

HOUSE BILL 1375

C3, J1, Q3

0lr2486

By: **Delegate Mizeur**

Introduced and read first time: February 18, 2010

Assigned to: Health and Government Operations and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Kids First Express Lane Eligibility Act**

3 FOR the purpose of requiring the Comptroller under certain circumstances to send
4 information from a taxpayer's tax return to the Department of Health and
5 Mental Hygiene for the purpose of determining eligibility of a certain dependent
6 child for the Maryland Medical Assistance Program and the Maryland
7 Children's Health Program; repealing a certain provision of law that requires
8 the Comptroller to send certain applications and enrollment materials to a
9 taxpayer under certain circumstances; authorizing the Comptroller under
10 certain circumstances to send information from a taxpayer's tax return to the
11 Department; repealing a certain provision of law that prohibits the Comptroller
12 from sending a notice or information with certain applications and enrollment
13 instructions; requiring the Department, based on certain information, to send
14 certain applications and enrollment instructions to a taxpayer; requiring the
15 Comptroller and the Secretary of Health and Mental Hygiene to enter into an
16 interagency agreement that allows the sharing of information from the income
17 tax return of a taxpayer for a certain purpose; requiring the Comptroller, in
18 consultation with the Department, to provide a certain notice with the income
19 tax return; requiring the Comptroller to provide a box on the income tax return
20 for a certain purpose; prohibiting the Comptroller from sharing information
21 with the Department if a taxpayer opts out; authorizing the Comptroller to
22 disclose information from the income tax return to the Department in
23 accordance with certain federal and State laws; requiring certain taxpayer
24 instructions to explain a certain term; repealing certain obsolete provisions of
25 law; altering a certain definition; repealing a certain termination provision; and
26 generally relating to the use of information on income tax returns to promote
27 health insurance for dependent children.

28 BY repealing and reenacting, without amendments,
29 Article – Insurance
30 Section 15–1301(f)(1)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2006 Replacement Volume and 2009 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Tax – General
5 Section 10–211.1 and 13–202
6 Annotated Code of Maryland
7 (2004 Replacement Volume and 2009 Supplement)

8 BY repealing and reenacting, with amendments,
9 Chapter 692 of the Acts of the General Assembly of 2008
10 Section 6

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

13 **Article – Insurance**

14 15–1301.

15 (f) (1) “Creditable coverage” means coverage of an individual under:

16 (i) an employer sponsored plan;

17 (ii) a health benefit plan;

18 (iii) Part A or Part B of Title XVIII of the Social Security Act;

19 (iv) Title XIX or Title XXI of the Social Security Act, other than
20 coverage consisting solely of benefits under § 1928 of that Act;

21 (v) Chapter 55 of Title 10 of the United States Code;

22 (vi) a medical care program of the Indian Health Service or of a
23 tribal organization;

24 (vii) a State health benefits risk pool;

25 (viii) a health plan offered under the Federal Employees Health
26 Benefits Program (FEHBP), Title 5, Chapter 89 of the United States Code;

27 (ix) a public health plan as defined by federal regulations
28 authorized by the Public Health Service Act, § 2701(c)(1)(i), as amended by
29 P.L. 104–191; or

30 (x) a health benefit plan under § 5(e) of the Peace Corps Act, 22
31 U.S.C. 2504(e).

Article – Tax – General

10–211.1.

(a) In this section, “health [care coverage] **INSURANCE**” means creditable coverage as defined in § 15–1301 of the Insurance Article.

(b) [(1) If the income, reported on the tax return for tax year 2007, of a taxpayer with a dependent child does not exceed the highest income eligibility standard for the Maryland Medical Assistance Program or the Maryland Children’s Health Program, the Comptroller shall send a notice to the taxpayer:

(i) indicating that the dependent child may be eligible for the Maryland Medical Assistance Program or the Maryland Children’s Health Program; and

(ii) providing information about how to enroll in the programs.

(2) The notice required under paragraph (1) of this subsection shall be developed by the Department of Health and Mental Hygiene.

(c) (1) (i) Beginning with the tax return for tax year 2008, [the] A taxpayer shall report on the income tax return, in the form required by the Comptroller, the presence or absence of health [care coverage] **INSURANCE** for each dependent child for whom an exemption is claimed.

(ii) Notwithstanding any other provision of law, a taxpayer may not be penalized in any manner for not providing the information required under subparagraph (i) of this paragraph or providing information required under subparagraph (i) of this paragraph that is inaccurate.

(2) [(i)] If [the] A taxpayer indicates on [the] AN income tax return [for tax year 2008 or 2009] that a dependent child does not have health [care coverage] **INSURANCE**, and the income on the taxpayer’s tax return does not exceed the highest level income eligibility standard for the Maryland Medical Assistance Program or the Maryland Children’s Health Program, the Comptroller shall send [the taxpayer applications and enrollment instructions] **INFORMATION FROM THE TAXPAYER’S TAX RETURN TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR THE PURPOSE OF DETERMINING ELIGIBILITY OF A DEPENDENT CHILD OF THE TAXPAYER** for the Maryland Medical Assistance Program and the Maryland Children’s Health Program.

[(ii) The Comptroller may not send any notice or information with the applications and enrollment instructions required under subparagraph (i) of this paragraph, other than a notice developed by the Department of Health and Mental Hygiene.]

1 **(3) IF A TAXPAYER DOES NOT INDICATE ON THE INCOME TAX**
2 **RETURN THE PRESENCE OR ABSENCE OF HEALTH INSURANCE FOR A**
3 **DEPENDENT CHILD FOR WHOM AN EXEMPTION IS CLAIMED AND THE INCOME ON**
4 **THE TAXPAYER'S TAX RETURN DOES NOT EXCEED THE HIGHEST LEVEL INCOME**
5 **ELIGIBILITY STANDARD FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM**
6 **OR THE MARYLAND CHILDREN'S HEALTH PROGRAM, THE COMPTROLLER:**

7 **(I) MAY SEND INFORMATION FROM THE TAXPAYER'S TAX**
8 **RETURN TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR THE**
9 **PURPOSE OF DETERMINING ELIGIBILITY OF A DEPENDENT CHILD OF THE**
10 **TAXPAYER FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM AND THE**
11 **MARYLAND CHILDREN'S HEALTH PROGRAM; AND**

12 **(II) SHALL INDICATE TO THE DEPARTMENT OF HEALTH**
13 **AND MENTAL HYGIENE IN ANY INFORMATION SENT UNDER ITEM (I) OF THIS**
14 **PARAGRAPH THAT THE TAXPAYER DID NOT INDICATE ON THE INCOME TAX**
15 **RETURN THE PRESENCE OR ABSENCE OF HEALTH INSURANCE FOR THE**
16 **DEPENDENT CHILD.**

17 **(4) BASED ON THE INFORMATION SENT BY THE COMPTROLLER**
18 **UNDER PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE DEPARTMENT OF**
19 **HEALTH AND MENTAL HYGIENE SHALL SEND A TAXPAYER APPLICATIONS AND**
20 **ENROLLMENT INSTRUCTIONS FOR THE MARYLAND MEDICAL ASSISTANCE**
21 **PROGRAM AND THE MARYLAND CHILDREN'S HEALTH PROGRAM.**

22 **(C) (1) THE COMPTROLLER AND THE SECRETARY OF HEALTH AND**
23 **MENTAL HYGIENE SHALL ENTER INTO AN INTERAGENCY AGREEMENT THAT**
24 **ALLOWS THE SHARING OF INFORMATION FROM THE INCOME TAX RETURN OF A**
25 **TAXPAYER FOR THE PURPOSE OF IDENTIFYING CHILDREN WHO MAY BE**
26 **ELIGIBLE FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM OR THE**
27 **MARYLAND CHILDREN'S HEALTH PROGRAM AND ENROLLING ELIGIBLE**
28 **CHILDREN IN THE PROGRAMS.**

29 **(2) THE INTERAGENCY AGREEMENT SHALL:**

30 **(I) PROHIBIT THE UNAUTHORIZED USE, DISCLOSURE, OR**
31 **MODIFICATION OF INFORMATION FROM THE INCOME TAX RETURN OF A**
32 **TAXPAYER;**

33 **(II) COMPLY WITH FEDERAL REQUIREMENTS**
34 **SAFEGUARDING PRIVACY AND DATA SECURITY; AND**

1 (III) REQUIRE SHARED INFORMATION FROM THE INCOME
2 TAX RETURN OF A TAXPAYER TO BE USED SOLELY FOR THE PURPOSE OF
3 IDENTIFYING AND ENROLLING ELIGIBLE CHILDREN IN THE MARYLAND
4 MEDICAL ASSISTANCE PROGRAM OR THE MARYLAND CHILDREN'S HEALTH
5 PROGRAM.

6 (D) (1) THE COMPTROLLER, IN CONSULTATION WITH THE
7 DEPARTMENT OF HEALTH AND MENTAL HYGIENE, SHALL PROVIDE A NOTICE
8 WITH AN INCOME TAX RETURN THAT INFORMATION FROM THE INCOME TAX
9 RETURN OF A TAXPAYER MAY BE SHARED WITH THE DEPARTMENT OF HEALTH
10 AND MENTAL HYGIENE FOR THE PURPOSE DESCRIBED IN SUBSECTION (C)(1)
11 OF THIS SECTION UNLESS THE TAXPAYER CHECKS A BOX ON THE INCOME TAX
12 RETURN TO OPT OUT OF THE INFORMATION-SHARING.

13 (2) THE COMPTROLLER SHALL PROVIDE A BOX ON THE INCOME
14 TAX RETURN THAT ALLOWS A TAXPAYER TO OPT OUT OF SHARING
15 INFORMATION FROM THE TAXPAYER'S INCOME TAX RETURN WITH THE
16 DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

17 (3) IF A TAXPAYER OPTS OUT OF SHARING INFORMATION AS
18 PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COMPTROLLER
19 MAY NOT PROVIDE INFORMATION FROM THE TAXPAYER'S TAX RETURN TO THE
20 DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

21 13-202.

22 (A) Except as otherwise provided in this subtitle, an officer, employee, former
23 officer, or former employee of the State or of a political subdivision of the State may
24 not disclose, in any manner, any tax information.

25 (B) THE COMPTROLLER MAY DISCLOSE TAX INFORMATION TO THE
26 DEPARTMENT OF HEALTH AND MENTAL HYGIENE IN ACCORDANCE WITH:

27 (1) THE FEDERAL CHILDREN'S HEALTH INSURANCE PROGRAM
28 REAUTHORIZATION ACT OF 2009; AND

29 (2) § 10-211.1 OF THIS ARTICLE.

30 Chapter 692 of the Acts of 2008

31 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2008. [It shall remain effective for a period of 3 years and, at the end of June
33 30, 2011, with no further action required by the General Assembly, this Act shall be
34 abrogated and of no further force and effect.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That the instructions
2 developed by the Comptroller for a taxpayer to report the presence or absence of
3 health insurance for a dependent child in accordance with § 10-211.1(b) of the Tax –
4 General Article, as enacted by Section 1 of this Act, shall explain that “health
5 insurance” includes insurance purchased individually or through an employer or other
6 group, the Maryland Medical Assistance Program, or the Maryland Children’s Health
7 Program.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2010.