

# HOUSE BILL 444

J1, Q3

7lr1678

---

By: **Delegate Queen**

Introduced and read first time: January 26, 2017

Assigned to: Health and Government Operations and Ways and Means

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Public Health – Participation in Healthy Lifestyle Programs – Incentives and**  
3 **Tax Credits**

4 FOR the purpose of altering the authorized uses of the HealthChoice Performance Incentive  
5 Fund to include financial incentives designed to promote participation in a healthy  
6 lifestyle program by Maryland Medical Assistance Program managed care  
7 organization enrollees; authorizing an individual who meets certain requirements to  
8 claim a credit against the State income tax for participation in a healthy lifestyle  
9 program; establishing the amount of the credit; prohibiting the credit from exceeding  
10 a certain amount for certain individuals; authorizing certain individuals to claim a  
11 tax refund in a certain amount and under certain circumstances; repealing certain  
12 obsolete provisions of law; defining certain terms; providing for the application of  
13 certain provisions of this Act; and generally relating to incentives and tax credits for  
14 participation in healthy lifestyle programs.

15 BY repealing and reenacting, with amendments,  
16 Article – Health – General  
17 Section 15–103.3  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2016 Supplement)

20 BY adding to  
21 Article – Tax – General  
22 Section 10–741  
23 Annotated Code of Maryland  
24 (2016 Replacement Volume)

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

27 **Article – Health – General**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-103.3.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
3 INDICATED.

4 (2) "FUND" MEANS THE HEALTHCHOICE PERFORMANCE INCENTIVE  
5 FUND.

6 (3) (I) "HEALTHY LIFESTYLE PROGRAM" MEANS AN ORGANIZED  
7 PROGRAM DESIGNED TO:

8 1. PROMOTE A HEALTHY LIFESTYLE; AND

9 2. PREVENT OR REDUCE CHRONIC DISEASE.

10 (II) "HEALTHY LIFESTYLE PROGRAM" INCLUDES:

11 1. A SMOKING CESSATION PROGRAM;

12 2. A WEIGHT LOSS PROGRAM;

13 3. AN EXERCISE PROGRAM; AND

14 4. A PHYSICIAN-PLANNED PROGRAM.

15 [(a)] (B) There is a HealthChoice Performance Incentive Fund established in the  
16 Department.

17 [(b)] (C) (1) The Department shall pay all fines collected under §  
18 15-103(b)(12)(v) of this subtitle to the Comptroller of the State.

19 (2) The Comptroller shall distribute the fines to the Fund.

20 [(c)] (D) (1) [(i) Except as otherwise provided in this paragraph, the] **THE**  
21 Fund shall be used exclusively for the provider reimbursement budget under the  
22 HealthChoice Program, including providing financial incentives designed to [improve]:

23 (I) **IMPROVE** the quality of care to managed care organizations that  
24 exceed performance targets; AND

25 (II) **PROMOTE PARTICIPATION IN A HEALTHY LIFESTYLE**  
26 **PROGRAM BY MANAGED CARE ORGANIZATION ENROLLEES.**



1           **(C) TO BE ELIGIBLE FOR A CREDIT UNDER THIS SECTION, AN INDIVIDUAL**  
2 **SHALL:**

3                   **(1) BE ENROLLED, FOR AT LEAST 9 MONTHS OF THE TAXABLE YEAR,**  
4 **IN:**

5                           **(I) A HEALTH BENEFIT PLAN THROUGH THE MARYLAND**  
6 **HEALTH BENEFIT EXCHANGE;**

7                           **(II) THE MARYLAND MEDICAL ASSISTANCE PROGRAM; OR**

8                           **(III) THE MARYLAND CHILDREN'S HEALTH PROGRAM; AND**

9                   **(2) SHOW EVIDENCE OF ACTIVE PARTICIPATION IN A HEALTHY**  
10 **LIFESTYLE PROGRAM FOR AT LEAST 9 MONTHS OF THE TAXABLE YEAR.**

11           **(D) THE CREDIT UNDER THIS SECTION:**

12                   **(1) SHALL BE \$500 FOR EACH INDIVIDUAL WHO MEETS THE**  
13 **REQUIREMENTS OF THIS SECTION; AND**

14                   **(2) MAY NOT EXCEED \$1,500 FOR AN INDIVIDUAL, SPOUSE, AND**  
15 **DEPENDENTS.**

16           **(E) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**  
17 **EXCEEDS THE TOTAL INCOME TAX OTHERWISE PAYABLE BY AN INDIVIDUAL FOR**  
18 **THAT TAXABLE YEAR, THE INDIVIDUAL MAY CLAIM A REFUND IN THE AMOUNT OF**  
19 **THE EXCESS.**

20           SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be  
21 applicable to all taxable years beginning after December 31, 2017.

22           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 2017.