

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 V. Turner, and Mandel**

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

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: April 1, 2004

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

4 FOR the purpose of requiring nonprofit hospitals to include certain information in the  
5 community benefit report to the Health Services Cost Review Commission;  
6 establishing the Maryland Community Health Resources Commission as an  
7 independent commission that functions within the Department of Health and  
8 Mental Hygiene; establishing the powers and duties of the Commission;  
9 requiring the Commission to adopt certain regulations on or before a certain  
10 date; providing for the purpose, duties, membership, terms of members,  
11 meetings, composition, staff, and appointment of a chairman, vice chairman,  
12 and executive director of the Commission; requiring the Commission to submit a  
13 certain annual report to the Governor, Secretary of Health and Mental Hygiene,  
14 and General Assembly; providing that certain powers of the Secretary of Health  
15 and Mental Hygiene do not apply to the Commission; establishing the  
16 Community Health Resources Health Care Access Program in the Commission;  
17 ~~requiring the Commission to consult with the Motor Vehicle Administration to~~  
18 ~~establish the Program; establishing the purpose of the Program and the duties~~  
19 ~~of the Motor Vehicle Administration under the Program; requiring the~~  
20 ~~Commission to use certain information received from the Motor Vehicle~~  
21 ~~Administration and other sources to refer certain individuals to community~~  
22 ~~health resources; requiring the Commission to coordinate with certain groups to~~  
23 provide certain outreach to certain individuals; requiring the Commission to

1 refer individuals to community health resources according to a certain schedule  
2 and in a certain manner; requiring the Commission to establish a certain  
3 toll-free hotline; requiring the Commission to adopt certain regulations in  
4 consultation with ~~the Motor Vehicle Administration~~; certain groups; establishing  
5 the Program to Access Capital and Operational Funding in the Commission;  
6 providing for the duties of the Program to Access Capital and Operational  
7 Funding; establishing the Council on Hospital and Community Health  
8 Resources Relations in the Commission; providing for the membership,  
9 chairman, terms of members, duties, and meetings of the Council; requiring the  
10 Council to make a certain report to the Governor and General Assembly on or  
11 before a certain date; establishing the Advisory Council on School-Based  
12 Community Health Center Expansion in the Commission; providing for the  
13 membership, chairman, terms of members, and meetings of the Advisory  
14 Council; requiring the Advisory Council to conduct a certain study, make certain  
15 recommendations, and report to the General Assembly on or before a certain  
16 date; establishing the Community Health Resources Commission Fund;  
17 requiring revenue from a certain tax imposed on health maintenance  
18 organizations and managed care organizations be distributed annually to the  
19 Fund; requiring the Commission to adopt certain regulations relating to grants  
20 made from the Fund; providing that grants awarded to community health  
21 resources from the Fund may be used for certain purposes; establishing the  
22 Federally Qualified Health Centers Grant Program; authorizing the Board of  
23 Public Works, on the recommendation of the Secretary of Health and Mental  
24 Hygiene, to provide grants under the Program to counties, municipal  
25 corporations, and nonprofit corporations for the conversion of public buildings to  
26 Federally Qualified Health Centers facilities, the acquisition of existing  
27 buildings or parts of buildings for use as Federally Qualified Health Centers,  
28 the renovation of Federally Qualified Health Centers, the purchase of capital  
29 equipment for Federally Qualified Health Centers, and the planning, design,  
30 and construction of Federally Qualified Health Centers; requiring the  
31 Department of Health and Mental Hygiene to make certain recommendations;  
32 providing for the application process; authorizing the Board of Public Works to  
33 adopt certain regulations; providing certain terms, conditions, and limitations  
34 on the allocations, use, and amount of State grants; prohibiting proceeds of a  
35 grant from being used for certain religious purposes; authorizing the State,  
36 under certain circumstances, to recover a certain portion of the State funds  
37 expended; providing for a certain judicial proceeding and liens to enforce the  
38 State's right of recovery and the priority of the proceeding and the lien;  
39 requiring the Department of Health and Mental Hygiene to adopt certain  
40 regulations; requiring the Governor to include a certain amount in the capital  
41 budget for the Federally Qualified Health Centers Grant Program; ~~prohibiting~~  
42 ~~certain insurance carriers from discriminating against certain providers~~;  
43 requiring certain insurance carriers to ~~pay~~ reimburse certain providers for  
44 certain services to the extent required under federal law; ~~at a certain rate~~;  
45 imposing a certain premium tax on health maintenance organizations and  
46 managed care organizations; providing that premiums to be taxed include  
47 certain amounts paid to a health maintenance organization; altering the  
48 contents of a certain report that must be filed by persons subject to the premium

1 tax; requiring certain employers to pay a certain payroll tax to the Secretary of  
2 Labor, Licensing, and Regulation; authorizing an employer to claim a certain  
3 credit against the payroll tax; prohibiting an employer from deducting the  
4 payroll tax from an employee's wages; requiring certain employers to pay the  
5 payroll tax on a periodic basis and to submit periodic reports to the Secretary of  
6 Labor, Licensing, and Regulation; authorizing certain employers to exempt  
7 certain wages when calculating the payroll tax; requiring the Secretary of Labor,  
8 Licensing, and Regulation to adopt certain regulations and to pay the revenue  
9 from the payroll tax into the Community Health Resources Commission Fund;  
10 providing that certain revenues from the Cigarette Restitution Fund shall be  
11 used to fund the Community Health Resources Fund; providing that certain  
12 health care providers are State personnel who are immune from certain  
13 liability; providing for the termination of a certain provision of this Act;  
14 requiring the Medical Assistance Program to provide certain health care  
15 services to certain adults; requiring the Department of Health and Mental  
16 Hygiene to apply for a certain waiver from the Centers for Medicare and  
17 Medicaid to allow the State to provide health care services to certain adults;  
18 establishing the Small Employer Health Insurance Program in the Commission;  
19 providing for the purpose of the Program; requiring the Commission to  
20 administer the Program as allowed by federal law or waiver; authorizing the  
21 Commission to contract with a third party to administer the Program; requiring  
22 the Commission to adopt regulations to implement the Program; requiring the  
23 Department to apply for a certain waiver to implement the Program; requiring  
24 the Commission to make certain studies and reports to the General Assembly on  
25 or before certain dates; requiring the Department of Health and Mental Hygiene  
26 to provide health care services in a certain manner and to apply for a waiver  
27 from the Centers for Medicare and Medicaid services contingent upon the  
28 receipt of a certain waiver; establishing a Joint Legislative Task Force on  
29 Universal Access to Quality and Affordable Health Care; providing for the  
30 membership and staffing of the Task Force; requiring the Task Force to conduct  
31 a certain study, make certain recommendations, conduct certain public  
32 hearings, and make a certain report to the General Assembly on or before a  
33 certain date; requiring the Commission to identify certain methods to increase  
34 the reimbursement rates paid to certain providers and to make a certain report  
35 to the General Assembly on or before a certain date; requiring the Commission  
36 to identify certain methods to increase the availability of health insurance from  
37 certain employers and to make a certain report to the General Assembly on or  
38 before a certain date; making this Act, except for certain provisions, subject to  
39 certain contingencies; defining certain terms; and generally relating to access to  
40 health care.

41 BY repealing and reenacting, without amendments,  
42 Article - Courts and Judicial Proceedings  
43 Section 5-522(b)  
44 Annotated Code of Maryland  
45 (2002 Replacement Volume and 2003 Supplement)

46 BY adding to

1 Article - Health - General  
 2 Section 15-102.7; 19-2101 through ~~19-2115~~ 19-2114, inclusive, to be under the  
 3 new subtitle "Subtitle 21. Maryland Community Health Resources  
 4 Commission"; and 24-1101 through 24-1107, inclusive, to be under the  
 5 new subtitle "Subtitle 11. Federally Qualified Health Centers Grant  
 6 Program"  
 7 Annotated Code of Maryland  
 8 (2000 Replacement Volume and 2003 Supplement)

9 BY repealing and reenacting, with amendments,  
 10 Article - Health - General  
 11 Section ~~15-103(a), 19-303,~~ 19-303 and 19-727  
 12 Annotated Code of Maryland  
 13 (2000 Replacement Volume and 2003 Supplement)

14 BY repealing and reenacting, with amendments,  
 15 Article - Insurance  
 16 Section 6-101, 6-102(b), 6-103, 6-104(a), and 6-107(a)  
 17 Annotated Code of Maryland  
 18 (2003 Replacement Volume)

19 BY adding to  
 20 Article - Insurance  
 21 Section 6-103.2  
 22 Annotated Code of Maryland  
 23 (2003 Replacement Volume)

24 BY adding to  
 25 Article - Insurance  
 26 Section 15-131  
 27 Annotated Code of Maryland  
 28 (2002 Replacement Volume and 2003 Supplement)

29 ~~BY adding to~~  
 30 ~~Article - Labor and Employment~~  
 31 ~~Section 8.5-101 to be under the new title "Title 8.5. Payroll Tax"~~  
 32 ~~Annotated Code of Maryland~~  
 33 ~~(1999 Replacement Volume and 2003 Supplement)~~

34 BY repealing and reenacting, with amendments,  
 35 Article - State Finance and Procurement  
 36 Section 7-317  
 37 Annotated Code of Maryland

1 (2001 Replacement Volume and 2003 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article - State Government  
4 Section 12-101  
5 Annotated Code of Maryland  
6 (1999 Replacement Volume and 2003 Supplement)

7 BY repealing and reenacting, without amendments,  
8 Article - State Government  
9 Section 12-104 and 12-105  
10 Annotated Code of Maryland  
11 (1999 Replacement Volume and 2003 Supplement)

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

14 **Article - Courts and Judicial Proceedings**

15 5-522.

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

22 **Article - Health - General**

23 15-102.7.

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

27 19-303.

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

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

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

- 1 (i) Health services provided to vulnerable or underserved  
 2 populations such as Medicaid, Medicare, or Maryland Children's Health Program  
 3 enrollees;
- 4 (ii) Financial or in kind support of public health programs;
- 5 (iii) Donations of funds, property, or other resources that contribute  
 6 to a community priority;
- 7 (iv) Health care cost containment activities; and
- 8 (v) Health education, screening, and prevention services.

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

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

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

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

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

19 (c) (1) Each nonprofit hospital shall submit an annual community benefit  
 20 report to the Health Services Cost Review Commission detailing the community  
 21 benefits provided by the hospital during the preceding year.

22 (2) The community benefit report shall include:

- 23 (i) The mission statement of the hospital;
- 24 (ii) A list of the initiatives that were undertaken by the hospital;
- 25 (iii) The cost to the hospital of each community benefit initiative;
- 26 (iv) The objectives of each community benefit initiative; [and]
- 27 (v) A description of efforts taken to evaluate the effectiveness of  
 28 each community benefit initiative; AND

29 (VI) A DESCRIPTION OF EFFORTS TAKEN TO ASSIST SPECIALIST  
 30 PROVIDERS TO SERVE THE UNINSURED.

31 (d) (1) The Commission shall compile the reports required under subsection  
 32 (c) of this section and issue an annual Nonprofit Hospital Community Health Benefit  
 33 Report.

1           (2)     In addition to the information required under paragraph (1) of this  
2 subsection, the Nonprofit Hospital Community Health Benefit Report shall contain a  
3 list of the unmet community health care needs identified in the most recent  
4 community needs assessment prepared by the Department or local health department  
5 for each county.

6           (3)     The Nonprofit Hospital Community Health Benefit Report shall be  
7 made available to the public free of charge.

8           (4)     The Commission shall submit a copy of the annual Nonprofit  
9 Hospital Community Health Benefit Report, subject to § 2-1246 of the State  
10 Government Article, to the House Economic Matters Committee and the Senate  
11 Finance Committee.

12       (e)     The Commission shall adopt regulations, in consultation with  
13 representatives of nonprofit hospitals, that establish:

14           (1)     A standard format for reporting the information required under this  
15 section;

16           (2)     The date on which nonprofit hospitals must submit the annual  
17 community benefit reports; and

18           (3)     The period of time that the annual community benefit report must  
19 cover.

20 19-727.

21       [(a)     Except as provided in subsection (b) of this section, a] A health  
22 maintenance organization is not exempted from any State, county, or local taxes  
23 solely because of this subtitle.

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

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

30                   (i)     Of the amounts actually paid by the insurer to a nonprofit  
31 health maintenance organization that operates only as a health maintenance  
32 organization; or

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

## SUBTITLE 21. MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION.

19-2101.

(A) IN THIS ~~SECTION~~ SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

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

(C) (1) "COMMUNITY HEALTH RESOURCE" MEANS A NONPROFIT HEALTH CARE CENTER OR PROGRAM THAT OFFERS THE PRIMARY HEALTH CARE SERVICES REQUIRED BY THE COMMISSION UNDER ~~§ 19-2102(C)(2)~~ § 19-2109(A)(2) TO AN INDIVIDUAL ON A SLIDING SCALE FEE SCHEDULE AND WITHOUT REGARD TO AN INDIVIDUAL'S ABILITY TO PAY.

(2) "COMMUNITY HEALTH RESOURCE" INCLUDES:

(I) A FEDERALLY QUALIFIED HEALTH CENTER;

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

(III) A COMMUNITY HEALTH CENTER;

(IV) A MIGRANT HEALTH CENTER;

(V) A HEALTH CARE PROGRAM FOR THE HOMELESS;

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

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

(VIII) A SCHOOL-BASED CLINIC;

(IX) A TEACHING CLINIC; ~~AND~~

(X) A WELLMOBILE; AND

~~(XI)~~ (XI) ANY OTHER CENTER OR PROGRAM IDENTIFIED BY THE COMMISSION AS A COMMUNITY HEALTH RESOURCE.

19-2102.

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

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

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



1 19-2103.

2 (A) (1) THE COMMISSION CONSISTS OF SEVEN MEMBERS APPOINTED BY  
3 THE GOVERNOR.

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

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

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

10 (3) THE TERMS OF THE INITIAL MEMBERS OF THE COMMISSION END AS  
11 FOLLOWS:

12 (I) TWO IN 2005;

13 (II) ONE IN 2006;

14 (III) TWO IN 2007; AND

15 (IV) TWO IN 2008.

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

18 (5) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
19 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND  
20 QUALIFIES.

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

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

26 19-2104.

27 ANNUALLY, FROM AMONG THE MEMBERS OF THE COMMISSION:

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

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

1 19-2105.

2 (A) WITH THE APPROVAL OF THE GOVERNOR, THE COMMISSION SHALL  
3 APPOINT AN EXECUTIVE DIRECTOR, WHO IS THE CHIEF ADMINISTRATIVE OFFICER  
4 OF THE COMMISSION.

5 (B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE  
6 COMMISSION.

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

9 19-2106.

10 (A) (1) A MAJORITY OF THE FULL AUTHORIZED MEMBERSHIP OF THE  
11 COMMISSION IS A QUORUM.

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

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

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

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

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

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

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

24 (3) THE COMMISSION, IN CONSULTATION WITH THE SECRETARY, SHALL  
25 DETERMINE THE APPROPRIATE JOB CLASSIFICATIONS AND GRADES FOR ALL STAFF.  
26 19-2107.

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

29 (1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS  
30 SUBTITLE;

31 (2) CREATE COMMITTEES FROM AMONG ITS MEMBERS;

1 (3) APPOINT ADVISORY COMMITTEES, WHICH MAY INCLUDE  
2 INDIVIDUALS AND REPRESENTATIVES OF INTERESTED PUBLIC OR PRIVATE  
3 ORGANIZATIONS;

4 (4) APPLY FOR AND ACCEPT ANY FUNDS, PROPERTY, OR SERVICES FROM  
5 ANY PERSON OR GOVERNMENT AGENCY;

6 (5) MAKE AGREEMENTS WITH A GRANTOR OR PAYOR OF FUNDS,  
7 PROPERTY, OR SERVICES, INCLUDING AN AGREEMENT TO MAKE ANY STUDY, PLAN,  
8 DEMONSTRATION, OR PROJECT;

9 (6) PUBLISH AND GIVE OUT ANY INFORMATION THAT RELATES TO  
10 EXPANDING ACCESS TO HEALTH CARE THROUGH COMMUNITY HEALTH RESOURCES  
11 AND IS CONSIDERED DESIRABLE IN THE PUBLIC INTEREST; AND

12 (7) SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, EXERCISE ANY  
13 OTHER POWER THAT IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSES OF  
14 THIS SUBTITLE.

15 (B) IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE,  
16 THE COMMISSION SHALL:

17 (1) ADOPT RULES AND REGULATIONS THAT RELATE TO ITS MEETINGS,  
18 MINUTES, AND TRANSACTIONS;

19 (2) KEEP MINUTES OF EACH MEETING;

20 (3) PREPARE ANNUALLY A BUDGET PROPOSAL THAT INCLUDES THE  
21 ESTIMATED INCOME OF THE COMMISSION AND PROPOSED EXPENSES FOR ITS  
22 ADMINISTRATION AND OPERATION; AND

23 (4) ON OR BEFORE OCTOBER 1 OF EACH YEAR, SUBMIT TO THE  
24 GOVERNOR, TO THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE  
25 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY AN ANNUAL REPORT ON THE  
26 OPERATIONS AND ACTIVITIES OF THE COMMISSION DURING THE PRECEDING FISCAL  
27 YEAR.

28 19-2108.

29 (A) THE POWER OF THE SECRETARY OVER PLANS, PROPOSALS, AND PROJECTS  
30 OF UNITS IN THE DEPARTMENT DOES NOT INCLUDE THE POWER TO DISAPPROVE OR  
31 MODIFY ANY DECISION OR DETERMINATION THAT THE COMMISSION MAKES UNDER  
32 AUTHORITY SPECIFICALLY DELEGATED BY LAW TO THE COMMISSION.

33 (B) THE POWER OF THE SECRETARY TO TRANSFER BY RULE, REGULATION, OR  
34 WRITTEN DIRECTIVE, ANY STAFF, FUNCTIONS, OR FUNDS OF UNITS IN THE  
35 DEPARTMENT DOES NOT APPLY TO ANY STAFF, FUNCTION, OR FUNDS OF THE  
36 COMMISSION.

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

4 (2) SUBJECT TO THE PROVISIONS OF PARAGRAPH (1) OF THIS  
5 SUBSECTION, ANY PROCUREMENT FOR SERVICES TO BE PERFORMED OR FOR  
6 SUPPLIES TO BE DELIVERED TO THE COMMISSION IS SUBJECT TO THE PURPOSES  
7 AND REQUIREMENTS OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

8 19-2109.

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

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

13 (2) (I) IDENTIFY THE SERVICES THAT A COMMUNITY HEALTH  
14 RESOURCE SHALL PROVIDE TO QUALIFY AS A COMMUNITY HEALTH RESOURCE  
15 WHICH MAY INCLUDE THE PROVISION OF FAMILY MEDICINE, GENERAL INTERNAL  
16 MEDICINE, GENERAL PEDIATRIC CARE, LABORATORY SERVICES, PHARMACY  
17 SERVICES, AND OBSTETRIC AND GYNECOLOGY SERVICES; AND

18 (II) REQUIRE COMMUNITY HEALTH RESOURCES TO SUBMIT A PLAN  
19 TO THE COMMISSION ON HOW THE COMMUNITY HEALTH RESOURCE WILL PROVIDE  
20 OR ARRANGE TO PROVIDE MENTAL HEALTH SERVICES;

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

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

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

28 (6) TAKING INTO CONSIDERATION REGIONAL DISPARITIES IN INCOME  
29 AND THE COST OF MEDICAL SERVICES, ESTABLISH GUIDELINES FOR SLIDING SCALE  
30 FEE PAYMENTS BY INDIVIDUALS SERVED BY COMMUNITY HEALTH RESOURCES WHO  
31 ARE BETWEEN 100 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~~ EXPAND A UNIFIED INFORMATION AND DATA  
15 MANAGEMENT SYSTEM FOR USE BY ALL COMMUNITY HEALTH RESOURCES THAT IS  
16 INTEGRATED WITH LOCAL HOSPITAL SYSTEMS TO TRACK THE TREATMENT OF  
17 INDIVIDUAL PATIENTS AND THAT PROVIDES REAL-TIME INDICATORS OF AVAILABLE  
18 RESOURCES; ~~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; AND

30 (13) WORK IN COOPERATION WITH THE GRADUATE MEDICAL AND  
31 NURSING EDUCATION PROGRAMS IN THE STATE TO ESTABLISH SPECIALTY CARE  
32 PROGRAMS, STAFFED PRIMARILY BY MEDICAL RESIDENTS AND FELLOWS AND  
33 NURSE PRACTITIONER GRADUATE STUDENTS, FOR INDIVIDUALS REFERRED FROM  
34 COMMUNITY HEALTH RESOURCES, PARTICULARLY IN RURAL AREAS.

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

1 19-2110.

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

4 (B) THE COMMISSION, IN CONSULTATION WITH THE MOTOR VEHICLE  
5 ADMINISTRATION, SHALL ESTABLISH A COMMUNITY HEALTH RESOURCES HEALTH  
6 CARE ACCESS PROGRAM.

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

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

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

15 ~~(2) PROVIDE THE INFORMATION COLLECTED UNDER ITEM (1) OF THIS  
16 SUBSECTION TO THE COMMISSION.~~

17 (D) THE COMMISSION SHALL COORDINATE WITH THE MOTOR VEHICLE  
18 ADMINISTRATION, WORKFORCE INVESTMENT BOARDS, LOCAL DEPARTMENTS OF  
19 SOCIAL SERVICES, LOCAL HEALTH DEPARTMENTS, MEDBANK INC., THE  
20 COMPROLLER, THE MARYLAND HEALTH CARE COMMISSION, AND HOSPITALS TO  
21 PROVIDE OUTREACH AND CONSUMER INFORMATION, INCLUDING THE NUMBER FOR  
22 THE TOLL-FREE HOTLINE ESTABLISHED UNDER SUBSECTION (G) OF THIS SECTION,  
23 TO INDIVIDUALS REGARDING THE HEALTH CARE SERVICES PROVIDED THROUGH  
24 COMMUNITY HEALTH RESOURCES.

25 (E) SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE COMMISSION SHALL  
26 ~~USE THE INFORMATION RECEIVED FROM THE MOTOR VEHICLE ADMINISTRATION~~  
27 ~~AND FROM ANY OTHER SOURCE, INCLUDING LOCAL HEALTH DEPARTMENTS, TO~~  
28 REFER UNINSURED INDIVIDUALS UNDER 300 PERCENT OF THE FEDERAL POVERTY  
29 LEVEL TO COMMUNITY HEALTH RESOURCES.

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

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

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

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

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

2 (2) THE TOLL-FREE HOTLINE SHALL:

3 (I) DETERMINE A CALLER'S POTENTIAL ELIGIBILITY FOR HEALTH  
4 CARE SERVICES;

5 (II) ASSIST CALLERS IN COMPLETING APPLICATION FORMS FOR  
6 HEALTH CARE SERVICES;

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

9 (IV) ~~ASSIGN REFER~~ CALLERS TO ~~THE~~ A COMMUNITY HEALTH  
10 RESOURCE THAT IS ~~THE CLOSEST DISTANCE~~ CLOSE TO THE CALLER'S RESIDENCE OR  
11 WORKPLACE AND ~~AUTO-ASSIGN~~ REFER CALLERS ON A ROTATING BASIS WHEN  
12 MULTIPLE CENTERS ARE CLOSE TO THE CALLER'S RESIDENCE OR WORKPLACE; AND

13 (V) PROVIDE OUTREACH SERVICES TO EDUCATE AND INFORM  
14 INDIVIDUALS OF THE AVAILABILITY OF COMMUNITY HEALTH RESOURCES AND THE  
15 ELIGIBILITY CRITERIA OF COMMUNITY HEALTH RESOURCES.

16 (H) WHEN REFERRING INDIVIDUALS TO A COMMUNITY HEALTH RESOURCE,  
17 THE COMMISSION SHALL:

18 (1) PROMOTE AN EQUITABLE DISTRIBUTION OF REFERRALS AMONG  
19 THE COMMUNITY HEALTH RESOURCES; AND

20 (2) ESTABLISH A PROCESS TO ASSIST INDIVIDUALS WHO HAVE BEEN  
21 RECEIVING HEALTH CARE SERVICES FROM A HEALTH CARE PROVIDER TO CONTINUE  
22 TO RECEIVE SERVICES FROM THAT PROVIDER.

23 (I) THE COMMISSION, IN CONSULTATION WITH ~~THE MOTOR VEHICLE~~  
24 ~~ADMINISTRATION~~ LOCAL HEALTH DEPARTMENTS AND COMMUNITY HEALTH  
25 RESOURCES; SHALL ADOPT REGULATIONS IMPLEMENTING THIS SECTION.

26 19-2111.

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

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

31 (C) THE PROGRAM SHALL:

32 (1) IDENTIFY AVAILABLE FEDERAL GRANTS FOR OPERATIONAL  
33 ASSISTANCE, INCLUDING REACH INITIATIVE AND COMMUNITY ACCESS PROGRAM  
34 GRANTS;

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

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

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

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

11 (II) COLLECTING APPLICATIONS FROM COMMUNITY HEALTH  
12 RESOURCES FOR CAPITAL BOND FINANCING; AND

13 (III) SUBMITTING APPLICATIONS FOR CAPITAL BOND FINANCING TO  
14 THE BOARD OF PUBLIC WORKS; ~~AND~~

15 (5) DEVELOP A PROGRAM FOR CAPITAL BOND FINANCING OF  
16 COMMUNITY HEALTH RESOURCES THAT ARE NOT ELIGIBLE FOR THE PROGRAM  
17 AUTHORIZED UNDER TITLE 24, SUBTITLE 11 OF THIS ARTICLE; AND

18 ~~(5)~~ (6) DEVELOP A REVOLVING LOAN PROGRAM TO ASSIST  
19 COMMUNITY HEALTH RESOURCES TO OBTAIN REDUCED DRUG PRICES UNDER § 340B  
20 OF THE FEDERAL PUBLIC HEALTH SERVICE ACT.

21 19-2112.

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

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

26 (C) THE COUNCIL SHALL CONSIST OF THE FOLLOWING ~~43~~ 16 MEMBERS:

27 (1) THE FOLLOWING ~~42~~ 13 MEMBERS, APPOINTED BY THE COMMISSION:

28 (I) THREE REPRESENTATIVES OF COMMUNITY HEALTH  
29 RESOURCES;

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

31 (III) THREE REPRESENTATIVES OF STATE HOSPITAL-BASED  
32 PHYSICIAN PRACTICES; ~~AND~~

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

34 (V) ONE REPRESENTATIVE OF A WELLMOBILE; AND



1 (2) THE FOLLOWING 3 MEMBERS, APPOINTED BY THE SECRETARY:

2 (I) ONE INDIVIDUAL WHO IS NOT AFFILIATED WITH ANY OF THE  
3 PROVIDERS LISTED IN ITEM (1) OF THIS SUBSECTION, ~~APPOINTED BY THE~~  
4 ~~SECRETARY; AND~~

5 (II) TWO LOCAL HEALTH OFFICERS.

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

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

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

11 (2) THE TERMS OF THE INITIAL MEMBERS OF THE COMMISSION END AS  
12 FOLLOWS:

13 (I) FIVE IN 2005;

14 (II) FOUR IN 2006; AND

15 (III) FOUR IN 2007.

16 (G) THE COUNCIL SHALL MEET QUARTERLY.

17 (H) THE COUNCIL SHALL:

18 (1) MAKE RECOMMENDATIONS TO THE COMMISSION ON PROPOSALS TO  
19 ENCOURAGE HOSPITALS AND COMMUNITY HEALTH RESOURCES TO PARTNER TO  
20 INCREASE ACCESS TO HEALTH CARE, INCLUDING, WITHIN THE PARAMETERS OF  
21 FEDERAL LAW, PROGRAMS FOR HOSPITAL FINANCIAL AND PROGRAM SUPPORT FOR  
22 CARE PROVIDED BY SPECIALISTS TO INDIVIDUALS REFERRED TO THE SPECIALISTS  
23 BY COMMUNITY HEALTH RESOURCES; AND

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

27 (I) ON OR BEFORE OCTOBER 1, 2006, THE COUNCIL SHALL REPORT ITS  
28 FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR, AND IN ACCORDANCE WITH  
29 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

30 19-2113.

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

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

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

2 (1) TWO REPRESENTATIVES OF THE DEPARTMENT;

3 (2) ONE REPRESENTATIVE OF THE MARYLAND INSURANCE  
4 ADMINISTRATION;

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

7 (4) ONE NURSE PRACTITIONER;

8 (5) ONE PHYSICIAN ASSISTANT; ~~AND~~

9 (6) ONE REPRESENTATIVE OF THE MARYLAND ASSEMBLY ON  
10 SCHOOL-BASED HEALTH CARE;

11 (7) ONE REPRESENTATIVE WITH EXPERIENCE OR EXPERTISE IN  
12 ADMINISTERING A SCHOOL-BASED HEALTH CENTER; AND

13 ~~(6)~~ (8) TWO CONSUMERS OF SERVICES PROVIDED BY A  
14 SCHOOL-BASED COMMUNITY HEALTH CENTER.

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

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

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

20 (I) THREE IN 2005;

21 (II) THREE IN 2006; AND

22 (III) THREE IN 2007.

23 (F) THE COMMISSION SHALL DESIGNATE THE CHAIRMAN OF THE ADVISORY  
24 COUNCIL.

25 (G) THE ADVISORY COUNCIL SHALL MEET MONTHLY.

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

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

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

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

7 (III) INSURANCE PAYMENTS OWED TO SCHOOL-BASED COMMUNITY  
8 HEALTH CENTERS AND HOW MUCH OF THE PAYMENTS SHOULD BE COLLECTED TO  
9 OFFSET ANY STATE SUBSIDY;

10 ~~(III)~~ (IV) BARRIERS TO THE REIMBURSEMENT OF LICENSED  
11 HEALTH CARE PROVIDERS WHO PROVIDE SERVICES AT SCHOOL-BASED HEALTH  
12 CLINICS, INCLUDING NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS; AND

13 ~~(IV)~~ (V) A SYSTEM OF REGISTERING INDIVIDUALS WHO RECEIVE  
14 HEALTH CARE SERVICES FROM A SCHOOL-BASED COMMUNITY HEALTH CENTER  
15 THAT REQUIRES AN INDIVIDUAL TO PAY PREMIUMS AND SLIDING SCALE FEES; AND

16 ~~(V)~~ (VI) SECURITY MEASURES TO BE UTILIZED BY SCHOOL-BASED  
17 COMMUNITY HEALTH CENTERS.

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

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

26 19-2114.

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

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

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

32 (2) THE TREASURER SHALL HOLD THE FUND, AND THE COMPTROLLER  
33 SHALL ACCOUNT FOR THE FUND.

34 (D) (1) THE FUND CONSISTS OF:

1 (I) ANY REVENUE RECEIVED FROM THE TAX IMPOSED ON HEALTH  
 2 MAINTENANCE ORGANIZATIONS AND MANAGED CARE ORGANIZATIONS UNDER §  
 3 6-102 OF THE INSURANCE ARTICLE;

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

6 (III) ~~ANY FUNDS MADE AVAILABLE TO THE STATE THAT RESULT~~  
 7 ~~FROM SAVINGS WITHIN THE STATE'S PRESCRIPTION DRUG ASSISTANCE PROGRAMS~~  
 8 ~~UPON THE IMPLEMENTATION OF A MEDICARE PRESCRIPTION DRUG BENEFIT,~~  
 9 ~~INCLUDING ANY SAVINGS OF STATE FUNDS FROM THE MARYLAND MEDICAL~~  
 10 ~~ASSISTANCE PROGRAM AND THE STATE EMPLOYEE AND RETIREE HEALTH AND~~  
 11 ~~WELFARE BENEFITS PROGRAM;~~

12 (IV) ~~NOTWITHSTANDING ANY OTHER PROVISION TO THE~~  
 13 ~~CONTRARY, ANY FUNDS IN THE MARYLAND HEALTH INSURANCE PLAN FUND~~  
 14 ~~ESTABLISHED UNDER § 14-504 OF THE INSURANCE ARTICLE IN EXCESS OF FUNDS~~  
 15 ~~NEEDED FOR THE OPERATION AND ADMINISTRATION OF THE MARYLAND HEALTH~~  
 16 ~~INSURANCE PLAN; AND~~

17 (II) FUNDS FROM THE CIGARETTE RESTITUTION FUND  
 18 ESTABLISHED UNDER § 7-317 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;  
 19 AND

20 (V) (III) ANY OTHER MONEY FROM ANY OTHER SOURCE  
 21 ACCEPTED FOR THE BENEFIT OF THE FUND.

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

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

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

27 (III) PROVIDE GRANTS TOTALING \$10,000,000 BEGINNING IN FISCAL  
 28 YEAR 2006, WITH INFLATIONARY ADJUSTMENTS IN SUBSEQUENT YEARS, TO  
 29 QUALIFYING COMMUNITY HEALTH RESOURCES;

30 (IV) SUBJECT TO THE APPROVAL OF A FEDERAL WAIVER, MAKE  
 31 TRANSFERS TO THE DEPARTMENT TO BE USED AS MEDICAL ASSISTANCE PROGRAM  
 32 PAYMENTS FOR PROGRAM ENROLLEES BETWEEN 45 AND ~~100~~ 200 PERCENT OF THE  
 33 FEDERAL POVERTY LEVEL; ~~AND~~

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

1                   (VI)    MAKE TRANSFERS TO THE DEPARTMENT TO BE USED TO  
2 INCREASE RATES TO HEALTH CARE PROVIDERS WITHIN THE MEDICAL ASSISTANCE  
3 PROGRAM.

4                   (2)    THE COMMISSION SHALL ADOPT REGULATIONS THAT:

5                   (I)    ESTABLISH THE CRITERIA FOR A COMMUNITY HEALTH  
6 RESOURCE TO QUALIFY FOR A GRANT;

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

9                   (III)   DEVELOP A FORMULA FOR DISBURSING GRANTS TO  
10 QUALIFYING COMMUNITY HEALTH RESOURCES.

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

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

15                  (II)   TO PROVIDE OPERATIONAL ASSISTANCE TO A COMMUNITY  
16 HEALTH RESOURCE;

17                  (III)   TO PROVIDE SUPPORT FOR INFORMATION AND DATA  
18 TECHNOLOGY SYSTEMS TO EXPAND SERVICES OF A COMMUNITY HEALTH  
19 RESOURCE; AND

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

22                  (F)    (1)    THE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE  
23 SAME MANNER AS OTHER MONEY MAY BE INVENTED.

24                  (2)    ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO  
25 THE CREDIT OF THE FUND.

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

29                                SUBTITLE 11. FEDERALLY QUALIFIED HEALTH CENTERS GRANT PROGRAM.

30 24-1101.

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

33                  (B)    "FEDERALLY QUALIFIED HEALTH CENTER" MEANS A HEALTH CENTER  
34 THAT IS:

1 (1) DESIGNATED AS A FEDERALLY QUALIFIED HEALTH CENTER UNDER  
2 § 330 OF THE FEDERAL PUBLIC HEALTH SERVICE ACT, 42 U.S.C. 254B; AND

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

5 (C) "NONPROFIT ORGANIZATION" MEANS:

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

11 (2) AN ORGANIZATION:

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

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

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

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

21 (II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE  
22 TO THE LESSEE; AND

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

27 24-1102.

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

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

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

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

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

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

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

6 24-1103.

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

11 (B) THE APPLICATION SHALL INCLUDE:

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

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

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

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

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

25 24-1104.

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

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

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

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

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

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

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

12 (E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF  
13 PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION  
14 OF:

15 (1) ALL ELIGIBLE PROJECTS;

16 (2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE  
17 TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;  
18 AND

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

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

21 (I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

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

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

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

31 (G) BEGINNING IN FISCAL YEAR 2006 AND CONTINUING EVERY YEAR  
32 THEREAFTER, THE GOVERNOR SHALL INCLUDE AT LEAST \$5,000,000 IN THE STATE  
33 CAPITAL BUDGET TO BE DISTRIBUTED AND MANAGED IN ACCORDANCE WITH THIS  
34 SUBTITLE.



1 24-1105.

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

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

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

9 24-1106.

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

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

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

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

30 (2) THE RECORDING OF THE NOTICE:

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

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

35 (C) (1) (I) THE SECRETARY OF THE BOARD OF PUBLIC WORKS MAY FILE A  
36 CIVIL COMPLAINT UNDER SUBSECTION (B) OF THIS SECTION, IN THE CIRCUIT COURT  
37 FOR THE COUNTY OR BALTIMORE CITY WHERE THE PROPERTY IS LOCATED, AGAINST

1 THE OWNER OF THE PROPERTY AND ANY OTHER INTERESTED PARTIES, INCLUDING  
2 ANY TRANSFEROR THAT THE STATE WISHES TO MAKE A PARTY.

3 (II) THE COMPLAINT SHALL BE FILED WITH:

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

6 2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

7 (2) IF THE CIRCUIT COURT DETERMINES FROM THE STATE'S INITIAL  
8 FILING THAT A DEFAULT HAS OCCURRED, PENDING FULL DETERMINATION OF THE  
9 STATE'S CLAIM, THE COURT SHALL AUTHORIZE A TEMPORARY LIEN ON THE  
10 PROPERTY:

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

14 (II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE  
15 REASONABLE.

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

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

21 2. ON THE DATE A NOTICE OF TEMPORARY LIEN IS  
22 RECORDED.

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

27 1. TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO  
28 THE PROPERTY; OR

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

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

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

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

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

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

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

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

23 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE  
24 COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS  
25 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE  
26 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING  
27 THE FINAL ORDER.

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

31 2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE  
32 NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

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

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

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

3 (4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT  
4 OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN  
5 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT  
6 SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC  
7 WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

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

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

15 24-1107.

16 THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
17 PROVISIONS OF THIS SUBTITLE.

18 **Article - Insurance**

19 6-101.

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

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

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

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

27 [(2)] (4) an attorney in fact for a reciprocal insurer;

28 [(3)] (5) the Maryland Automobile Insurance Fund; and

29 [(4)] (6) a credit indemnity company.

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

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

33 (2) a fraternal benefit society;

1 (3) [a health maintenance organization authorized by Title 19, Subtitle  
2 7 of the Health - General Article;

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

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

7 [(6)] (5) the Maryland Health Insurance Plan established under Title  
8 14, Subtitle 5, Part I of this article; or

9 [(7)] (6) the Senior Prescription Drug Program established under Title  
10 14, Subtitle 5, Part II of this article.

11 6-102.

12 (b) Premiums to be taxed include:

13 (1) the consideration for a surety contract, guaranty contract, or annuity  
14 contract;

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

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

23 [(2)] (4) dividends on life insurance policies that have been applied to  
24 buy additional insurance or to shorten the period during which a premium is payable;  
25 and

26 [(3)] (5) the part of the gross receipts of a title insurer that is derived  
27 from insurance business or guaranty business.

28 6-103.

29 The tax rate is:

30 (1) 0% for premiums for annuities;

31 (2) 1% FOR:

32 (1) SUBSCRIPTION CHARGES OR OTHER AMOUNTS PAID TO A  
33 HEALTH MAINTENANCE ORGANIZATION; AND

1 (II) GROSS RECEIPTS RECEIVED AS A RESULT OF CAPITATION  
 2 PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE TO A  
 3 MANAGED CARE ORGANIZATION; and

4 ~~(2)~~ (3) 2% for all other premiums, ~~INCLUDING:~~

5 ~~(H) SUBSCRIPTION CHARGES OR OTHER AMOUNTS PAID TO A~~  
 6 ~~HEALTH MAINTENANCE ORGANIZATION; AND~~

7 ~~(H) GROSS RECEIPTS RECEIVED AS A RESULT OF CAPITATION~~  
 8 ~~PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE TO A~~  
 9 ~~MANAGED CARE ORGANIZATION.~~

10 6-103.2.

11 NOTWITHSTANDING § 2-114 OF THIS ARTICLE, THE REVENUE FROM THE TAX  
 12 IMPOSED ON HEALTH MAINTENANCE ORGANIZATIONS AND MANAGED CARE  
 13 ORGANIZATIONS SHALL BE DISTRIBUTED ANNUALLY TO THE COMMUNITY HEALTH  
 14 RESOURCES COMMISSION FUND ESTABLISHED UNDER ~~§ 19-2113~~ § 19-2114 OF THE  
 15 HEALTH - GENERAL ARTICLE.

16 6-104.

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

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

21 (2) dividends that are:

22 (i) paid or credited to policyholders; or

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

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

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

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

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

1 6-107.

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

4 (1) file with the Commissioner:

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

7 (II) A REPORT OF THE GROSS RECEIPTS RECEIVED AS A RESULT OF  
8 CAPITATION PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE  
9 TO A MANAGED CARE ORGANIZATION DURING THE PRECEDING CALENDAR YEAR;  
10 AND

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

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

19 15-131.

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

21 (I) AN INSURER;

22 (II) A NONPROFIT HEALTH SERVICE PLAN;

23 (III) A HEALTH MAINTENANCE ORGANIZATION;

24 (IV) A DENTAL PLAN ORGANIZATION; OR

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

27 (2) "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A PROVIDER  
28 PANEL FOR A CARRIER.

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

30 ~~(1) IS LOCATED WITHIN THE GEOGRAPHIC COVERAGE AREA OF THE~~  
31 ~~CARRIER;~~

32 ~~(2) IS WILLING TO MEET THE TERMS AND CONDITIONS FOR PROVIDER~~  
33 ~~PARTICIPATION ESTABLISHED BY THE CARRIER; AND~~

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

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

9     (B)     TO THE EXTENT REQUIRED UNDER FEDERAL LAW, A CARRIER SHALL  
10 REIMBURSE A COMMUNITY HEALTH RESOURCE FOR COVERED SERVICES PROVIDED  
11 TO AN ENROLLEE OR SUBSCRIBER OF THE CARRIER.

12   **Article – Labor and Employment**

13   **TITLE 8.5. PAYROLL TAX.**

14 ~~8.5-101.~~

15     (A)     (1)     ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
16 ~~INDICATED:~~

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

20   (II)     ~~"EMPLOYER" DOES NOT INCLUDE THE FEDERAL GOVERNMENT,~~  
21 ~~THE STATE, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THE STATE OR~~  
22 ~~ANOTHER STATE.~~

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

24                 (4)     ~~"SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND~~  
25 ~~REGULATION.~~

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

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

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

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



1     ~~(C) AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE PAYROLL TAX, UP TO~~  
 2 ~~THE AMOUNT OF THE TAX IMPOSED, IN AN AMOUNT EQUAL TO THE AMOUNT OF THE~~  
 3 ~~EMPLOYER'S EXPENDITURES DURING THE CALENDAR YEAR TO PROVIDE HEALTH~~  
 4 ~~INSURANCE TO EMPLOYEES IN THE STATE IF THE EMPLOYER'S HEALTH INSURANCE~~  
 5 ~~COSTS ARE DEDUCTIBLE UNDER FEDERAL TAX LAW.~~

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

8     ~~(E) AN EMPLOYER SHALL PAY THE PAYROLL TAX TO THE SECRETARY ON A~~  
 9 ~~PERIODIC BASIS AND SUBMIT TO THE SECRETARY PERIODIC REPORTS FOR THE~~  
 10 ~~DETERMINATION OF THE PAYROLL TAX DUE AS PRESCRIBED BY THE SECRETARY BY~~  
 11 ~~REGULATION.~~

12     ~~(F) WHEN CALCULATING THE PAYROLL TAX PAYMENT, AN EMPLOYER MAY~~  
 13 ~~EXEMPT:~~

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

16             ~~(2) WAGES PAID TO AN EMPLOYEE WHO IS ENROLLED IN OR ELIGIBLE~~  
 17 ~~FOR MEDICARE.~~

18     ~~(G) THE SECRETARY SHALL:~~

19             ~~(1) ADOPT REGULATIONS TO ADMINISTER AND COLLECT THE PAYROLL~~  
 20 ~~TAX; AND~~

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

23                                     **Article - State Finance and Procurement**

24     7-317.

25     (a)     There is a Cigarette Restitution Fund.

26     (b)     (1)     The Fund is a continuing, nonlapsing fund that is not subject to §  
 27 7-302 of this subtitle.

28             (2)     There shall be credited to the Fund all revenues consisting of funds  
 29 received by the State from any source resulting, directly or indirectly, from any  
 30 judgment against or settlement with tobacco product manufacturers, tobacco research  
 31 associations, or any other person in the tobacco industry relating to litigation,  
 32 administrative proceedings, or any other claims made or prosecuted by the State to  
 33 recover damages for violations of State law.

34     (c)     The Treasurer shall:

1           (1)     invest and reinvest the Fund in the same manner as other State  
2 funds; and

3           (2)     credit any investment earnings to the Fund.

4     (d)     Expenditures from the Fund shall be made by an appropriation in the  
5 annual State budget.

6     (e)     (1)     The Fund shall be expended subject to any restrictions on its use or  
7 other limitations on its allocation that are:

8           (i)     expressly provided by statute;

9           (ii)    required as a condition of the acceptance of funds; or

10          (iii)   determined to be necessary to avoid recoupment by the federal  
11 government of money paid to the Fund.

12          (2)     Disbursements from the Fund to programs funded by the State or  
13 with federal funds administered by the State shall be used solely to supplement, and  
14 not to supplant, funds otherwise available for the programs under federal or State law  
15 as provided in this section.

16     (f)     (1)     The Cigarette Restitution Fund shall be used to fund:

17           (i)     the Tobacco Use Prevention and Cessation Program established  
18 under Title 13, Subtitle 10 of the Health - General Article;

19           (ii)    the Cancer Prevention, Education, Screening, and Treatment  
20 Program established under Title 13, Subtitle 11 of the Health - General Article;

21           (III)   THE COMMUNITY HEALTH RESOURCES FUND ESTABLISHED  
22 UNDER TITLE 19, SUBTITLE 21 OF THE HEALTH - GENERAL ARTICLE; and

23           [(iii)]   (IV)   other programs that serve the following purposes:

24                   1.     reduction of the use of tobacco products by minors;

25                   2.     implementation of the Southern Maryland Regional  
26 Strategy-Action Plan for Agriculture adopted by the Tri-County Council for Southern  
27 Maryland with an emphasis on alternative crop uses for agricultural land now used  
28 for growing tobacco;

29                   3.     public and school education campaigns to decrease tobacco  
30 use with initial emphasis on areas targeted by tobacco manufacturers in marketing  
31 and promoting cigarette and tobacco products;

32                   4.     smoking cessation programs;

33                   5.     enforcement of the laws regarding tobacco sales;

1                                   6.       the purposes of the Maryland Health Care Foundation  
2 under Title 20, Subtitle 5 of the Health - General Article;

3                                   7.       primary health care in rural areas of the State and areas  
4 targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco  
5 products;

6                                   8.       prevention, treatment, and research concerning cancer,  
7 heart disease, lung disease, tobacco product use, and tobacco control, including  
8 operating costs and related capital projects;

9                                   9.       substance abuse treatment and prevention programs; and

10                               10.       any other public purpose.

11                   (2)       The provisions of this subsection may not be construed to affect the  
12 Governor's powers with respect to a request for an appropriation in the annual budget  
13 bill.

14       (g)       (1)       Amounts may only be expended from the Fund through  
15 appropriations in the State budget bill as provided in this subsection.

16                   (2)       The Governor shall include in the annual budget bill appropriations  
17 from the Fund equivalent to the lesser of \$100,000,000 or 90% of the funds estimated  
18 to be available to the Fund in the fiscal year for which the appropriations are made.

19                   (3)       For each fiscal year for which appropriations are made, at least 50%  
20 of the appropriations shall be made for those purposes enumerated in subsection  
21 (f)(1)(i), (ii), and [(iii)] (IV) 1 through 9 of this section subject to the requirement of  
22 subsection (e)(2) of this section.

23                   (4)       For each of fiscal years 2003 through 2006, at least 25% of the  
24 appropriations shall be made for the purposes of the Maryland Medical Assistance  
25 Program.

26                   (5)       BEGINNING IN FISCAL YEAR 2008, ANY REVENUE REALIZED BY THE  
27 FUND FROM STRATEGIC CONTRIBUTION PAYMENTS RESULTING FROM THE STATE'S  
28 LEGAL CONTRIBUTIONS TO THE MASTER SETTLEMENT AGREEMENT SHALL BE  
29 DEPOSITED INTO THE COMMUNITY HEALTH RESOURCES FUND ESTABLISHED  
30 UNDER TITLE 19, SUBTITLE 21 OF THE HEALTH - GENERAL ARTICLE TO PROVIDE  
31 SPECIALTY HEALTH CARE SERVICES AND TO INCREASE RATES TO HEALTH CARE  
32 PROVIDERS WITHIN THE MEDICAL ASSISTANCE PROGRAM.

33                   [(5)]   (6)       For each fiscal year for which appropriations are made, 0.15% of  
34 the Fund shall be appropriated for the purposes of enforcement of Title 16, Subtitle 5  
35 of the Business Regulation Article.

36                   [(6)]   (7)       Any additional appropriations, not subject to paragraph (3),  
37 paragraph (4), or paragraph (6) of this subsection, may be made for any lawful  
38 purpose.

1 (h) For each program, project or activity receiving funds appropriated under  
 2 subsection (g)(3) of this section, the Governor shall:

3 (1) develop appropriate statements of vision, mission, key goals, key  
 4 objectives, and key performance indicators and report these statements in a discrete  
 5 part of the State budget submission, which shall also provide data for key  
 6 performance indicators; and

7 (2) report annually, subject to § 2-1246 of the State Government Article,  
 8 to the General Assembly no later than October 1 on:

9 (i) total funds expended, by program and subdivision, in the prior  
 10 fiscal year from the Fund established under this section; and

11 (ii) the specific outcomes or public benefits resulting from that  
 12 expenditure.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 14 read as follows:

15 **Article - State Government**

16 12-101.

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

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

21 (2) an employee or official of the:

22 (i) Maryland Transportation Authority;

23 (ii) Injured Workers' Insurance Fund;

24 (iii) Maryland Stadium Authority;

25 (iv) Maryland Environmental Service;

26 (v) overseas programs of the University College of the University  
 27 System of Maryland;

28 (vi) Maryland Economic Development Corporation;

29 (vii) Maryland Technology Development Corporation; and

30 (viii) Maryland African American Museum Corporation;

31 (3) a person who:

- 1 (i) is a member of a State board, commission, or similar State  
2 entity; or
- 3 (ii) 1. is providing a service to or for the State;  
4 2. is not paid in whole or in part by the State; and  
5 3. satisfies all other requirements for designation as State  
6 personnel as may be set forth in regulations adopted by the Treasurer pursuant to  
7 Title 10 of this article;
- 8 (4) an individual who, without compensation, exercises a part of the  
9 sovereignty of the State;
- 10 (5) a student enrolled in a State educational institution:
- 11 (i) who is providing services to third parties in the course of  
12 participation in an approved clinical training or academic program;
- 13 (ii) who, as determined by the Treasurer, is required to have  
14 liability insurance covering claims arising from services to third parties performed by  
15 the student in the course of the approved clinical training or academic program;
- 16 (iii) who, as determined by the Treasurer, cannot obtain commercial  
17 liability insurance at an affordable cost; and
- 18 (iv) who, as determined by the Treasurer, may be required to  
19 contribute to an insurance program for claims arising from services to third parties  
20 performed by the student in the course of the approved clinical training or academic  
21 program;
- 22 (6) a sheriff or deputy sheriff of a county or Baltimore City;
- 23 (7) an employee of a county who is assigned to a local department of  
24 social services, including a Montgomery County employee who carries out State  
25 programs administered under Article 88A, § 13A(b) of the Code;
- 26 (8) a State's Attorney of a county or Baltimore City, or an employee of an  
27 office of a State's Attorney;
- 28 (9) a member of a board of license commissioners of a county or  
29 Baltimore City appointed under the provisions of Article 2B of the Code, or an  
30 employee of a board of license commissioners;
- 31 (10) a member of a board of supervisors of elections of a county or  
32 Baltimore City, or an employee of a board of supervisors of elections;
- 33 (11) a judge of a circuit court of a county or Baltimore City, or an employee  
34 of a circuit court;

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

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

9 (14) A HEALTH CARE PROVIDER WHO CONTRACTS DIRECTLY WITH THE  
10 MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION ESTABLISHED UNDER §  
11 19-2102 OF THE HEALTH - GENERAL ARTICLE OR DIRECTLY WITH A COMMUNITY  
12 HEALTH RESOURCE, AS DEFINED IN § 19-2101 OF THE HEALTH - GENERAL ARTICLE  
13 TO PROVIDE HEALTH CARE SERVICES, WHEN THE HEALTH CARE PROVIDER IS  
14 PROVIDING SERVICES UNDER THE CONTRACT EITHER WITHOUT CHARGE OR AT A  
15 RATE OF REIMBURSEMENT THAT IS NO MORE THAN THE MEDICAID  
16 REIMBURSEMENT RATE FOR THE SERVICE RENDERED; OR

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

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

23 12-104.

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

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

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

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

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

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

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

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

6 12-105.

7 State personnel shall have the immunity from liability described under §  
8 5-522(b) of the Courts and Judicial Proceedings Article.

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

11 ~~Article - Health - General~~

12 ~~15-103.~~

13 ~~(a) (1) The Secretary shall administer the Maryland Medical Assistance~~  
14 ~~Program.~~

15 ~~(2) The Program:~~

16 ~~(i) Subject to the limitations of the State budget, shall provide~~  
17 ~~comprehensive medical and other health care services for indigent individuals or~~  
18 ~~medically indigent individuals or both;~~

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

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

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

31 ~~(v) Shall provide, subject to the limitations of the State budget,~~  
32 ~~comprehensive medical and other health care services for all children from the age of~~  
33 ~~1 year up through and including the age of 5 years whose family income falls below~~  
34 ~~133 percent of the poverty level, as permitted by the federal law;~~

35 ~~(vi) Shall provide, subject to the limitations of the State budget,~~  
36 ~~comprehensive medical care and other health care services for all children born after~~

1 September 30, 1983 who are at least 6 years of age but are under 19 years of age  
 2 whose family income falls below 100 percent of the poverty level, as permitted by  
 3 federal law;

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

9 (viii) Shall provide, subject to the limitations of the State budget and  
 10 any other requirements imposed by the State, comprehensive medical care and other  
 11 health care services for all legal immigrant children under the age of 18 years and  
 12 pregnant women who meet Program eligibility standards and who arrived in the  
 13 United States on or after August 22, 1996, the effective date of the federal Personal  
 14 Responsibility and Work Opportunity Reconciliation Act;

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

22 ~~[(ix)]~~ (X) May include bedside nursing care for eligible Program  
 23 recipients; and

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

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

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

30 ~~Article – Health – General~~

31 19-2115.

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

34 (B) THERE IS A SMALL EMPLOYER HEALTH INSURANCE PROGRAM IN THE  
 35 COMMISSION.

36 (C) (1) THE PROGRAM SHALL PROVIDE A HEALTH INSURANCE OPTION TO  
 37 AN EMPLOYER WITH 50 OR LESS EMPLOYEES UNDER WHICH THE EMPLOYER COULD



~~1 CONTRACT WITH A COMMUNITY HEALTH RESOURCE TO PROVIDE PRIMARY HEALTH  
2 CARE TO THE EMPLOYER'S EMPLOYEE.~~

~~3 (2) THE PROGRAM SHALL REQUIRE ANY EMPLOYER CONTRIBUTION  
4 MADE ON BEHALF OF A MEDICAID ELIGIBLE EMPLOYEE TO BE SUBMITTED TO THE  
5 DEPARTMENT FOR USE AS STATE MATCHING FUNDS IN ORDER TO LEVERAGE  
6 FEDERAL MEDICAID FUNDS.~~

~~7 (D) THE COMMISSION SHALL ADMINISTER THE PROGRAM AS ALLOWED BY  
8 FEDERAL LAW OR WAIVER.~~

~~9 (E) THE COMMISSION MAY CONTRACT WITH A THIRD PARTY TO ADMINISTER  
10 THE PROGRAM.~~

~~11 (F) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
12 PROGRAM.~~

~~13 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
14 take effect October 1, 2004. It shall remain effective for a period of 2 years and, at the  
15 end of September 30, 2006, with no further action required by the General Assembly,  
16 Section 2 of this Act shall be abrogated and of no further force and effect.~~

~~17 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of  
18 Health and Mental Hygiene shall seek approval of a waiver from the Centers for  
19 Medicare and Medicaid Services that would allow the State to provide health care  
20 coverage for indigent and medically indigent individuals whose annual household  
21 income is at or below 100 percent of the federal poverty level. The health care  
22 coverage identified in the waiver application shall include primary health care from  
23 licensed or certified health care providers that are arranged by community health  
24 resources as defined by § 19-2101 of the Health - General Article as enacted by  
25 Section 1 of this Act and paid by the Medicaid program at a capitated rate.~~

~~26 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
27 take effect on the date that the federal Centers for Medicare and Medicaid Services  
28 approves a waiver applied for in accordance with Section 4 of this Act. If the waiver is  
29 denied, Section 2 of this Act shall be null and void without the necessity of any further  
30 action by the General Assembly. The Department of Health and Mental Hygiene,  
31 within 5 days after receiving notice of approval or denial of a waiver, shall forward a  
32 copy of the notice to the Department of Legislative Services, 90 State Circle,  
33 Annapolis, Maryland 21401.~~

~~34 SECTION 6. AND BE IT FURTHER ENACTED, That the Department of  
35 Health and Mental Hygiene shall seek approval of a waiver from the Centers for  
36 Medicare and Medicaid Services that would allow the State to use federal matching  
37 funds to implement the Small Employer Health Insurance Program established  
38 under § 19-2115 of the Health - General Article, as enacted by Section 3 of this Act.~~

~~39 SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall  
40 take effect on the date that the federal Centers for Medicare and Medicaid Services  
41 approves a waiver applied for in accordance with Section 6 of this Act. If the waiver is~~

1 denied, Section 3 of this Act shall be null and void without the necessity of any further  
 2 action by the General Assembly. The Department of Health and Mental Hygiene,  
 3 within 5 days after receiving notice of approval or denial of a waiver, shall forward a  
 4 copy of the notice to the Department of Legislative Services, 90 State Circle,  
 5 Annapolis, Maryland 21401.

6 ~~SECTION 8. AND BE IT FURTHER ENACTED, That, on or before October 1,~~  
 7 ~~2009, the Community Health Resources Commission established under § 19-2102 of~~  
 8 ~~the Health General Article as enacted by Section 1 of this Act, shall report to the~~  
 9 ~~Governor and, in accordance with § 2-1246 of the State Government Article, the~~  
 10 ~~General Assembly, on recommendations to expand adult eligibility for the Medical~~  
 11 ~~Assistance Program beyond 100 percent of the federal poverty level. In developing the~~  
 12 ~~report, the Commission shall consider the operation and use of the Community~~  
 13 ~~Health Resources Commission Fund established by § 19-2114 of the Health General~~  
 14 ~~Article as enacted by Section 1 of this Act.~~

15 ~~SECTION 9. 4.~~ AND BE IT FURTHER ENACTED, That the Community Health  
 16 Resources Commission shall identify methods to increase the reimbursement rates  
 17 paid by public and private insurers to health care providers who provide services  
 18 through community health resources. The Commission also shall identify methods to  
 19 facilitate the reimbursement provided to health care providers who provide services  
 20 through community health resources, including methods to make the provider an  
 21 employee of the community health resource. The Commission shall report its findings  
 22 and recommendations to the Governor and, in accordance with § 2-1246 of the State  
 23 Government Article, to the General Assembly, on or before December 30, 2005.

24 ~~SECTION 10. 5.~~ AND BE IT FURTHER ENACTED, That the Community  
 25 Health Resources Commission shall identify methods to encourage employers to  
 26 make health insurance care coverage available for uninsured, low-income workers,  
 27 including:

28 (a) demonstration projects in which the Commission would contract with an  
 29 entity to provide health insurance. ~~The health insurance made available by the entity~~  
 30 ~~shall provide care coverage for a package of health care benefits that includes~~  
 31 ~~outpatient services, outpatient primary care services, and specialty services, and a~~  
 32 ~~voluntary hospital component to provide acute care services to individuals receiving~~  
 33 ~~the coverage offered. The Commission shall report its finding and recommendations~~  
 34 ~~to the Governor, and in accordance with § 2-1246 of the State Government Article, to~~  
 35 ~~the General Assembly on or before October 1, 2005;~~

36 (b) alternatives to traditional health insurance that still provide tax benefits  
 37 to employers or employees for obtaining coverage; and

38 (c) "three-share" programs that divide costs among the employer, the  
 39 employee, and the government.

40 SECTION 6. AND BE IT FURTHER ENACTED, That:

41 (a) The Community Health Resources Commission shall conduct a study of:

- 1           (1)     the "Dirigo Health" plan enacted in Maine in 2003; and  
2           (2)     innovative health care coverage programs in other states.

3     (b)     The Commission shall analyze the feasibility and desirability of  
4 implementing aspects of the Dirigo Health plan or other innovative state health care  
5 coverage programs in Maryland.

6     (c)     The Commission shall report the findings and recommendations of its  
7 study to the Governor, and in accordance with § 2-1246 of the State Government  
8 Article, to the General Assembly on or before October 1, 2005.

9     SECTION 7. AND BE IT FURTHER ENACTED, That:

10    (a)     Notwithstanding any other provision of law, and except as otherwise  
11 provided in this section, the premium tax imposed under § 6-102 of the Insurance  
12 Article, as enacted by Section 1 of this Act, is applicable to:

13           (1)     capitation payments, including supplemental or bonus payments,  
14 made to managed care organizations on or after January 1, 2005; and

15           (2)     premiums written for all policies, contracts, and health benefit plans  
16 issued, delivered, or renewed in the State on or after January 1, 2005.

17    (b)     The premium tax imposed under § 6-102 of the Insurance Article, as  
18 enacted by Section 1 of this Act, does not apply to:

19           (1)     capitation payments, supplemental payments, or bonus payments,  
20 made to managed care organizations before January 1, 2005; and

21           (2)     premiums written for all policies, contracts, and health benefit plans  
22 issued, delivered, or renewed in the State before January 1, 2005.

23    (c)     Any health benefit plan in effect before January 1, 2005, shall comply with  
24 the provisions of Title 6 of the Insurance Article no later than January 1, 2006.

25     SECTION 8. AND BE IT FURTHER ENACTED, That, for taxable years  
26 beginning after December 31, 2004, the exemption under § 10-104 of the Tax -  
27 General Article is applicable to health maintenance organizations and managed care  
28 organizations that are subject to the insurance premium tax under Title 6 of the  
29 Insurance Article.

30     SECTION 9. AND BE IT FURTHER ENACTED, That, if the Department of  
31 Health and Mental Hygiene receives the waiver from the Centers for Medicare and  
32 Medicaid Services applied for under Chapter 448 of the Acts of 2003:

33    (a)     health care services shall be provided to individuals up to 116% of the  
34 Federal Poverty Guidelines and to families of two or more up to 100% of the Federal  
35 Poverty Guidelines at a capitated rate;

1 (b) the Department shall apply for an amendment to the Department's Section  
2 1115 waiver to allow managed care organizations to sub-capitate with community  
3 health resources for primary care;

4 (c) (1) the Department shall apply for a waiver from the Centers for  
5 Medicare and Medicaid Services to include uninsured parents of children enrolled in  
6 Medicaid and in the Maryland Children's Health Program in the health care program  
7 developed under the waiver applied for in accordance with Chapter 448 of the Acts of  
8 2003, in the following manner:

9 (i) up to 150% of the Federal Poverty Guidelines in fiscal year  
10 2006;

11 (ii) up to 175% of the Federal Poverty Guidelines in fiscal year  
12 2007; and

13 (iii) up to 200% of the Federal Poverty Guidelines in fiscal year  
14 2008; and

15 (2) the waiver applied for under subsection (c)(1) shall seek to include  
16 office-based specialty care for individuals in the waiver applied for in accordance  
17 with Chapter 448 of the Acts of 2003 and for parents of children enrolled in Medicaid  
18 and in the Maryland Children's Health Program up to 200% of the Federal Poverty  
19 Guidelines; and

20 (d) the Department shall limit total expenditures for the waiver for which the  
21 Department is required to apply under subsection (c) of this section to \$100 million.

22 SECTION 10. AND BE IT FURTHER ENACTED, That:

23 (a) There is a Joint Legislative Task Force on Universal Access to Quality and  
24 Affordable Health Care.

25 (b) The Task Force is comprised of 8 members of the General Assembly,  
26 including:

27 (1) 4 members of the Senate of Maryland, appointed by the President of  
28 the Senate; and

29 (2) 4 members of the House of Delegates, appointed by the Speaker of the  
30 House.

31 (c) The following individuals shall serve as ex officio members of the Task  
32 Force:

33 (1) the Secretary of Health and Mental Hygiene, or the Secretary's  
34 designee; and

35 (2) the Executive Director of the Maryland Health Care Commission, or  
36 the Executive Director's designee.

1 (d) (1) Of the 4 members of the Maryland Senate, the President of the  
2 Senate shall appoint 1 to serve as cochairman; and

3 (2) of the 4 members of the House of Delegates, the Speaker of the House  
4 shall appoint 1 to serve as cochairman.

5 (e) The Department of Legislative Services shall provide staffing for the Task  
6 Force.

7 (f) The Task Force shall study and make recommendations on how to make  
8 quality, affordable health care, including primary care, specialty care, hospitalization,  
9 and prescription drug coverage, accessible to all citizens of the State.

10 (g) The Task Force shall seek input into the study from consumer advocates,  
11 health care providers, insurance carriers that write policies in the State, the business  
12 community, hospitals, and community clinics.

13 (h) The Task Force shall conduct a minimum of 4 public hearings in different  
14 geographic regions throughout the State to receive citizen input.

15 (i) The Task Force shall report its findings and recommendations to the  
16 Governor and, subject to § 2-1246 of the State Government Article, to the General  
17 Assembly on or before December 31, 2004.

18 SECTION 11. AND BE IT FURTHER ENACTED, That, except as provided in  
19 ~~Sections 5 and 7~~ Section 3 of this Act, this Act shall take effect ~~October~~ July 1, 2004.