

SENATE BILL 715

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2004 Regular Session  
4r2028  
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By: **Senators Hollinger and Middleton**  
Introduced and read first time: February 6, 2004  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

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

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

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

1 Program; requiring the Commission to adopt regulations to implement the  
2 Program; requiring the Department to apply for a certain waiver to implement  
3 the Program; requiring the Commission to make certain reports to the General  
4 Assembly on or before certain dates; requiring the Commission to identify  
5 certain methods to increase the reimbursement rates paid to certain providers  
6 and to make a certain report to the General Assembly on or before a certain  
7 date; requiring the Commission to identify certain methods to increase the  
8 availability of health insurance from certain employers and to make a certain  
9 report to the General Assembly on or before a certain date; making this Act,  
10 except for certain provisions, subject to certain contingencies; defining certain  
11 terms; and generally relating to access to health care.

12 BY repealing and reenacting, without amendments,  
13 Article - Courts and Judicial Proceedings  
14 Section 5-522(b)  
15 Annotated Code of Maryland  
16 (2002 Replacement Volume and 2003 Supplement)

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

26 BY repealing and reenacting, with amendments,  
27 Article - Health - General  
28 Section 15-103(a), 19-303, and 19-727  
29 Annotated Code of Maryland  
30 (2000 Replacement Volume and 2003 Supplement)

31 BY repealing and reenacting, with amendments,  
32 Article - Insurance  
33 Section 6-101, 6-102(b), 6-103, 6-104(a), and 6-107(a)  
34 Annotated Code of Maryland  
35 (2003 Replacement Volume)

36 BY adding to  
37 Article - Insurance  
38 Section 6-103.2  
39 Annotated Code of Maryland  
40 (2003 Replacement Volume)

1 BY adding to  
2 Article - Insurance  
3 Section 15-131  
4 Annotated Code of Maryland  
5 (2002 Replacement Volume and 2003 Supplement)

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

11 BY repealing and reenacting, with amendments,  
12 Article - State Government  
13 Section 12-101  
14 Annotated Code of Maryland  
15 (1999 Replacement Volume and 2003 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article - State Government  
18 Section 12-104 and 12-105  
19 Annotated Code of Maryland  
20 (1999 Replacement Volume and 2003 Supplement)

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

23 **Article - Courts and Judicial Proceedings**

24 5-522.

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

31 **Article - Health - General**

32 15-102.7.

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

1 19-303.

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

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

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

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

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

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

13 (iv) Health care cost containment activities; and

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

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

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

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

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

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

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

28 (2) The community benefit report shall include:

29 (i) The mission statement of the hospital;

30 (ii) A list of the initiatives that were undertaken by the hospital;

31 (iii) The cost to the hospital of each community benefit initiative;

32 (iv) The objectives of each community benefit initiative; [and]

1 (v) A description of efforts taken to evaluate the effectiveness of  
2 each community benefit initiative; AND

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

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

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

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

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

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

21 (1) A standard format for reporting the information required under this  
22 section;

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

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

27 19-727.

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

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

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

1 (i) Of the amounts actually paid by the insurer to a nonprofit  
2 health maintenance organization that operates only as a health maintenance  
3 organization; or

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

6 SUBTITLE 21. MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION.

7 19-2101.

8 (A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

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

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

17 (2) "COMMUNITY HEALTH RESOURCE" INCLUDES:

18 (I) A FEDERALLY QUALIFIED HEALTH CENTER;

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

20 (III) A COMMUNITY HEALTH CENTER;

21 (IV) A MIGRANT HEALTH CENTER;

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

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

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

26 (VIII) A SCHOOL-BASED CLINIC;

27 (IX) A TEACHING CLINIC; AND

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

30 19-2102.

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

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

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

5 19-2103.

6 (A) (1) THE COMMISSION CONSISTS OF SEVEN MEMBERS APPOINTED BY  
7 THE GOVERNOR.

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

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

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

14 (3) THE TERMS OF THE INITIAL MEMBERS OF THE COMMISSION END AS  
15 FOLLOWS:

16 (I) TWO IN 2005;

17 (II) ONE IN 2006;

18 (III) TWO IN 2007; AND

19 (IV) TWO IN 2008.

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

22 (5) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
23 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND  
24 QUALIFIES.

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

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

30 19-2104.

31 ANNUALLY, FROM AMONG THE MEMBERS OF THE COMMISSION:

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



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

2 19-2105.

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

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

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

10 19-2106.

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

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

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

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

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

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

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

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

25 (3) THE COMMISSION, IN CONSULTATION WITH THE SECRETARY, SHALL  
26 DETERMINE THE APPROPRIATE JOB CLASSIFICATIONS AND GRADES FOR ALL STAFF.  
27 19-2107.

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

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

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

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

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

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

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

28 (7) ESTABLISH AND ADMINISTER A SMALL EMPLOYER HEALTH  
29 INSURANCE PROGRAM THAT PROVIDES HEALTH CARE TO EMPLOYEES THROUGH  
30 COMMUNITY HEALTH RESOURCES;

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

34 (9) SERVE AS THE STATE LIAISON WITH THE FEDERAL BUREAU OF  
35 PRIMARY HEALTH CARE IN THE IDENTIFICATION OF THE STATE'S HEALTH  
36 PROFESSIONAL SHORTAGE AREAS, MEDICALLY UNDERSERVED AREAS, AND  
37 MEDICALLY UNDERSERVED POPULATIONS;

1 (10) ESTABLISH A UNIFORM DATA SET TO BE SUBMITTED BY A  
2 COMMUNITY HEALTH RESOURCE TO THE COMMISSION, TO BE USED AS THE  
3 CRITERIA FOR PROVIDING FUNDING TO THE COMMUNITY HEALTH RESOURCE, THAT  
4 INCLUDES:

5 (I) THE PRIMARY CARE SERVICES OFFERED BY THE COMMUNITY  
6 HEALTH RESOURCE;

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

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

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

15 (12) DEVELOP AND IMPLEMENT PROGRAMS TO PROVIDE INCENTIVES TO  
16 SPECIALIST PROVIDERS TO SERVE INDIVIDUALS REFERRED FROM COMMUNITY  
17 HEALTH RESOURCES, INCLUDING PROGRAMS:

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

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

25 (III) TO INCREASE HEALTH PROFESSIONAL VOLUNTEERISM.

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

29 19-2110.

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

32 (B) THE COMMISSION, IN CONSULTATION WITH THE MOTOR VEHICLE  
33 ADMINISTRATION, SHALL ESTABLISH A COMMUNITY HEALTH RESOURCES HEALTH  
34 CARE ACCESS PROGRAM.

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

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

2 (1) COLLECT ON A VOLUNTARY BASIS INFORMATION ON AN  
3 INDIVIDUAL'S INCOME AND HEALTH INSURANCE COVERAGE WHEN AN INDIVIDUAL  
4 REGISTERS A MOTOR VEHICLE OR APPLIES FOR OR RENEWS A DRIVER'S LICENSE OR  
5 IDENTIFICATION CARD; AND

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

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

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

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

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

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

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

23 (2) THE TOLL-FREE HOTLINE SHALL:

24 (I) DETERMINE A CALLER'S ELIGIBILITY FOR HEALTH CARE  
25 SERVICES;

26 (II) ASSIST CALLERS IN COMPLETING APPLICATION FORMS FOR  
27 HEALTH CARE SERVICES;

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

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

34 (V) PROVIDE OUTREACH SERVICES TO EDUCATE AND INFORM  
35 INDIVIDUALS OF THE AVAILABILITY OF COMMUNITY HEALTH RESOURCES AND THE  
36 ELIGIBILITY CRITERIA OF COMMUNITY HEALTH RESOURCES.

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

4 (I) THE COMMISSION, IN CONSULTATION WITH THE MOTOR VEHICLE  
5 ADMINISTRATION AND COMMUNITY HEALTH RESOURCES, SHALL ADOPT  
6 REGULATIONS IMPLEMENTING THIS SECTION.

7 19-2111.

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

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

12 (C) THE PROGRAM SHALL:

13 (1) IDENTIFY AVAILABLE FEDERAL GRANTS FOR OPERATIONAL  
14 ASSISTANCE, INCLUDING REACH INITIATIVE AND COMMUNITY ACCESS PROGRAM  
15 GRANTS;

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

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

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

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

26 (II) COLLECTING APPLICATIONS FROM COMMUNITY HEALTH  
27 RESOURCES FOR CAPITAL BOND FINANCING; AND

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

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

33 19-2112.

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

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

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

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

5 (I) THREE REPRESENTATIVES OF COMMUNITY HEALTH  
6 RESOURCES;

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

8 (III) THREE REPRESENTATIVES OF STATE HOSPITAL-BASED  
9 PHYSICIAN PRACTICES; AND

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

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

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

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

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

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

21 (I) FIVE IN 2005;

22 (II) FOUR IN 2006; AND

23 (III) FOUR IN 2007.

24 (G) THE COUNCIL SHALL MEET QUARTERLY.

25 (H) THE COUNCIL SHALL:

26 (1) MAKE RECOMMENDATIONS TO THE COMMISSION ON PROPOSALS TO  
27 ENCOURAGE HOSPITALS AND COMMUNITY HEALTH RESOURCES TO PARTNER TO  
28 INCREASE ACCESS TO HEALTH CARE, INCLUDING PROGRAMS FOR HOSPITAL  
29 FINANCIAL AND PROGRAM SUPPORT FOR CARE PROVIDED BY SPECIALISTS TO  
30 INDIVIDUALS REFERRED TO THE SPECIALISTS BY COMMUNITY HEALTH RESOURCES;  
31 AND

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

4 (I) ON OR BEFORE OCTOBER 1, 2006, THE COUNCIL SHALL REPORT ITS  
5 FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR, AND IN ACCORDANCE WITH  
6 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

7 19-2113.

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

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

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

13 (1) TWO REPRESENTATIVES OF THE DEPARTMENT;

14 (2) ONE REPRESENTATIVE OF THE MARYLAND INSURANCE  
15 ADMINISTRATION;

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

18 (4) ONE NURSE PRACTITIONER;

19 (5) ONE PHYSICIAN ASSISTANT; AND

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

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

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

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

27 (I) THREE IN 2005;

28 (II) THREE IN 2006; AND

29 (III) THREE IN 2007.

30 (F) THE COMMISSION SHALL DESIGNATE THE CHAIRMAN OF THE ADVISORY  
31 COUNCIL.

32 (G) THE ADVISORY COUNCIL SHALL MEET MONTHLY.



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

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

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

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

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

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

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

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

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

29 19-2114.

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

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

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

35 (2) THE TREASURER SHALL HOLD THE FUND, AND THE COMPTROLLER  
36 SHALL ACCOUNT FOR THE FUND.

1 (D) THE FUND CONSISTS OF:

2 (I) ANY REVENUE RECEIVED FROM THE TAX IMPOSED ON HEALTH  
3 MAINTENANCE ORGANIZATIONS AND MANAGED CARE ORGANIZATIONS UNDER §  
4 6-102 OF THE INSURANCE ARTICLE;

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

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

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

18 (V) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE  
19 BENEFIT OF THE FUND.

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

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

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

25 (III) PROVIDE GRANTS TO QUALIFYING COMMUNITY HEALTH  
26 RESOURCES;

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

31 (V) PROVIDE STIPENDS TO SPECIALISTS WHO PROVIDE HEALTH  
32 CARE SERVICES TO INDIVIDUALS RECEIVING PRIMARY CARE SERVICES FROM A  
33 COMMUNITY HEALTH RESOURCE.

34 (2) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

35 (I) ESTABLISH THE CRITERIA FOR A COMMUNITY HEALTH  
36 RESOURCE TO QUALIFY FOR A GRANT;

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

3 (III) DEVELOP A FORMULA FOR DISBURSING GRANTS TO  
4 QUALIFYING COMMUNITY HEALTH RESOURCES.

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

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

9 (II) TO PROVIDE OPERATIONAL ASSISTANCE TO A COMMUNITY  
10 HEALTH RESOURCE;

11 (III) TO PROVIDE SUPPORT FOR INFORMATION AND DATA  
12 TECHNOLOGY SYSTEMS TO EXPAND SERVICES OF A COMMUNITY HEALTH  
13 RESOURCE; AND

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

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

18 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO  
19 THE CREDIT OF THE FUND.

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

23 SUBTITLE 11. FEDERALLY QUALIFIED HEALTH CENTERS GRANT PROGRAM.

24 24-1101.

25 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
26 INDICATED.

27 (B) "FEDERALLY QUALIFIED HEALTH CENTER" MEANS A HEALTH CENTER  
28 THAT IS:

29 (1) DESIGNATED AS A FEDERALLY QUALIFIED HEALTH CENTER UNDER  
30 § 330 OF THE FEDERAL PUBLIC HEALTH SERVICE ACT, 42 U.S.C. 254B; AND

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

33 (C) "NONPROFIT ORGANIZATION" MEANS:

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

6 (2) AN ORGANIZATION:

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

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

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

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

16 (II) THE LEASE AGREEMENT EXTENDS THE RIGHT OF PURCHASE  
17 TO THE LESSEE; AND

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

22 24-1102.

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

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

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

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

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

32 (4) THE PURCHASE OF CAPITAL EQUIPMENT FOR FEDERALLY  
33 QUALIFIED HEALTH CENTERS; OR

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

1 24-1103.

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

6 (B) THE APPLICATION SHALL INCLUDE:

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

8 (2) A STATEMENT LISTING THE PERSONNEL EMPLOYED OR TO BE  
9 EMPLOYED AT THE FEDERALLY QUALIFIED HEALTH CENTER, INCLUDING ALL  
10 REMUNERATION AND PERQUISITES FOR PERSONAL SERVICES AND ALL OTHER  
11 EXPENSES PAID OR TO BE PAID TO THESE PERSONNEL;

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

14 (4) THE SCHEDULE OF RATES CHARGED OR TO BE CHARGED FOR  
15 SERVICES RENDERED.

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

20 24-1104.

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

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

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

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

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

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

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

6 (E) THE AMOUNT OF THE STATE GRANT RECOMMENDED TO THE BOARD OF  
7 PUBLIC WORKS FOR ANY PROJECT SHALL BE DETERMINED AFTER CONSIDERATION  
8 OF:

9 (1) ALL ELIGIBLE PROJECTS;

10 (2) THE TOTAL OF UNALLOCATED STATE FUNDS AVAILABLE AT THE  
11 TIME THE GRANT RECOMMENDATION IS MADE TO THE BOARD OF PUBLIC WORKS;  
12 AND

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

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

15 (I) TO FURTHER SECTARIAN RELIGIOUS INSTRUCTION;

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

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

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

25 24-1105.

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

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

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

33 24-1106.

34 (A) THE STATE MAY RECOVER FROM EITHER THE TRANSFEROR OR  
35 TRANSFEREE OR, IN THE CASE OF A PROPERTY THAT HAS CEASED TO BE A  
36 FEDERALLY QUALIFIED HEALTH CENTER, FROM THE OWNER, AN AMOUNT BEARING

1 THE SAME RATIO TO THE THEN CURRENT VALUE OF SO MUCH OF THE PROPERTY AS  
2 CONSTITUTED AN APPROVED PROJECT AS THE AMOUNT OF THE STATE  
3 PARTICIPATION BORE TO THE TOTAL ELIGIBLE COST OF THE APPROVED PROJECT,  
4 TOGETHER WITH ALL COSTS AND REASONABLE ATTORNEYS' FEES INCURRED BY THE  
5 STATE IN THE RECOVERY PROCEEDINGS, IF, WITHIN 30 YEARS AFTER COMPLETION  
6 OF A PROJECT, A PROPERTY FOR WHICH FUNDS HAVE BEEN PAID UNDER THIS  
7 SUBTITLE:

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

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

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

18 (2) THE RECORDING OF THE NOTICE:

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

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

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

28 (II) THE COMPLAINT SHALL BE FILED WITH:

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

31 2. A DETAILED JUSTIFICATION OF THE AMOUNT CLAIMED.

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

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

1 (II) IN OTHER AMOUNTS THAT THE COURT DETERMINES TO BE  
2 REASONABLE.

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

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

8 2. ON THE DATE A NOTICE OF TEMPORARY LIEN IS  
9 RECORDED.

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

14 1. TAKE ANY ACTION THAT WOULD AFFECT THE TITLE TO  
15 THE PROPERTY; OR

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

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

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

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

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

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

36 (2) (I) EXCEPT AS THE STATE MAY OTHERWISE PROVIDE BY A  
37 WRITTEN SUBORDINATION AGREEMENT, IF THE AMOUNT OF THE FINAL JUDGMENT  
38 REMAINS UNPAID AFTER 30 DAYS FOLLOWING THE COURT'S FINAL ORDER, THE



1 FINAL JUDGMENT SHALL CONSTITUTE A LIEN ON THE PROPERTY, SUPERIOR TO THE  
2 LIEN OR OTHER INTEREST OF A MORTGAGEE, PLEDGEE, PURCHASER, OR JUDGMENT  
3 CREDITOR WHOSE INTEREST BECAME PERFECTED AGAINST THIRD PERSONS AFTER  
4 THE STATE FIRST MADE FUNDS AVAILABLE UNDER THIS SUBTITLE.

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

7 2. A LIEN TAKES EFFECT ON THE 31ST DAY FOLLOWING THE  
8 COURT'S FINAL ORDER IF THE SECRETARY OF THE BOARD OF PUBLIC WORKS  
9 RECORDS A NOTICE OF LIEN IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE  
10 CITY WHERE THE PROPERTY IS LOCATED ON OR BEFORE THE 41ST DAY FOLLOWING  
11 THE FINAL ORDER.

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

15 2. THE RECORDED NOTICE OF A LIEN SHALL CONSTITUTE  
16 NOTICE OF THE RELEASE OF A TEMPORARY LIEN.

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

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

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

27 (4) IF THE CIRCUIT COURT FINDS THAT THERE HAS BEEN NO DEFAULT  
28 OR IF THE FULL AMOUNT OF THE COURT'S JUDGMENT IS PAID TO THE STATE WITHIN  
29 30 DAYS AFTER THE COURT'S FINAL ORDER, A TEMPORARY LIEN THEN IN EFFECT  
30 SHALL BE RELEASED IMMEDIATELY AND THE SECRETARY OF THE BOARD OF PUBLIC  
31 WORKS SHALL CAUSE THE RELEASE TO BE RECORDED IN THE LAND RECORDS.

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

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

1 24-1107.

2 THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
3 PROVISIONS OF THIS SUBTITLE.

4 **Article - Insurance**

5 6-101.

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

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

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

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

13 [(2)] (4) an attorney in fact for a reciprocal insurer;

14 [(3)] (5) the Maryland Automobile Insurance Fund; and

15 [(4)] (6) a credit indemnity company.

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

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

19 (2) a fraternal benefit society;

20 (3) [a health maintenance organization authorized by Title 19, Subtitle  
21 7 of the Health - General Article;

22 [(4)] (4) a surplus lines broker, who is subject to taxation in accordance with  
23 Title 3, Subtitle 3 of this article;

24 [(5)] (4) an unauthorized insurer, who is subject to taxation in  
25 accordance with Title 4, Subtitle 2 of this article;

26 [(6)] (5) the Maryland Health Insurance Plan established under Title  
27 14, Subtitle 5, Part I of this article; or

28 [(7)] (6) the Senior Prescription Drug Program established under Title  
29 14, Subtitle 5, Part II of this article.

30 6-102.

31 (b) Premiums to be taxed include:

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

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

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

11 [(2)] (4) dividends on life insurance policies that have been applied to  
12 buy additional insurance or to shorten the period during which a premium is payable;  
13 and

14 [(3)] (5) the part of the gross receipts of a title insurer that is derived  
15 from insurance business or guaranty business.

16 6-103.

17 The tax rate is:

18 (1) 0% for premiums for annuities; and

19 (2) 2% for all other premiums, INCLUDING:

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

22 (II) GROSS RECEIPTS RECEIVED AS A RESULT OF CAPITATION  
23 PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE TO A  
24 MANAGED CARE ORGANIZATION.

25 6-103.2.

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

31 6-104.

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

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

1 (2) dividends that are:

2 (i) paid or credited to policyholders; or

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

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

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

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

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

16 6-107.

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

19 (1) file with the Commissioner:

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

22 (II) A REPORT OF THE GROSS RECEIPTS RECEIVED AS A RESULT OF  
23 CAPITATION PAYMENTS, INCLUDING SUPPLEMENTAL OR BONUS PAYMENTS, MADE  
24 TO A MANAGED CARE ORGANIZATION DURING THE PRECEDING CALENDAR YEAR;  
25 AND

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

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

34 15-131.

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

- 1 (I) AN INSURER;
- 2 (II) A NONPROFIT HEALTH SERVICE PLAN;
- 3 (III) A HEALTH MAINTENANCE ORGANIZATION;
- 4 (IV) A DENTAL PLAN ORGANIZATION; OR
- 5 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
- 6 SUBJECT TO REGULATION BY THE STATE.

7 (2) "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A PROVIDER  
8 PANEL FOR A CARRIER.

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

10 (1) IS LOCATED WITHIN THE GEOGRAPHIC COVERAGE AREA OF THE  
11 CARRIER;

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

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

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

22 **Article - Labor and Employment**

23 TITLE 8.5. PAYROLL TAX.

24 8.5-101.

25 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
26 INDICATED.

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

30 (II) "EMPLOYER" DOES NOT INCLUDE THE FEDERAL GOVERNMENT,  
31 THE STATE, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THE STATE OR  
32 ANOTHER STATE.

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

1 (4) "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND  
2 REGULATION.

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

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

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

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

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

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

20 (E) AN EMPLOYER SHALL PAY THE PAYROLL TAX TO THE SECRETARY ON A  
21 PERIODIC BASIS AND SUBMIT TO THE SECRETARY PERIODIC REPORTS FOR THE  
22 DETERMINATION OF THE PAYROLL TAX DUE AS PRESCRIBED BY THE SECRETARY BY  
23 REGULATION.

24 (F) WHEN CALCULATING THE PAYROLL TAX PAYMENT, AN EMPLOYER MAY  
25 EXEMPT:

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

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

30 (G) THE SECRETARY SHALL:

31 (1) ADOPT REGULATIONS TO ADMINISTER AND COLLECT THE PAYROLL  
32 TAX; AND

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

**Article - State Government**

12-101.

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

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

(2) an employee or official of the:

(i) Maryland Transportation Authority;

(ii) Injured Workers' Insurance Fund;

(iii) Maryland Stadium Authority;

(iv) Maryland Environmental Service;

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

(vi) Maryland Economic Development Corporation;

(vii) Maryland Technology Development Corporation; and

(viii) Maryland African American Museum Corporation;

(3) a person who:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (14) A HEALTH CARE PROVIDER WHO CONTRACTS WITH THE MARYLAND  
32 COMMUNITY HEALTH RESOURCES COMMISSION ESTABLISHED UNDER § 19-2102 OF  
33 THE HEALTH - GENERAL ARTICLE OR WITH A COMMUNITY HEALTH RESOURCE, AS  
34 DEFINED IN § 19-2101 OF THE HEALTH - GENERAL ARTICLE TO PROVIDE HEALTH  
35 CARE SERVICES; OR

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



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

4 12-104.

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

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

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

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

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

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

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

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

26 12-105.

27 State personnel shall have the immunity from liability described under §  
28 5-522(b) of the Courts and Judicial Proceedings Article.

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

31 **Article - Health - General**

32 15-103.

33 (a) (1) The Secretary shall administer the Maryland Medical Assistance  
34 Program.

1 (2) The Program:

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

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

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

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

17 (v) Shall provide, subject to the limitations of the State budget,  
18 comprehensive medical and other health care services for all children from the age of  
19 1 year up through and including the age of 5 years whose family income falls below  
20 133 percent of the poverty level, as permitted by the federal law;

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

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

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

37 (IX) SHALL PROVIDE, SUBJECT TO THE LIMITATIONS OF THE STATE  
38 BUDGET AND ANY OTHER REQUIREMENTS IMPOSED BY THE STATE, PRIMARY AND  
39 SPECIALTY HEALTH CARE SERVICES FROM LICENSED OR CERTIFIED HEALTH CARE  
40 PROVIDERS THAT ARE ARRANGED TO BE PROVIDED BY A COMMUNITY HEALTH  
41 RESOURCE, AS DEFINED IN § 19-2101 OF THIS ARTICLE, FOR ALL ADULTS WHOSE

1 ANNUAL HOUSEHOLD INCOME IS AT OR BELOW 100 PERCENT OF THE FEDERAL  
2 POVERTY LEVEL;

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

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

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

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

11 **Article - Health - General**

12 19-2115.

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

15 (B) THERE IS A SMALL EMPLOYER HEALTH INSURANCE PROGRAM IN THE  
16 COMMISSION.

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

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

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

27 (E) THE COMMISSION MAY CONTRACT WITH A THIRD PARTY TO ADMINISTER  
28 THE PROGRAM.

29 (F) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
30 PROGRAM.

31 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of  
32 Health and Mental Hygiene shall seek approval of a waiver from the Centers for  
33 Medicare and Medicaid Services that would allow the State to provide health care  
34 coverage for indigent and medically indigent individuals whose annual household  
35 income is at or below 100 percent of the federal poverty level. The health care  
36 coverage identified in the waiver application shall include primary and specialty

1 health care from licensed or certified health care providers that are arranged by  
2 community health resources as defined by § 19-2101 of the Health - General Article  
3 as enacted by Section 1 of this Act and paid by the Medicaid program at a capitated  
4 rate.

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

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

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

26 SECTION 8. AND BE IT FURTHER ENACTED, That, on or before October 1,  
27 2009, the Community Health Resources Commission established under § 19-2102 of  
28 the Health - General Article as enacted by Section 1 of this Act, shall report to the  
29 Governor and, in accordance with § 2-1246 of the State Government Article, the  
30 General Assembly, on recommendations to expand adult eligibility for the Medical  
31 Assistance Program beyond 100 percent of the federal poverty level. In developing the  
32 report, the Commission shall consider the operation and use of the Community  
33 Health Resources Commission Fund established by § 19-2114 of the Health - General  
34 Article as enacted by Section 1 of this Act.

35 SECTION 9. AND BE IT FURTHER ENACTED, That the Community Health  
36 Resources Commission shall identify methods to increase the reimbursement rates  
37 paid by public and private insurers to health care providers who provide services  
38 through community health resources. The Commission also shall identify methods to  
39 facilitate the reimbursement provided to health care providers who provide services  
40 through community health resources, including methods to make the provider an  
41 employee of the community health resource. The Commission shall report its findings  
42 and recommendations to the Governor and, in accordance with § 2-1246 of the State  
43 Government Article, to the General Assembly, on or before December 30, 2005.

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

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