

# HOUSE BILL 1277

P4, C3

2lr1111

---

By: **Delegate Cardin**

Introduced and read first time: February 14, 2012

Assigned to: Rules and Executive Nominations

---

## A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program – Health**  
3 **Improvement and Cost Savings Act of 2012**

4 FOR the purpose of requiring the Secretary of Budget and Management, in  
5 consultation with the Department of Health and Mental Hygiene, to establish a  
6 wellness pilot project in the State Employee and Retiree Health and Welfare  
7 Benefits Program; requiring the wellness pilot project to achieve certain savings  
8 through participation in certain programs by State employees and their  
9 dependents; establishing the dates on which the wellness pilot project begins  
10 and ends; requiring participation in the wellness pilot project to be voluntary for  
11 Program enrollees; requiring the Program to provide coverage for certain  
12 expenses and a reduced premium for certain participation; prohibiting the  
13 coverage from exceeding certain amounts; prohibiting total expenses for certain  
14 coverage from exceeding certain amounts; requiring the Secretary, in  
15 consultation with the Department, to adopt regulations to establish certain  
16 evidence-based criteria; requiring the Secretary, on or before a certain date, to  
17 report to the General Assembly on the implementation of this Act; requiring  
18 certain expenses to be paid for in a certain manner; providing for the  
19 termination of this Act; defining certain terms; and generally relating to a  
20 wellness pilot project in the State Employee and Retiree Health and Welfare  
21 Benefits Program.

22 BY repealing and reenacting, without amendments,  
23 Article – State Personnel and Pensions  
24 Section 2–501(b)  
25 Annotated Code of Maryland  
26 (2009 Replacement Volume and 2011 Supplement)

27 BY adding to  
28 Article – State Personnel and Pensions  
29 Section 2–503.1

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2009 Replacement Volume and 2011 Supplement)

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

5 **Article – State Personnel and Pensions**

6 2–501.

7 (b) “Program” means the State Employee and Retiree Health and Welfare  
8 Benefits Program.

9 **2–503.1.**

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
11 MEANINGS INDICATED.

12 (2) “QUALIFIED FITNESS PROGRAM” MEANS:

13 (I) AN EVIDENCE–BASED HEALTH AND FITNESS PROGRAM;  
14 OR

15 (II) A GYM, HEALTH CLUB, OR STUDIO THAT IS OPEN TO THE  
16 PUBLIC.

17 (3) “QUALIFIED PHYSICAL ACTIVITY PROGRAM” MEANS AN  
18 EVIDENCE–BASED PROGRAM TO ENCOURAGE CHILDREN TO ENGAGE IN  
19 MODERATE OR VIGOROUS PHYSICAL ACTIVITY FOR AT LEAST 45 MINUTES A DAY  
20 AT LEAST 3 DAYS A WEEK.

21 (4) “QUALIFIED TOBACCO CESSATION PROGRAM” MEANS AN  
22 EVIDENCE–BASED PROGRAM TO ASSIST PARTICIPANTS IN ENDING THE USE OF  
23 TOBACCO PRODUCTS.

24 (5) “QUALIFIED WEIGHT LOSS PROGRAM” MEANS AN  
25 EVIDENCE–BASED PROGRAM TO ASSIST PARTICIPANTS IN LOSING WEIGHT.

26 (B) (1) THE SECRETARY, IN CONSULTATION WITH THE DEPARTMENT  
27 OF HEALTH AND MENTAL HYGIENE, SHALL ESTABLISH A WELLNESS PILOT  
28 PROJECT IN THE PROGRAM.

29 (2) THE WELLNESS PILOT PROJECT SHALL:

1           **(I) BE DESIGNED TO ACHIEVE SAVINGS IN HEALTH CARE**  
2 **COSTS THROUGH PARTICIPATION IN QUALIFIED FITNESS PROGRAMS,**  
3 **QUALIFIED TOBACCO CESSATION PROGRAMS, QUALIFIED WEIGHT LOSS**  
4 **PROGRAMS, AND QUALIFIED PHYSICAL ACTIVITY PROGRAMS BY STATE**  
5 **EMPLOYEES AND THEIR DEPENDENTS; AND**

6           **(II) BEGIN ON JULY 1, 2013, AND END ON JUNE 30, 2014.**

7           **(C) PARTICIPATION IN THE WELLNESS PILOT PROJECT SHALL BE**  
8 **VOLUNTARY FOR PROGRAM ENROLLEES, INCLUDING STATE EMPLOYEES AND**  
9 **ANY DEPENDENTS OF STATE EMPLOYEES ENROLLED IN THE PROGRAM.**

10          **(D) UNDER THE WELLNESS PILOT PROJECT, THE PROGRAM SHALL**  
11 **PROVIDE:**

12           **(1) COVERAGE FOR EXPENSES TO PARTICIPATE OR PURCHASE A**  
13 **MEMBERSHIP IN:**

14           **(I) A QUALIFIED FITNESS PROGRAM;**

15           **(II) A QUALIFIED TOBACCO CESSATION PROGRAM;**

16           **(III) A QUALIFIED WEIGHT LOSS PROGRAM; AND**

17           **(IV) A QUALIFIED PHYSICAL ACTIVITY PROGRAM; AND**

18           **(2) REDUCED PREMIUMS FOR SATISFACTORY PARTICIPATION IN**  
19 **THE PILOT PROJECT.**

20          **(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
21 **COVERAGE UNDER SUBSECTION (D) OF THIS SECTION MAY NOT EXCEED:**

22           **(I) FOR EACH STATE EMPLOYEE OR DEPENDENT OF THE**  
23 **STATE EMPLOYEE:**

24           **1. \$500 FOR QUALIFIED FITNESS PROGRAM**  
25 **EXPENSES, OR \$750 FOR EXPENSES INCURRED FOR EACH EMPLOYEE OR**  
26 **DEPENDENT WHO IS AT LEAST 65 YEARS OLD ON THE FIRST DAY OF THE PILOT**  
27 **PROJECT;**

28           **2. \$500 FOR QUALIFIED TOBACCO CESSATION**  
29 **PROGRAM EXPENSES, OR \$750 FOR EXPENSES INCURRED FOR EACH EMPLOYEE**

1 OR DEPENDENT WHO IS AT LEAST 65 YEARS OLD ON THE FIRST DAY OF THE  
2 PILOT PROJECT; AND

3 3. \$500 FOR QUALIFIED WEIGHT LOSS PROGRAM  
4 EXPENSES, OR \$750 FOR EXPENSES INCURRED FOR EACH EMPLOYEE OR  
5 DEPENDENT WHO IS AT LEAST 65 YEARS OLD ON THE FIRST DAY OF THE PILOT  
6 PROJECT; AND

7 (II) FOR EACH CHILD WHO IS A DEPENDENT OF A STATE  
8 EMPLOYEE, \$500 FOR QUALIFIED PHYSICAL ACTIVITY PROGRAM EXPENSES.

9 (2) TOTAL EXPENSES COVERED UNDER SUBSECTION (D) OF THIS  
10 SECTION MAY NOT EXCEED:

11 (I) \$1,500 FOR A STATE EMPLOYEE PLUS AT LEAST ONE  
12 DEPENDENT; OR

13 (II) \$750 FOR A STATE EMPLOYEE ONLY.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Secretary of Budget  
15 and Management, in consultation with the Department of Health and Mental  
16 Hygiene, shall adopt regulations to establish evidence-based criteria for programs  
17 that must be met in order to be deemed qualified under the provisions of this Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1,  
19 2014, the Secretary of Budget and Management shall report to the General Assembly,  
20 in accordance with § 2-1246 of the State Government Article, on the implementation  
21 of this Act. Any expenses, such as data collection or data analysis expenses, related to  
22 the report shall be paid for with existing resources, to the extent practicable.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 July 1, 2012. It shall remain effective for a period of 3 years and, at the end of June 30,  
25 2015, with no further action required by the General Assembly, this Act shall be  
26 abrogated and of no further force and effect.