



*Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary*

March 2, 2021

The Honorable Shane E. Pendergrass  
Chair, Health and Government Operations Committee  
241 House Office Building  
Annapolis, MD 21401-1991

**RE: HB1258 –Health Enterprise Zones - Established (Restoring the Promise Act of 2021) – Letter of Information with Amendments**

Dear Chair Pendergrass and Committee Members:

The Maryland Department of Health (MDH) is submitting this letter of information with amendments for House Bill 1258 (HB 1258) – Health Enterprise Zones - Established (Restoring the Promise Act of 2021). If passed, this legislation would mandate a one-time only appropriation of \$68 million to the Waiting List Equity Fund (WLEF) and create the Health Enterprise Zones and the Health Enterprise Zone Reserve Fund.

WLEF is a continuing, non-lapsing fund that ensures money used to support a person in a State Residential Center continues to be used to support them when they transition into community-based services. Any remaining funds can be used to fund people who are eligible for DDA funded services but are not receiving community-based services. The majority of people served by the appropriation would be from the Waiting List.

WLEF funds pay for the services during the fiscal year in which the person starts services. For example, if someone starts services on March 1, 2021, then the WLEF pays for services to June 30, 2021. However, once a person is approved for DDA funded services, that person is likely to remain in the DDA system for the rest of their lives. This one-time infusion of funds is not sufficient to continue supporting individuals over the course of years, even decades. Recurring funding to DDA would be needed.

If passed, this legislation would also establish Health Enterprise Zones which would be used to target state resources to specific areas of the state to reduce health disparities, improve health outcomes, and improve access to health care.

- **Designating a Health Enterprise Zone:** MDH’s Office of Population Improvement will need to be involved with determining the eligibility criteria for a Health Enterprise Zone. If eligibility criteria is based on federal designations, MDH will need to analyze where these areas are to aid in the application process. Applications not falling within federally designated areas would rely on state defined designations. There are currently no state defined designations and it would require time and resources to develop.

- **Tax Credit Program:** MDH’s Office of Population Health Improvement oversees several tax credit programs. The tax credit described in HB 1258 includes management of processes not currently handled by MDH, such as accepting applications, executing phased payments, and recapturing funds. This would require the creation of new operational processes and additional staff.
- **Community Health Workers (CHWs):** Should HB1258 be enacted into law, the MDH’s CHW program would engage with the more than 700 certified CHWs on eligibility for tax credits, loan repayments, and grants related to the Health Enterprise Zones. This bill also includes language addressing “certification.” While the intent of this certification is for tax credit eligibility, it may be interpreted to mean that a CHW may apply for the CHW professional credential (known in the CHW community as “certification”) through entities that are Health Enterprise Zone. Amendments are suggested to clarify this language so that the requirements of the current CHW certification process at the MDH are not jeopardized.

For these reasons, the MDH requests the following amendments:

**Amendment No. 1:**

On page 21, line 27, strike “FOR CERTIFICATION” and substitute “TO BE CERTIFIED AS ELIGIBLE FOR THE CREDITS”

**Amendment No. 2:**

On page 22, line 28, strike “FOR CERTIFICATION” in line 23 and substitute “TO BE CERTIFIED AS ELIGIBLE FOR THE CREDITS”.

I hope this information is useful. If you would like to discuss this further, please do not hesitate to contact me at [webster.ye@maryland.gov](mailto:webster.ye@maryland.gov) / (410) 260-3190 or Heather Shek, Director of Governmental Affairs at [heather.shek@maryland.gov](mailto:heather.shek@maryland.gov) or at the same phone number.

Sincerely,



Webster Ye  
Assistant Secretary for Health Policy