

Statement of Maryland Rural Health Association

To the Budget and Taxation Committee February 26, 2020 Senate Bill 788: Income Tax – Credit for Community-Based Faculty Clinicians

POSITION: SUPPORT

Senator Eckardt, Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 788: Income Tax – Credit for Community-Based Faculty Clinicians.

This legislation creates a nonrefundable credit against the State income tax for a licensed physician, physician's assistant, or advanced practice registered nurse who serves without compensation as a community-based faculty clinician in an approved core clerkship. The Maryland Department of Health (MDH) may issue up to \$100,000 in tax credits in each tax year may be issued by the Department; etc.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Rural Maryland represents almost 80 percent of Maryland's land area and 25% of its population. Of Maryland's 24 counties, 18 are considered rural by the state, and with a population of over 1.6 million they differ greatly from the urban areas in the state.

The 2018 Maryland Rural Health Plan (<u>www.MDRuralHealthPlan.org</u>), an extensive assessment of Maryland's rural health needs, specifically sites workforce shortages as a major concern for our rural communities. One of the largest barriers is the recruitment and retention of providers. Virtually all data sources emphasized the difficulty of both finding qualified providers to work in rural areas and then retaining them once hired. This problem exists across disciplines, affecting primary care providers, specialists, behavioral health physicians, and oral health providers.

SB 788 would allow for a tax credit for a provider who precepts a clerkship in an area identified as having a health care workforce shortage. With the incentive to provide training for students in these rural areas, the legislation would entice more faculty clinicians to facilitate increased interest in practicing in underserved communities. This would improve and enhance the ability to respond to a growing demand in underserved areas.

MHRA believes this legislation is important to support our rural communities and we thank you for your consideration.

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