



Date: January 20, 2021
Committee: Senate Budget and Taxation
Bill: Senate Bill 102 – Income Tax – Credits for Preceptors in Areas with Health Care Workforce Shortages
Position: Favorable

The Maryland Academy of Physician Assistants (MdAPA) is a constituent organization of the American Academy of Physician Assistants (AAPA), and we represent all practicing physician assistants (PAs) in the state of Maryland. We support this bill to update the criteria and to extend tax credits to PA preceptors and ask for your FAVORABLE vote on SB 102.

The MdAPA was involved in the drafting of the original bill presented to the legislature in 2016 which allowed tax credits for medical student preceptors; nurse practitioners were added to the bill, but PAs were left off the list despite being equivalent advanced practice providers. With PA programs increasing in number in the state along with an ever-increasing need for providers in underserved areas of the state, it is both fair and equitable to allow qualified preceptors (physicians, PAs, and nurse practitioners) to receive tax credits for the clinical teaching that they provide for PA students.

Deficits in primary care services, the definition of which has been expanded to include women's health, pediatrics, family medicine and internal medicine, stems from a lack of clinical preceptors in these areas of medicine as well as physical locations within the state, ultimately resulting in a failure to expose students to the potential that exists. Reimbursement is another prohibitive factor; primary care has one of the lowest reimbursement rates in all of medicine. Add underserved areas that may have Medicaid as the primary insurer, and the rates drop even more. This plays a critical role in practicing physicians' willingness to teach or clinically precept a student. Taking time to teach students slows down the rate at which a provider can evaluate a patient which, in turn, decreases billing and reimbursement. By offering a tax credit, some of that burden could be offset, providing incentive to take the time to teach a student and expose that student to primary care practice in an underserved region.

Maryland is currently home to two PA programs with continuing accreditation through the Accreditation Review Commission for Physician Assistant (ARC-PA) education and two programs with provisional accreditation, the latter located in underserved areas of the state (Washington County and Somerset County). All four of these programs are through the University of Maryland System. They share a common goal of producing excellent primary care PAs, and all four require a minimum of 8 or 9 clinical preceptorships (or clerkships) as part of the graduation requirements. Unfortunately, current clinical sites are being lost to out-of-state and out-of-country competitors who are providing *direct financial incentives* to train other students who are less likely to stay in the state and practice medicine. The Maryland schools *do not pay* preceptors to

educate students. The MdAPA has presented the option to its members and are willing to assess a \$15 licensing increase for PAs in order for this bill to remain as budget-neutral as possible while allowing those critical clinical preceptors to receive tax credits for the vital services that they provide with the hopes of increasing the number of primary care providers in underserved areas of the state. We are asking for parity with the physicians and nurse practitioners, both of whom are our partners in healthcare and both of whom have enjoyed this tax credit since 2016.

The MdAPA thanks you for your consideration of SB 102, and we urge a FAVORABLE report on the bill.



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