

SB0094_FAV_MACHC_PH - Local Health District Boards

Uploaded by: Hoban, Nora

Position: FAV



TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Arthur Ellis

FROM: Nora Hoban, Chief Executive Officer
Mid-Atlantic Association of Community Health Centers
4319 Forbes Boulevard, Lanham, MD 20706
nhoban@machc.com

DATE: January 27, 2021

RE: **SUPPORT CONCEPT** – Senate Bill 94 – *Public Health – Local Health District Boards*

The Mid-Atlantic Association of Community Health Centers (MACHC) is the federally designated Primary Care Association for Delaware and Maryland Community Health Centers. As the backbone of the primary care safety net, Federally Qualified Health Centers (FQHCs) are united by a shared mission to ensure access to high-quality health care to all individuals, regardless of ability to pay. FQHCs are non-profit organizations providing comprehensive primary care to the medically underserved and uninsured. MACHC supports its members in the delivery of accessible, affordable, cost effective, and quality primary health care to those most in need. To this end, MACHC **supports the concept** of Senate Bill 172.

Health disparities by their very nature are reflective of the deficiencies in access, delivery system responsiveness, and health outcomes specific to a given community. To appropriately address and eliminate those disparities, it is essential that the solution be community specific and incorporate the collective involvement of community stakeholders – local health officials, community advocacy interests, and health care providers. Senate Bill 94 establishes a Local Health District Board that operates within the local health planning agency and is charged with evaluating health disparities in the county and administering a grant program that provides funding to local nonprofits and the local health planning agency to be used to decrease health disparities in their jurisdiction.

FQHCs are a critical component of the safety-net provided to Marylanders and are excited about the potential opportunity to play a critical role in advancing the objectives of this legislation. FQHC's federal designation requires them to be located in medically underserved areas, the very areas where Maryland's health disparities are most significant. Maryland's FQHCs provide services to more than 340,000 Marylanders annually at 129 locations throughout the State. They serve 1 in 18 Maryland residents providing more than 1.5 million visits annually. Furthermore, FQHC's federal designation requires them to provide health care services to all residents regardless of a patients' ability to pay, including Maryland's immigrant population.

Reducing health disparities is a priority for MACHC and its members. Senate Bill 94 provides an opportunity to address disparities in communities across the State. MACHC looks forward to working with all affected stakeholders to create a framework for comprehensively improving health outcomes and reducing health disparities. To share more about community health centers, please see below and more information can be found at www.machc.com.

What Are Community Health Centers?



Community Health Centers – also known as Federally Qualified Health Centers (FQHCs) – offer comprehensive, quality primary medical, behavioral, and dental health care. FQHCs deliver care to the most vulnerable, including the homeless, agricultural workers, public housing residents, and veterans.



F

Fees based on ability to pay

Care for patients regardless of ability to pay and charge for services based on sliding fee scale

Q

Quality primary health care open to all

Deliver culturally-competent comprehensive primary care, health education, and translation and social services

H

Highly competent professional team

Integrate care tailored to unique needs of diverse medically underserved populations

C

Consumer/community control

Operate under community-based board of directors composed mostly of patients



Maryland Community Health Centers By The Numbers



Serve **342,565** Marylanders annually at **129 sites**

Serve **1 in 18** Marylanders

Provide more than **1.5 million** visits annually

Contribute **\$785.6 million** to economy

Provide more than **3,000 jobs** in Maryland

Patients with a community health center as their medical home, save the healthcare system an average of \$1,263 per year translating into more than **\$432 million** in savings

Why Community Health Centers?



Comprehensive services

Trusted providers

Positive outcomes

Boards comprised of patients

Responsive to community needs

Cost-efficient & high-quality care

True to mission caring for most vulnerable

A constant during periods of being uninsured



SB0094_FAV_MedChi_PH - Local Health District Boar

Uploaded by: Ransom, Gene

Position: FAV



The Maryland State Medical Society

1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915

1.800.492.1056

www.medchi.org

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Arthur Ellis

FROM: Gene M. Ransom, Chief Executive Officer

DATE: January 27, 2021

RE: **SUPPORT** – Senate Bill 94 – *Public Health – Local Health District Boards*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** Senate Bill 94.

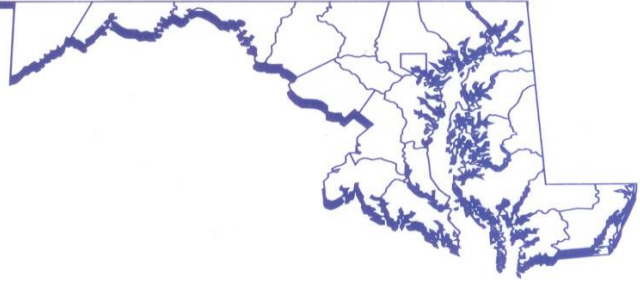
Senate Bill 94 establishes a Local Health District Board that operates within the local Health Planning Agency. The Local Health District Board is charged with identifying health disparities being experienced by residents of the County, soliciting proposals from the local health planning agency and nonprofit entities to provide services in the County to address health disparities and awarding supplemental funding to be used to decrease health disparities in the County to entities that it determines will effectively address identified health disparities. Health disparities by their very nature are reflective of the deficiencies in access, delivery system responsiveness, and health outcomes specific to a given community. To appropriately address and eliminate those disparities it is essential that the solution be community specific and incorporate the collective involvement of community stakeholders – local health officials, community advocacy interests, and health care providers.

Maryland can no longer afford to tolerate the inequity in health care access and health outcomes that are evident in communities across the State. MedChi looks forward to working collaboratively with the General Assembly and relevant stakeholders to enact an effective framework for addressing inequity and health disparities in Maryland.

2 - B&T - SB 94 - Local Health District Boards - M

Uploaded by: Bennardi, Maryland Department of Health /Office of Governmen

Position: UNF



2021 SESSION POSITION PAPER

BILL: SB 94 – Public Health – Local Health District Boards

COMMITTEES: Budget and Taxation Committee

POSITION: Letter of Concern

BILL ANALYSIS: SB 94 would establish local health district boards in each local health planning agency for the purpose of identifying health disparities and awarding funds collected through increased taxation on alcoholic beverages and fast food to decrease those disparities.

POSITION RATIONALE: The Maryland Association of County Health Officers (MACHO) continually strives to identify and decrease health disparities. Although SB 94 attempts to achieve these same goals, its unintended consequences will fragment public health efforts, place burdensome demands on local health department oversight capacities, and create duplicative layers of bureaucracy. Each jurisdiction already has an active Local Health Improvement Coalition that collects and monitors health disparity data and fosters local corrective efforts. Each jurisdiction already has an active local health department charged with ensuring the health and safety of their communities and to address health inequities.

An Office of Minority Health and Health Disparities (MHHD) currently exists within the Maryland Department of Health. This Office is charged with orchestrating the goals outlined in SB 94. MHHD allocates and oversees Minority Outreach and Technical Assistance grants to local organizations across Maryland in concert with local health departments (LHDs). MHHD also monitors health equity data, holds cultural competency trainings, and has launched a Community Health Worker Initiative.

SB 94 will set up a duplicative local funding and oversight structure to the existing MHHD. At the local level, this will require significant staffing increases at every LHD. Local health departments are chronically understaffed. Given the monitoring required to oversee the millions of dollars generated by increased taxation of alcoholic beverages and fast food, even the smallest counties in the state would need to hire staff possessing a combination of public health and accounting expertise. Given disparities in state salary levels compared to the private sector, this will be a challenge for the large, central counties and may prove impossible for smaller, rural counties. Even worse, if this bill is amended to eliminate the taxes on alcohol and fast food but the remainder of the bill is enacted into law, LHDs will be mandated to support the costs of Local Health District Boards at the expense of critical safety net programs.

Although we applaud the desire to reduce health disparities, SB 94 chooses a mechanism that adds local bureaucratic burdens without compensatory advancements toward its goals. More adequately funding and staffing LHDs who have the infrastructure in place would be invaluable to their communities.

For these reasons, the Maryland Association of County Health Officers submits this **letter of concern for SB 94**. For more information, please contact Ruth Maiorana, MACHO Executive Director at rmaiora1@jhu.edu or 410-937-1433. *This communication reflects the position of MACHO.*

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Uploaded by: Douglas, Bob

Position: UNF

Sales and Use Tax		
3% Tax on Alcohol		
FY	Revenue	
2012	\$76,018,693	
2013	82,950,859	
2014	86,247,412	
2015	89,204,389	
2016	94,257,315	
2017	97,305,338	
2018	99,333,599	
2019	103,548,010	
2020	94,085,878	
Source: Maryland Office of the Comptroller		
Prepared by: Department of Legislative Services, January 2021		

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Uploaded by: Douglas, Bob

Position: UNF

LICENSED BEVERAGE DISTRIBUTORS OF MARYLAND, INC.

Leadership in Industry Cooperation
446 Park Creek Road
Pasadena, Maryland 21122

Members
BREAKTHRU BEVERAGE DISTRIBUTORS
REPUBLIC NATIONAL DISTRIBUTING
COMPANY, LLC

January 27, 2021 **OPPOSE SB 94**

Senate Budget and Taxation Committee members
Senate Finance Committee members

THE 2011 TAX INCREASE ON ALCOHOL HAS GENERATED ALMOST \$1 BILLION AND VERY LITTLE OF IT HAS GONE TO HEALTH PROGRAMS AS PROMISED. THAT PAST TAX INCREASE NOW BRINGS IN NEARLY \$100 MILLION EACH YEAR AND CAN EASILY FUND THE PROPOSALS IDENTIFIED IN THIS BILL.

Dear Senators:

Thank you for your support and appreciation of our industry, its workers and small business owners in both good times and now.

Ten years ago, officials **proposed as part of the Lorraine Sheehan Health and Community Services Act of 2011 a three-cent increase in the sales tax for wine, spirits, beer** and other alcoholic beverages by upping the sales tax from 6 to 9 cents just for alcohol. It was **a 50 % increase** that was **promoted** - and widely supported - as a way **to fund essential Maryland health programs**. The increased tax has collected almost \$1 billion from taxpayers who paid the alcohol sales tax of 9% since 2012. . (See attached tracking chart created by Legislative Services.) Despite the promises made to garner support for the tax increase, less than 10% of those funds have gone specifically to health programs and apparently there has been **no health program directly financed by the tax for several years**. The tax proceeds have **gone into the general fund**. This not at all what was touted to get the tax passed.

The Sheehan proposal generated widespread support from health advocates and industry leaders who filled legislative halls and hearing rooms, many in wheel chairs. But In the final days of the 2011 session, the Sheehan Act was folded unceremoniously into SB 994 (captioned Supplementary Appropriation) which required that just \$15 million generated by the tax increase go to the Development Disabilities Administration and only for FY 2012 - even though the tax generated \$76 million that year. The bottom line is that the **tax still generates nearly**

\$100 million a year. These funds **should be directed** to appropriate **health programs as intended and promised** 10 years ago and not spend elsewhere.

In short, there is **no need** for an unwanted and detrimental charge **to fund the health programs** and policies in this bill. In fact, the original tax increase still is generating many times more available funds than the proposed tax increase will generate. It generated \$103 million in FY 2019 and \$94 million last year.

We respectfully ask that the Committees provide and **unfavorable report on SB 94** and **insert budget language to direct an appropriate amount of this year's \$100 million proceeds from the original 3% tax increase to support the noble objectives outlined in the bill.**

Thank you for your consideration of these points.

Very Truly Yours.

Joel Polichene (Republic National Disgtributing Company), Jeff Scarry and Jimmy Smith
(Breakthru Beverage Distributors)

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Uploaded by: Douglas, Bob

Position: UNF

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Joel Polichene (Republic National Disgtributing Company), Jeff Scarry and Jimmy Smith
(Breakthru Beverage Distributors)

MD SB 94 tax increase testimony.pdf

Uploaded by: Harting, Marta

Position: UNF



Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis MD 21401

Honorable Delores Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis MD 21401

Re: Senate Bill 94 (Public Health – Local Health District Boards)

Dear Chairperson Guzzone and Chairperson Kelley:

This is written respectfully to express Diageo's opposition to SB 94 (Public Health – Local Health District Boards) which would impose a surcharge of 1% on the sale of alcoholic for the purpose of funding a Local Health District Boards Fund for programs aimed at reducing health disparities in the State.

To be clear, Diageo's opposition to SB 94 is solely to the surcharge on the sale of alcoholic beverages. Diageo does not oppose the targeting of State resources to fund programs to reduce health disparities, but it opposes an increase in the sales tax on alcoholic beverages as the funding source for these programs.

As you may know, Diageo is a global leader in beverage alcohol with an outstanding collection of brands including Johnnie Walker, Crown Royal, Bulleit and Buchanan's whiskies, Smirnoff, Ciroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness. Diageo owns and operates the Guinness Open Gate Brewery in Baltimore County, where it employs roughly 240 Marylanders when fully operational, and where it invested more than \$90 million to construct the brewery.

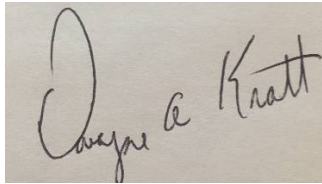
We oppose an increase in the sales tax on alcohol because we firmly believe now is not the time to raise additional taxes on the hospitality industry which we all know is reeling due to the Covid 19 pandemic.

We also wish to point out that the last time when the state of Maryland raised alcohol beverage taxes, it raised the sales tax in the same way this proposal does. The result of this increase was a loss of sales volume in Maryland specifically to neighboring Delaware. The other result of this proposal was a "baked in" tax increase for the state of Maryland anytime a manufacture decides to raise its prices. This means that the state is already receives incremental tax revenue from the sale of alcohol beverages every year.

In conclusion, Diageo's opposition to SB 94 is solely to the proposed increase in the sales tax on alcoholic beverages. We do not oppose the targeting of State resources to fund programs to reduce health disparities, but we oppose an increase in the sales tax on alcoholic beverages as the funding source for these programs.

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink on a light-colored background. The signature is written in a cursive style and reads "Dwayne A. Kratt".

Dwayne A. Kratt

Sr. Director, State Government Affairs

SB0094_UNF_MSLBA_Public Health - Local Health Dist

Uploaded by: Milani, Jack

Position: UNF



**MARYLAND STATE
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Arthur Ellis

FROM: Jack Milani, MSLBA Legislative Co-Chairman

DATE: January 27, 2021

RE: **OPPOSE** – Senate Bill 94 – *Public Health – Local Health District Boards*

The Maryland State Licensed Beverage Association (MSLBA), which consists of 1,000 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns and package stores), **opposes** the tax increase contained in Senate Bill 94.

Senate Bill 94 would impose a 1% “surcharge” on all alcoholic beverage sales, much the same as a sales tax, to fund “local health district boards.” While we support the use of State dollars to address health care disparities, we do not support raising taxes on alcohol to do so for the reasons set out below. General Fund revenues were used to fund the Health Enterprise Zones program initiated during the O’Malley Administration and should be used for the purposes outlined in Senate Bill 94 as well.

First, alcohol is already taxed twice in Maryland and at rates higher than our surrounding jurisdictions. There is an excise tax on alcohol which generates \$30 million each year. There is also a 9% sales tax applied to alcohol at the point of sale, which generates another \$300 million, for a total of \$330 million dollars each year. The sales tax rate is already 50% higher than the 6% rate applied to other items. The “surcharge” under Senate Bill 94 takes one of the highest taxed items in Maryland and taxes it even more, further exacerbating the difference between Maryland’s already high sales tax rate and that of surrounding states (Virginia (5.3%), Pennsylvania (6%), West Virginia (6%)). Only Washington, DC is higher at 10%.

Some history on alcohol tax increases in the State bears noting. For years, there were proposals in the General Assembly to increase the excise tax rates on alcohol. In 2011, the Legislature instead opted to raise the sales tax to 9% on the premise that as prices rose, the amount of tax generated would also go up and constant adjustments to the tax rates would no longer be required. In other words, the 2011 solution was intended to address alcohol tax revenues once and for all. Now, even more is being sought with this “surcharge”.

Second, raising taxes that affect small businesses could not come at a worse time. Restaurants and bars are closing by the day and are reeling after being shut down for dining in response to the COVID-19 pandemic. Partial re-openings, outdoor dining and carry out orders have helped some of them remain viable, but the revenue produced from these sales pale in comparison to pre-pandemic levels. The

Restaurant Association of Maryland predicts up to 40 percent of Maryland restaurants may close permanently because of the pandemic. The State should be considering ways to attract patrons once the pandemic subsides, not raising prices even higher.

For these reasons, MSLBA strongly urges the General Assembly to reject this tax increase.

For more information call:

Maryland State Licensed Beverage Association
(410) 876-3464