

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 456 (Senator McKay)

Education, Energy, and the Environment and
Finance

**Dental Services - Qualification for Maryland Dent-Care Program and Study on
Use of Dental Online Credentialing**

This bill expands eligibility for the Maryland Dent-Care Program to include dentists and dental hygienists employed on a *part-time* basis. The bill also requires the Maryland Higher Education Commission's (MHEC) Office of Student Financial Assistance (OSFA), in collaboration with the Maryland Department of Health (MDH), to establish prorated loan repayment assistance for any part-time dentists and dental hygienists participating in the program. By December 1, 2025, the Maryland Insurance Administration (MIA) must study whether dental insurance carriers are using an online credentialing system to process uniform credentialing forms and report its findings and any recommendations to expand utilization of online credentialing to the Senate Finance Committee and the House Health and Government Operations Committee. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Expanding *eligibility* for the Maryland Dent-Care Program does not require additional spending, as discussed below. MHEC OSFA expenditures increase minimally for system enhancements required to establish prorated award amounts. MDH's Office of Oral Health can likely manage the processing of additional applicants with existing resources, as discussed below. MIA advises that its Life and Health Division can likely conduct the study and report findings using existing resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Loan Assistance Repayment Program – Generally

The Loan Assistance Repayment Programs (LARPs) operated by the State of Maryland provide loan repayment assistance in exchange for specific service commitments – mostly to ensure underserved areas and populations in the State have access to essential professionals. These programs include the Janet L. Hoffman LARP, Maryland Dent-Care LARP, Maryland LARP for Physicians and Physician Assistants, Maryland LARP for Nurses and Nursing Support Staff, and Maryland LARP for Police Officers and Probation Agents. There is also a program for farmers that has not received funding.

Individuals must have received a graduate, professional, or undergraduate degree from a college or university in the State or a school of law or have received a Resident Teacher Certificate from the Maryland State Department of Education (MSDE) after completing an approved alternative teaching preparation program. Except for the Maryland LARP for Police Officers and Probation Agents and the Maryland LARP for Farmers, they must also be employed in State or local government or in a nonprofit organization. For the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, and the Maryland LARP for Physicians and Physician Assistants, employment must also assist low-income, underserved residents or underserved areas in the State. For the Maryland LARP for Police Officers and Probation Agents, individuals must obtain employment as a police officer or probation agent in the State for at least two years. For the Maryland LARP for Farmers, individuals must have been a farmer for at least 5 years, but not more than 10 years since obtaining the degree.

The State's LARP for Foster Care Recipients provides loan assistance repayment that is not based on any specific professional designation. Instead, the program assists in the repayment of higher education loans owed by foster care recipients with the goal of increasing higher education access.

Janet L. Hoffman Loan Assistance Repayment Program

The Janet L. Hoffman LARP is administered by OSFA to assist in the repayment of any higher education loan owed by an individual who:

- *either* (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, a law school, or, for mental health professionals only, any accredited college or university *or* (2) receives a Resident Teacher Certificate from MSDE after completing an approved alternative teaching preparation program;

- obtains eligible employment;
- receives an income less than the maximum eligible total income levels established by the office, including any additional sources of income; and
- satisfies any other criteria established.

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech pathologists, teachers, and specified school health professionals. A licensed clinical alcohol and drug counselor, a licensed clinical marriage and family therapy counselor, or a licensed clinical professional counselor whose practice is located in a high-need geographic area of the State as determined by MDH may receive assistance under the program.

For the Janet L. Hoffman LARP, awards are determined by an applicant's overall reported educational debt at the time of application. Award funds are distributed annually over a three-year period as long as the recipient remains eligible and continues to submit the required annual employment, lender, and tax documentation by the deadline.

Maryland Dent-Care Program

The Maryland Dent-Care Program's purpose is to increase access to oral health services for underserved Maryland Medicaid recipients by increasing the number of dentists and dental hygienists who treat that population. To be eligible for an award, an applicant must (1) be licensed to practice in Maryland by the State Board of Dental Examiners; (2) demonstrate financial need; (3) be employed full time as a dentist or dental hygienist; (4) agree to have at least 30% of their patient population be Maryland Medicaid recipients; and (5) meet any other criteria established by OSFA. Generally, a recipient may hold the award for up to three years if the recipient continues to be employed full time as a dentist or dental hygienist and continues to treat Medicaid recipients as at least 30% of all patients. However, beginning October 1, 2023, each award must be *at least* \$50,000 per year for three years for a dentist and may *not exceed* \$10,000 for two years for a dental hygienist.

Regulations for the program define full-time practice as a minimum of 40 hours per week. At least 32 hours of the required 40 hours per week during normally scheduled office hours must be at an eligible practice site. Further, no more than 35 workdays may be spent away from the practice for holidays, vacation, continuing professional education, illness, or any other reason. Absences greater than 35 workdays in any given 52-week period must extend the service obligation end date.

State Expenditures: Expanding *eligibility* to include part-time dentists and dental hygienists does not necessarily require additional spending. MHEC advises that, in fiscal 2024, the Maryland Dent-Care Program awarded \$356,100 to 15 dentists for an

average award amount of \$23,740. Although Chapter 377 of 2023 expanded eligibility for the program to include dental hygienists, MHEC advises that, because Chapter 377 also increased the minimum award amount for dentists without providing additional funding, MHEC was unable to make any initial awards to dental hygienists in fiscal 2024, though it anticipates adjusting funding to begin paying out new dental hygienist awards starting in fiscal 2026. Therefore, making part-time awards under the program in fiscal 2026, in addition to the existing full-time awards (or in addition to expanding the existing awards to include dental hygienists), would require additional funding, though the exact amount of additional funding is dependent on the prorated amounts set by OSFA in collaboration with MDH.

As the Maryland Dent-Care Program is a subprogram of the Janet L Hoffman LARP; the number and mix of award recipients in future years will depend on overall funding for the program and decisions by MHEC on how to allocate dollars across those programs. The fiscal 2026 budget as introduced includes approximately \$4.1 million in funding for the Janet L. Hoffman LARP. Originally, \$7.1 million was allocated for the program in fiscal 2025; however, the fiscal 2026 budget includes a \$3.0 million reduction to the fiscal 2025 appropriation. To the extent additional funding is not available, part-time dentists and dental hygienists can be added to the program's waiting list with existing resources. Alternatively, the Department of Legislative Services advises that, with the flexibility to make awards to part-time dentists and dental hygienists (in addition to or instead of full-time dentists and dental hygienists), the program may be able to more readily serve such practitioners within the existing funding parameters.

MDH advises that its Office of Oral Health (OOH) is responsible for processing applications and making award determinations (even though funding is managed through MHEC OSFA). Currently, OOH has one full-time employee dedicated to processing Maryland Dent-Care LARP applications. OOH conducts extensive reviews of each applicant, which includes site visits at applicant dental practices. OOH typically receives more than 40 applications for the dentist and dental hygienist awards annually. Although an estimate of the number of part-time dentists and dental hygienists in the State is not feasible at this time, MDH advises that a significant increase in applications could necessitate additional staffing in the form of one part-time contractual employee beginning fiscal 2026. However, this analysis assumes that the number of additional applicants for part-time awards is small and, therefore, manageable with the existing full-time employee.

MHEC advises that upgrading its Maryland College Aid Processing System to properly calculate prorated scholarship amounts requires a one-time expenditure of approximately \$6,000 in fiscal 2026.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 334 and HB 393 of 2024.

Designated Cross File: HB 265 (Delegate Bagnall) - Health and Government Operations and Appropriations.

Information Source(s): Maryland Higher Education Commission; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

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