

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 [(ii) For fiscal years 2004 through 2006, the Fund shall be used
2 exclusively to provide grants to Medbank of Maryland, Inc.

3 (iii) The grant to Medbank of Maryland, Inc. under this section may
4 not exceed:

5 1. \$1,200,000 in fiscal 2004;

6 2. \$1,000,000 in fiscal 2005; and

7 3. \$500,000 in fiscal 2006.]

8 (2) The Fund is a continuing nonlapsing fund not subject to § 7–302 of the
9 State Finance and Procurement Article.

10 (3) Except as provided in paragraph (4) of this subsection, any unspent
11 portions of the Fund may not be transferred or revert to the General Fund of the State, but
12 shall remain in the Fund to be used for the purposes specified in this section.

13 (4) At the end of each fiscal year, any amount in excess of \$3 million shall
14 revert to the General Fund.

15 [(d)] (E) (1) The Secretary or the Secretary’s designee shall administer the
16 Fund.

17 (2) The Secretary shall adopt regulations to carry out the provisions of this
18 section, including the distribution of money from the Fund to managed care organizations.

19 [(e)] (F) The Legislative Auditor shall audit the accounts and transactions of the
20 Fund as provided in § 2–1220 of the State Government Article.

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

23 **Article – Tax – General**

24 **10–741.**

25 (A) IN THIS SECTION, “HEALTHY LIFESTYLE PROGRAM” HAS THE MEANING
26 STATED IN § 15–103.3(A) OF THE HEALTH – GENERAL ARTICLE.

27 (B) AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION MAY
28 CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR PARTICIPATION IN A
29 HEALTHY LIFESTYLE PROGRAM.

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

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

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

(II) THE MARYLAND MEDICAL ASSISTANCE PROGRAM; OR

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

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

(D) THE CREDIT UNDER THIS SECTION:

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

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

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

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

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