS TO ENFORCE A SECURITY
22 INTEREST OR OTHER SIMILAR RIGHTS IN THE PROPERTY.

23 (4) (I) THE OWNER OF THE PROPERTY OR ANY OTHER INTERESTED
24 PARTY MAY OBTAIN RELEASE OF A TEMPORARY LIEN AT ANY TIME BY FILING WITH
25 THE COURT A BOND SECURING THE PAYMENT IN FULL OF THE STATE'S CLAIM AND
26 ANY ADDITIONAL AMOUNT NECESSARY TO COVER THE COSTS AND REASONABLE
27 ATTORNEYS' FEES INCURRED BY THE STATE.

28 (II) THE OWNER OR OTHER INTERESTED PARTY MAY CAUSE THE
29 RELEASE TO BE RECORDED IN THE LAND RECORDS.

30 (D) PROCEEDINGS TO DETERMINE THE STATE'S RIGHT TO RECOVER AND THE
31 AMOUNT OF ITS RECOVERY UNDER THIS SUBTITLE SHALL HAVE PRIORITY OVER
32 OTHER CIVIL PROCEEDINGS IN THE CIRCUIT COURTS.

33 (E) (1) (I) AT THE CONCLUSION OF FULL ADVERSARY PROCEEDINGS ON
34 THE ISSUE OF DEFAULT AND OF ANY DISPUTES OVER THE AMOUNT OF THE STATE'S
35 RECOVERY, THE CIRCUIT COURT SHALL, IF IT FINDS THAT A DEFAULT HAS
36 OCCURRED, ISSUE A FINAL JUDGMENT FOR THE AMOUNT IT FINDS TO BE
37 RECOVERABLE BY THE STATE.

1 (II) ALL PARTIES INVOLVED IN THE DEFAULT, INCLUDING IN
2 EVERY CASE THE OWNER OF THE PROPERTY, SHALL BE HELD JOINTLY AND
3 SEVERALLY LIABLE TO THE STATE FOR THE AMOUNT OF THE JUDGMENT.

4 (2) (I) EXCEPT AS THE STATE MAY OTHERWISE PROVIDE BY A
5 WRITTEN SUBORDINATION AGREEMENT, IF THE AMOUNT OF THE FINAL JUDGMENT
6 REMAINS UNPAID AFTER 30 DAYS FOLLOWING THE COURT'S FINAL ORDER, THE
7 FINAL JUDGMENT SHALL CONSTITUTE A LIEN ON THE PROPERTY, SUPERIOR TO THE
8 LIEN OR OTHER INTEREST OF A MORTGAGEE, PLEDGEE, PURCHASER, OR JUDGMENT
9 CREDITOR WHOSE INTEREST BECAME PERFECTED AGAINST THIRD PERSONS AFTER
10 THE STATE FIRST MADE FUNDS AVAILABLE UNDER THIS SUBTITLE.

11 (II) 1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS ITEM, A LIEN
12 TAKES EFFECT ON THE DATE A NOTICE OF LIEN IS RECORDED.

13 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE
14 COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS
15 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE
16 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING
17 THE FINAL ORDER.

18 (III) 1. AT THE TIME THAT A LIEN TAKES EFFECT, ANY
19 TEMPORARY LIEN THEN IN EFFECT SHALL BE AUTOMATICALLY AND FULLY
20 RELEASED.

21 2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE
22 NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

23 (IV) A LIEN IMPOSED UNDER THIS SUBSECTION MAY BE ENFORCED
24 AND FORECLOSED IN ACCORDANCE WITH THE PROCEDURES PRESCRIBED IN THE
25 MARYLAND RULES, EXCEPT THAT NEITHER THE STATE NOR ANY AGENT APPOINTED
26 BY THE STATE TO SELL THE PROPERTY NEED FILE A BOND.

27 (3) (I) THE OWNER OR ANY OTHER INTERESTED PARTY MAY OBTAIN
28 RELEASE OF A LIEN AT ANY TIME BY PAYING TO THE STATE THE FULL AMOUNT OF
29 THE JUDGMENT RENDERED BY THE CIRCUIT COURT, TOGETHER WITH INTEREST
30 FROM THE DATE OF JUDGMENT.

31 (II) ON PAYMENT IN FULL, THE SECRETARY OF THE BOARD OF
32 PUBLIC WORKS SHALL CAUSE A RELEASE TO BE RECORDED IN THE LAND RECORDS.

33 (4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT
34 OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN
35 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT
36 SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC
37 WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

38 (F) (1) ALL FUNDS RECOVERED AS A RESULT OF THIS RIGHT OF RECOVERY
39 SHALL BE DEPOSITED IN THE ANNUITY BOND FUND AND APPLIED TO THE DEBT
40 SERVICE REQUIREMENTS OF THE STATE.

1 (2) IF THE BOARD DETERMINES THAT THERE IS GOOD CAUSE FOR
2 RELEASING THE TRANSFEROR, TRANSFEREE, OR OWNER FROM THE OBLIGATION
3 IMPOSED UNDER THIS SUBTITLE, THE BOARD OF PUBLIC WORKS MAY WAIVE THE
4 STATE'S RIGHT OF RECOVERY UNDER THIS SUBTITLE.

5 24-1107.

6 THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE
7 PROVISIONS OF THIS SUBTITLE.

8 **Article - Insurance**

9 6-101.

10 (a) The following persons are subject to taxation under this subtitle:

11 (1) a person engaged as principal in the business of writing insurance
12 contracts, surety contracts, guaranty contracts, or annuity contracts;

13 (2) A HEALTH MAINTENANCE ORGANIZATION AUTHORIZED BY TITLE 19,
14 SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE;

15 (3) A MANAGED CARE ORGANIZATION AUTHORIZED BY TITLE 15,
16 SUBTITLE 1 OF THE HEALTH - GENERAL ARTICLE;

17 [(2)] (4) an attorney in fact for a reciprocal insurer;

18 [(3)] (5) the Maryland Automobile Insurance Fund; and

19 [(4)] (6) a credit indemnity company.

20 (b) The following persons are not subject to taxation under this subtitle:

21 (1) a nonprofit health service plan corporation that meets the
22 requirements established under §§ 14-106 and 14-107 of this article;

23 (2) a fraternal benefit society;

24 (3) [a health maintenance organization authorized by Title 19, Subtitle
25 7 of the Health - General Article;

26 [(4)] (4) a surplus lines broker, who is subject to taxation in accordance with
27 Title 3, Subtitle 3 of this article;

28 [(5)] (4) an unauthorized insurer, who is subject to taxation in
29 accordance with Title 4, Subtitle 2 of this article;

30 [(6)] (5) the Maryland Health Insurance Plan established under Title
31 14, Subtitle 5, Part I of this article; or

1 [~~(7)~~] (6) the Senior Prescription Drug Program established under Title
2 14, Subtitle 5, Part II of this article.

3 6-102.

4 (b) Premiums to be taxed include:

5 (1) the consideration for a surety contract, guaranty contract, or annuity
6 contract;

7 (2) SUBSCRIPTION CHARGES OR OTHER AMOUNTS PAID TO A HEALTH
8 MAINTENANCE ORGANIZATION ON A PREDETERMINED PERIODIC RATE BASIS BY A
9 PERSON OTHER THAN A PERSON SUBJECT TO THE TAX UNDER THIS SUBTITLE AS
10 COMPENSATION FOR PROVIDING HEALTH CARE SERVICES TO MEMBERS;

11 (3) GROSS RECEIPTS RECEIVED AS A RESULT OF CAPITATION
12 PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE TO A
13 MANAGED CARE ORGANIZATION FOR PROVIDER SERVICES TO AN INDIVIDUAL WHO
14 IS ENROLLED IN A MANAGED CARE ORGANIZATION;

15 [~~(2)~~] (4) dividends on life insurance policies that have been applied to
16 buy additional insurance or to shorten the period during which a premium is payable;
17 and

18 [~~(3)~~] (5) the part of the gross receipts of a title insurer that is derived
19 from insurance business or guaranty business.

20 6-103.

21 The tax rate is:

22 (1) 0% for premiums for annuities; and

23 (2) 2% for all other premiums, INCLUDING:

24 (I) SUBSCRIPTION CHARGES OR OTHER AMOUNTS PAID TO A
25 HEALTH MAINTENANCE ORGANIZATION; AND

26 (II) GROSS RECEIPTS RECEIVED AS A RESULT OF CAPITATION
27 PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE TO A
28 MANAGED CARE ORGANIZATION.

29 6-103.2.

30 NOTWITHSTANDING § 2-114 OF THIS ARTICLE, THE REVENUE FROM THE TAX
31 IMPOSED ON HEALTH MAINTENANCE ORGANIZATIONS AND MANAGED CARE
32 ORGANIZATIONS SHALL BE DISTRIBUTED ANNUALLY TO THE COMMUNITY HEALTH
33 RESOURCES COMMISSION FUND ESTABLISHED UNDER § 19-2113 OF THE HEALTH -
34 GENERAL ARTICLE.

1 6-104.

2 (a) Subject to subsection (b) of this section, in computing the tax under this
3 section, the following deductions from gross direct premiums allocable to the State
4 are allowed:

5 (1) returned premiums, not including surrender values;

6 (2) dividends that are:

7 (i) paid or credited to policyholders; or

8 (ii) applied to buy additional insurance or to shorten the period
9 during which premiums are payable; AND

10 (3) returns or refunds made or credited to policyholders because of
11 retrospective ratings or safe driver rewards[]; and

12 (4) premiums received by a person subject to taxation under this subtitle
13 under policies providing health maintenance organization benefits to the extent:

14 (i) of the amounts actually paid by the person to a nonprofit health
15 maintenance organization authorized by Title 19, Subtitle 7 of the Health - General
16 Article that operates only as a health maintenance organization that is exempt from
17 taxes under § 19-727(b) of the Health - General Article; or

18 (ii) that the premiums have been paid by a health maintenance
19 organization that is exempt from taxes under § 19-727(b) of the Health - General
20 Article].

21 6-107.

22 (a) On or before March 15 of each year, each person subject to taxation under
23 this subtitle shall:

24 (1) file with the Commissioner:

25 (i) a report of the new and renewal gross direct premiums less
26 returned premiums written by the person during the preceding calendar year; [and]

27 (II) A REPORT OF THE GROSS RECEIPTS RECEIVED AS A RESULT OF
28 CAPITATION PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE
29 TO A MANAGED CARE ORGANIZATION DURING THE PRECEDING CALENDAR YEAR;
30 AND

31 [(ii)] (III) if the person issues perpetual policies of fire insurance, a
32 report of the average amount of deposits held by the person during the preceding
33 calendar year in connection with perpetual policies of fire insurance issued on
34 property in the State and in force during any part of that year; and

1 (2) pay to the Commissioner the total amount of taxes imposed by this
 2 subtitle, as shown on the face of the report, after crediting the amount of taxes paid
 3 with the declaration of estimated tax and each quarterly report filed under § 6-106 of
 4 this subtitle.

5 15-131.

6 (A) (1) IN THIS SECTION, "CARRIER" MEANS:

7 (I) AN INSURER;

8 (II) A NONPROFIT HEALTH SERVICE PLAN;

9 (III) A HEALTH MAINTENANCE ORGANIZATION;

10 (IV) A DENTAL PLAN ORGANIZATION; OR

11 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
 12 SUBJECT TO REGULATION BY THE STATE.

13 (2) "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A PROVIDER
 14 PANEL FOR A CARRIER.

15 (B) A CARRIER MAY NOT DISCRIMINATE AGAINST ANY PROVIDER WHO:

16 (1) IS LOCATED WITHIN THE GEOGRAPHIC COVERAGE AREA OF THE
 17 CARRIER;

18 (2) IS WILLING TO MEET THE TERMS AND CONDITIONS FOR PROVIDER
 19 PARTICIPATION ESTABLISHED BY THE CARRIER; AND

20 (3) IS QUALIFIED AS A HEALTH RESOURCE BY THE COMMUNITY HEALTH
 21 RESOURCES COMMISSION ESTABLISHED UNDER § 19-2102 OF THE HEALTH -
 22 GENERAL ARTICLE.

23 (C) A CARRIER SHALL PAY A PROVIDER THAT QUALIFIES AS A COMMUNITY
 24 HEALTH RESOURCE AS DESCRIBED IN SUBSECTION (B) OF THIS SECTION, AT A RATE
 25 THAT IS EQUAL TO THE RATE THAT WOULD OTHERWISE BE PROVIDED TO A
 26 FEDERALLY QUALIFIED HEALTH CENTER UNDER § 1902(A)(13)(E) OF THE SOCIAL
 27 SECURITY ACT.

28 **Article - Labor and Employment**

29 **TITLE 8.5. PAYROLL TAX.**

30 8.5-101.

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

1 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
2 SUBSECTION, "EMPLOYER" HAS THE MEANING STATED IN § 10-905 OF THE TAX -
3 GENERAL ARTICLE.

4 (II) "EMPLOYER" DOES NOT INCLUDE THE FEDERAL GOVERNMENT,
5 THE STATE, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THE STATE OR
6 ANOTHER STATE.

7 (3) "PAYROLL TAX" MEANS THE TAX IMPOSED UNDER THIS SECTION.

8 (4) "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND
9 REGULATION.

10 (5) "WAGES" HAS THE MEANING STATED IN § 10-905 OF THE TAX -
11 GENERAL ARTICLE.

12 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, EACH
13 EMPLOYER SHALL PAY TO THE SECRETARY AN ANNUAL PAYROLL TAX:

14 (I) EQUAL TO 6% OF THE TOTAL WAGES PAID TO EMPLOYEES IN
15 THE STATE DURING THE CALENDAR YEAR, IF THE EMPLOYER HAS 10,000 OR MORE
16 EMPLOYEES IN THE STATE AND IS A NONPROFIT ORGANIZATION; OR

17 (II) EQUAL TO 8% OF THE TOTAL WAGES PAID TO EMPLOYEES IN
18 THE STATE DURING THE CALENDAR YEAR, IF THE EMPLOYER HAS 10,000 OR MORE
19 EMPLOYEES IN THE STATE AND IS NOT A NONPROFIT ORGANIZATION.

20 (C) AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE PAYROLL TAX, UP TO
21 THE AMOUNT OF THE TAX IMPOSED, IN AN AMOUNT EQUAL TO THE AMOUNT OF THE
22 EMPLOYER'S EXPENDITURES DURING THE CALENDAR YEAR TO PROVIDE HEALTH
23 INSURANCE TO EMPLOYEES IN THE STATE IF THE EMPLOYER'S HEALTH INSURANCE
24 COSTS ARE DEDUCTIBLE UNDER FEDERAL TAX LAW.

25 (D) AN EMPLOYER MAY NOT DEDUCT THE PAYROLL TAX, WHOLLY OR PARTLY,
26 FROM THE WAGES OF AN EMPLOYEE.

27 (E) AN EMPLOYER SHALL PAY THE PAYROLL TAX TO THE SECRETARY ON A
28 PERIODIC BASIS AND SUBMIT TO THE SECRETARY PERIODIC REPORTS FOR THE
29 DETERMINATION OF THE PAYROLL TAX DUE AS PRESCRIBED BY THE SECRETARY BY
30 REGULATION.

31 (F) WHEN CALCULATING THE PAYROLL TAX PAYMENT, AN EMPLOYER MAY
32 EXEMPT:

33 (1) WAGES PAID TO ANY EMPLOYEE BEYOND THE AMOUNT TAXABLE
34 FOR FEDERAL SOCIAL SECURITY (FICA) PURPOSES; AND

35 (2) WAGES PAID TO AN EMPLOYEE WHO IS ENROLLED IN OR ELIGIBLE
36 FOR MEDICARE.

1 (G) THE SECRETARY SHALL:

2 (1) ADOPT REGULATIONS TO ADMINISTER AND COLLECT THE PAYROLL
3 TAX; AND

4 (2) PAY THE REVENUE FROM THE PAYROLL TAX INTO THE FUND
5 CREATED UNDER § 19-2114 OF THE HEALTH - GENERAL ARTICLE.

6 **Article - State Government**

7 12-101.

8 (a) In this subtitle, unless the context clearly requires otherwise, "State
9 personnel" means:

10 (1) a State employee or official who is paid in whole or in part by the
11 Central Payroll Bureau in the Office of the Comptroller of the Treasury;

12 (2) an employee or official of the:

13 (i) Maryland Transportation Authority;

14 (ii) Injured Workers' Insurance Fund;

15 (iii) Maryland Stadium Authority;

16 (iv) Maryland Environmental Service;

17 (v) overseas programs of the University College of the University
18 System of Maryland;

19 (vi) Maryland Economic Development Corporation;

20 (vii) Maryland Technology Development Corporation; and

21 (viii) Maryland African American Museum Corporation;

22 (3) a person who:

23 (i) is a member of a State board, commission, or similar State
24 entity; or

25 (ii) 1. is providing a service to or for the State;

26 2. is not paid in whole or in part by the State; and

27 3. satisfies all other requirements for designation as State
28 personnel as may be set forth in regulations adopted by the Treasurer pursuant to
29 Title 10 of this article;

1 (4) an individual who, without compensation, exercises a part of the
2 sovereignty of the State;

3 (5) a student enrolled in a State educational institution:

4 (i) who is providing services to third parties in the course of
5 participation in an approved clinical training or academic program;

6 (ii) who, as determined by the Treasurer, is required to have
7 liability insurance covering claims arising from services to third parties performed by
8 the student in the course of the approved clinical training or academic program;

9 (iii) who, as determined by the Treasurer, cannot obtain commercial
10 liability insurance at an affordable cost; and

11 (iv) who, as determined by the Treasurer, may be required to
12 contribute to an insurance program for claims arising from services to third parties
13 performed by the student in the course of the approved clinical training or academic
14 program;

15 (6) a sheriff or deputy sheriff of a county or Baltimore City;

16 (7) an employee of a county who is assigned to a local department of
17 social services, including a Montgomery County employee who carries out State
18 programs administered under Article 88A, § 13A(b) of the Code;

19 (8) a State's Attorney of a county or Baltimore City, or an employee of an
20 office of a State's Attorney;

21 (9) a member of a board of license commissioners of a county or
22 Baltimore City appointed under the provisions of Article 2B of the Code, or an
23 employee of a board of license commissioners;

24 (10) a member of a board of supervisors of elections of a county or
25 Baltimore City, or an employee of a board of supervisors of elections;

26 (11) a judge of a circuit court of a county or Baltimore City, or an employee
27 of a circuit court;

28 (12) a judge of an orphans' court of a county or Baltimore City, or an
29 employee of an orphans' court;

30 (13) to the extent of a nonprofit organization's activities as a third party
31 payee, and to the extent the nonprofit organization has no other insurance for this
32 purpose, a nonprofit organization that has been approved by the Department of
33 Human Resources or its designee to serve as a third party payee for purposes of
34 providing temporary cash assistance, transitional assistance, or child-specific
35 benefits to Family Investment Program recipients; [or]

1 (14) A HEALTH CARE PROVIDER WHO CONTRACTS WITH THE MARYLAND
2 COMMUNITY HEALTH RESOURCES COMMISSION ESTABLISHED UNDER § 19-2102 OF
3 THE HEALTH - GENERAL ARTICLE OR WITH A COMMUNITY HEALTH RESOURCE, AS
4 DEFINED IN § 19-2101 OF THE HEALTH - GENERAL ARTICLE TO PROVIDE HEALTH
5 CARE SERVICES; OR

6 (15) a student, faculty, or staff member of an institution of higher
7 education who is providing a service under the Family Investment Program in
8 accordance with the provisions of Article 88A, § 47 or § 53 of the Code.

9 (b) In this subtitle, a unit of the State government includes the Montgomery
10 County government to the extent that Montgomery County administers a State
11 program under Article 88A, § 13A(b) of the Code.

12 12-104.

13 (a) (1) Subject to the exclusions and limitations in this subtitle and
14 notwithstanding any other provision of law, the immunity of the State and of its units
15 is waived as to a tort action, in a court of the State, to the extent provided under
16 paragraph (2) of this subsection.

17 (2) The liability of the State and its units may not exceed \$200,000 to a
18 single claimant for injuries arising from a single incident or occurrence.

19 (b) Immunity is not waived under this section as described under § 5-522(a) of
20 the Courts and Judicial Proceedings Article.

21 (c) (1) The Treasurer may pay from the State Insurance Trust Fund all or
22 part of that portion of a tort claim which exceeds the limitation on liability
23 established under subsection (a)(2) of this section under the following conditions:

24 (i) the tort claim is one for which the State and its units have
25 waived immunity under subsections (a) and (b) of this section;

26 (ii) a judgment or settlement has been entered granting the
27 claimant damages to the full amount established under subsection (a)(2) of this
28 section; and

29 (iii) the Board of Public Works, with the advice and counsel of the
30 Attorney General, has approved the payment.

31 (2) Any payment of part of a settlement or judgment under this
32 subsection does not abrogate the sovereign immunity of the State or any units beyond
33 the waiver provided in subsections (a) and (b) of this section.

34 12-105.

35 State personnel shall have the immunity from liability described under §
36 5-522(b) of the Courts and Judicial Proceedings Article.

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

3 **Article - Health - General**

4 15-103.

5 (a) (1) The Secretary shall administer the Maryland Medical Assistance
6 Program.

7 (2) The Program:

8 (i) Subject to the limitations of the State budget, shall provide
9 comprehensive medical and other health care services for indigent individuals or
10 medically indigent individuals or both;

11 (ii) Shall provide, subject to the limitations of the State budget,
12 comprehensive medical and other health care services for all eligible pregnant women
13 whose family income is at or below 250 percent of the poverty level, as permitted by
14 the federal law;

15 (iii) Shall provide, subject to the limitations of the State budget,
16 comprehensive medical and other health care services for all eligible children
17 currently under the age of 1 whose family income falls below 185 percent of the
18 poverty level, as permitted by federal law;

19 (iv) Shall provide, subject to the limitations of the State budget,
20 family planning services to women currently eligible for comprehensive medical care
21 and other health care under item (ii) of this paragraph for 5 years after the second
22 month following the month in which the woman delivers her child;

23 (v) Shall provide, subject to the limitations of the State budget,
24 comprehensive medical and other health care services for all children from the age of
25 1 year up through and including the age of 5 years whose family income falls below
26 133 percent of the poverty level, as permitted by the federal law;

27 (vi) Shall provide, subject to the limitations of the State budget,
28 comprehensive medical care and other health care services for all children born after
29 September 30, 1983 who are at least 6 years of age but are under 19 years of age
30 whose family income falls below 100 percent of the poverty level, as permitted by
31 federal law;

32 (vii) Shall provide, subject to the limitations of the State budget,
33 comprehensive medical care and other health care services for all legal immigrants
34 who meet Program eligibility standards and who arrived in the United States before
35 August 22, 1996, the effective date of the federal Personal Responsibility and Work
36 Opportunity Reconciliation Act, as permitted by federal law;

37 (viii) Shall provide, subject to the limitations of the State budget and
38 any other requirements imposed by the State, comprehensive medical care and other

1 health care services for all legal immigrant children under the age of 18 years and
2 pregnant women who meet Program eligibility standards and who arrived in the
3 United States on or after August 22, 1996, the effective date of the federal Personal
4 Responsibility and Work Opportunity Reconciliation Act;

5 (IX) SHALL PROVIDE, SUBJECT TO THE LIMITATIONS OF THE STATE
6 BUDGET AND ANY OTHER REQUIREMENTS IMPOSED BY THE STATE, PRIMARY
7 HEALTH CARE SERVICES FROM LICENSED OR CERTIFIED HEALTH CARE PROVIDERS
8 THAT ARE ARRANGED TO BE PROVIDED BY A COMMUNITY HEALTH RESOURCE, AS
9 DEFINED IN § 19-2101 OF THIS ARTICLE, FOR ALL ADULTS WHOSE ANNUAL
10 HOUSEHOLD INCOME IS AT OR BELOW 100 PERCENT OF THE FEDERAL POVERTY
11 LEVEL;

12 [(ix)] (X) May include bedside nursing care for eligible Program
13 recipients; and

14 [(x)] (XI) Shall provide services in accordance with funding
15 restrictions included in the annual State budget bill.

16 (3) Subject to restrictions in federal law or waivers, the Department may
17 impose cost-sharing on Program recipients.

18 SECTION 3. AND BE IT FURTHER ENACTED, That the laws of Maryland
19 read as follows:

20 **Article - Health - General**

21 19-2115.

22 (A) IN THIS SECTION, "PROGRAM" MEANS THE SMALL EMPLOYER HEALTH
23 INSURANCE PROGRAM.

24 (B) THERE IS A SMALL EMPLOYER HEALTH INSURANCE PROGRAM IN THE
25 COMMISSION.

26 (C) (1) THE PROGRAM SHALL PROVIDE A HEALTH INSURANCE OPTION TO
27 AN EMPLOYER WITH 50 OR LESS EMPLOYEES UNDER WHICH THE EMPLOYER COULD
28 CONTRACT WITH A COMMUNITY HEALTH RESOURCE TO PROVIDE PRIMARY HEALTH
29 CARE TO THE EMPLOYER'S EMPLOYEE.

30 (2) THE PROGRAM SHALL REQUIRE ANY EMPLOYER CONTRIBUTION
31 MADE ON BEHALF OF A MEDICAID-ELIGIBLE EMPLOYEE TO BE SUBMITTED TO THE
32 DEPARTMENT FOR USE AS STATE MATCHING FUNDS IN ORDER TO LEVERAGE
33 FEDERAL MEDICAID FUNDS.

34 (D) THE COMMISSION SHALL ADMINISTER THE PROGRAM AS ALLOWED BY
35 FEDERAL LAW OR WAIVER.

36 (E) THE COMMISSION MAY CONTRACT WITH A THIRD PARTY TO ADMINISTER
37 THE PROGRAM.

1 (F) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THE
2 PROGRAM.

3 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of
4 Health and Mental Hygiene shall seek approval of a waiver from the Centers for
5 Medicare and Medicaid Services that would allow the State to provide health care
6 coverage for indigent and medically indigent individuals whose annual household
7 income is at or below 100 percent of the federal poverty level. The health care
8 coverage identified in the waiver application shall include primary health care from
9 licensed or certified health care providers that are arranged by community health
10 resources as defined by § 19-2101 of the Health - General Article as enacted by
11 Section 1 of this Act and paid by the Medicaid program at a capitated rate.

12 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
13 take effect on the date that the federal Centers for Medicare and Medicaid Services
14 approves a waiver applied for in accordance with Section 4 of this Act. If the waiver is
15 denied, Section 2 of this Act shall be null and void without the necessity of any further
16 action by the General Assembly. The Department of Health and Mental Hygiene,
17 within 5 days after receiving notice of approval or denial of a waiver, shall forward a
18 copy of the notice to the Department of Legislative Services, 90 State Circle,
19 Annapolis, Maryland 21401.

20 SECTION 6. AND BE IT FURTHER ENACTED, That the Department of
21 Health and Mental Hygiene shall seek approval of a waiver from the Centers for
22 Medicare and Medicaid Services that would allow the State to use federal matching
23 funds to implement the Small Employer Health Insurance Program established
24 under § 19-2115 of the Health - General Article, as enacted by Section 3 of this Act.

25 SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
26 take effect on the date that the federal Centers for Medicare and Medicaid Services
27 approves a waiver applied for in accordance with Section 6 of this Act. If the waiver is
28 denied, Section 3 of this Act shall be null and void without the necessity of any further
29 action by the General Assembly. The Department of Health and Mental Hygiene,
30 within 5 days after receiving notice of approval or denial of a waiver, shall forward a
31 copy of the notice to the Department of Legislative Services, 90 State Circle,
32 Annapolis, Maryland 21401.

33 SECTION 8. AND BE IT FURTHER ENACTED, That, on or before October 1,
34 2009, the Community Health Resources Commission established under § 19-2102 of
35 the Health - General Article as enacted by Section 1 of this Act, shall report to the
36 Governor and, in accordance with § 2-1246 of the State Government Article, the
37 General Assembly, on recommendations to expand adult eligibility for the Medical
38 Assistance Program beyond 100 percent of the federal poverty level. In developing the
39 report, the Commission shall consider the operation and use of the Community
40 Health Resources Commission Fund established by § 19-2114 of the Health - General
41 Article as enacted by Section 1 of this Act.

42 SECTION 9. AND BE IT FURTHER ENACTED, That the Community Health
43 Resources Commission shall identify methods to increase the reimbursement rates

1 paid by public and private insurers to health care providers who provide services
2 through community health resources. The Commission also shall identify methods to
3 facilitate the reimbursement provided to health care providers who provide services
4 through community health resources, including methods to make the provider an
5 employee of the community health resource. The Commission shall report its findings
6 and recommendations to the Governor and, in accordance with § 2-1246 of the State
7 Government Article, to the General Assembly, on or before December 30, 2005.

8 SECTION 10. AND BE IT FURTHER ENACTED, That the Community Health
9 Resources Commission shall identify methods to encourage employers to make health
10 insurance available for uninsured, low-income workers, including demonstration
11 projects in which the Commission would contract with an entity to provide health
12 insurance. The health insurance made available by the entity shall provide coverage
13 for a package of health care benefits that includes outpatient services, outpatient
14 primary care services, and specialty services, and a voluntary hospital component to
15 provide acute care services to individuals receiving the coverage offered. The
16 Commission shall report its finding and recommendations to the Governor, and in
17 accordance with § 2-1246 of the State Government Article, to the General Assembly
18 on or before October 1, 2005.

19 SECTION 11. AND BE IT FURTHER ENACTED, That, except as provided in
20 Sections 5 and 7 of this Act, this Act shall take effect October 1, 2004.