

SB92 Testimony.pdf

Uploaded by: Eckardt, Adelaide

Position: FAV

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Budget and Taxation Committee

Health and Human Services
Subcommittee

Joint Committees
Administrative, Executive,
and Legislative Review

Audit

Children, Youth, and Families

Fair Practices and
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Pensions

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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Testimony for Senate Bill 92
Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages –
Eligibility and Sunset Repeal
January 21, 2021

Chairman Guzzone and Members of the Committee:

Thank you for the opportunity to present Senate Bill 92: Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages - Eligibility and Sunset Repeal.

In 2016, the General Assembly established the preceptor tax credit program which provides tax credits for licensed physicians or nurse practitioners who serve without compensation in an approved preceptorship program. Although the current program has been successful, some concerns have been raised about the eligibility requirements for preceptors.

Currently, preceptors must work three rotations, each consisting of 160 hours of community-based clinical training, in an area identified by the Department of Health as having workforce shortages. Senate Bill 92 will reduce the hours of each rotation to 100 hours of community-based clinical training. As this program is self-funded through a \$15 renewal fee, reducing the hours will allow more preceptors to qualify for the credit. In addition, Senate Bill 92 removes the current sunset of June 30, 2021.

The current pandemic has exacerbated the need to bring qualified healthcare providers to our underserved areas and Senate Bill 92 is an extension of our efforts. Thank you for your consideration and I respectfully ask for a favorable report of Senate Bill 92.

Best regards,

A handwritten signature in cursive script that reads "Addie C. Eckardt".

Senator Addie C. Eckardt

2021 MNA SB 92 Senate Side.pdf

Uploaded by: Elliott, Robyn

Position: FAV



Committee: Senate Budget and Taxation
Bill number: Senate Bill 92
Title: Income Tax - Credits for Preceptors in Areas with Health Care Workforce Shortages - Eligibility and Sunset Repeal
Hearing Date: January 21, 2021
Position: Support

The Maryland Nurses Association (MNA) supports *Senate Bill 92 – Income Tax – Credits for Preceptors in Areas with Health Care Workforce Shortages – Eligibility and Sunset Repeal*. The purpose of the program is to incentivize more providers to be clinical preceptors for residents. However, nurse practitioners generally cannot participate because of the number of preceptor hours required in the bill. By adjusting the number of hours, more nurse practitioners will be able to participate, and thus, increase the reach of the program.

We ask for a favorable report. If we can provide further assistance, please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443.

Senate Bill 092 -Credits for Preceptors in Areas W

Uploaded by: Matthews, Dakota

Position: FAV



John Hartline, Chairman

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Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 0092 – Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages - Eligibility and Sunset Repeal
Before Budget and Taxation Committee
January 21, 2021

The Rural Maryland Council **supports** Senate Bill 0092 - Income Tax - Credits for Preceptors in Areas with Health Care Workforce Shortages - Eligibility and Sunset Repeal. In 2016 Legislation passed for the Preceptor Tax Credit Program. This Program authorizes a credit against the State income tax for individuals who have served as a preceptor in certain preceptorship programs and work in certain areas of the State with a health care workforce shortage. Preceptorship program means an organized system of clinical experience, that, for the purpose of attaining specified learning objectives, pairs either 1) a Medical student in a Maryland medical school with a licensed Physician who meets the qualifications as a preceptor, or 2) a Nurse Practitioner student enrolled in a nursing education program that is recognized by the State Board of Nursing with a Nurse Practitioner or licensed Physician who meets the qualifications as a preceptor. Currently for a Nurse Practitioner to qualify for the credit towards the state income tax, they must complete a minimum of three rotations, each consisting of 100 hours of community-based clinical training. For a Physician to qualify for the same tax credit, they must complete a minimum of three rotations, each consisting of 160 hours. The Council supports the change in accordance with SB0092, to reduce the hours of each rotation from 160 to 100.

Rural Maryland has previously had a shortage of workers in healthcare, which has only worsened during the COVID-19 pandemic, with facilities in rural parts of Maryland being overrun by the virus. In addition to a healthcare workforce shortage, Rural Marylanders are overall older and in worst health than their suburban counterparts. By allowing Physicians who participate as a preceptor in certain preceptorship programs in certain areas of the state with a health care workforce shortage to complete 100 hours per rotation instead of the current 160, it will encourage more Physicians to participate in preceptorship programs, and ultimately train more students who can join the healthcare workforce in these struggling areas.

The Bill will also extend Chapter 385 and 386 of The Acts of 2016. This would allow for these tax credits to be distributed to certain preceptors participating in certain preceptorships who work in certain areas of the state with a health care workforce shortage past the current end date of June 31, 2021. The Council respectfully requests your favorable support of SB0092.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

“A Collective Voice for Rural Maryland”

NPAM LOS SB 0092 and SB 0102.pdf

Uploaded by: Peters, Sarah

Position: FAV



**NURSE PRACTITIONER
Association of Maryland**

“Advocating for NPs since 1992”

Re: **SB 0092 Income Tax - Credits for Preceptors in Areas with Health Care Workforce Shortages – Eligibility and Sunset Repeal**

SB 0102 Income Tax - Credits for Preceptors in Areas with Health Care Workforce Shortages

Position: **SUPPORT**

On behalf of the Nurse Practitioner Association of Maryland, Inc., (NPAM) the only professional association advocating solely for the over 7,100 certified Nurse Practitioners (NPs) licensed in Maryland, and the over 800 active members of NPAM, we are requesting your support for **SB 0092 Income Tax – Credits for Preceptors in Areas with Health Care Workforce Shortages – Eligibility and Sunset Repeal**, and **SB 0102 Income Tax – Credits for Preceptors in Areas with Health Care Workforce Shortages**.

These bills would ensure the continuation of a valuable tax incentive program for NPs and other healthcare providers to provide the essential clinical training of students, especially in the underserved geographic areas of Maryland, and would include our colleagues, Physician Assistants to the list of those providers who are eligible to apply for the income tax incentives. Additionally, the number of hours that would qualify a preceptor to apply for the tax incentive would be decreased to 100 hours, which is in alignment with the number of clinical hours currently allocated in the clinical courses where these students are enrolled.

Thank you for your support of **SB 0092 Income Tax - Credits for Preceptors in Areas with Health Care Workforce Shortages – Eligibility and Sunset Repeal** and **SB 0102 Income Tax - Credits for Preceptors in Areas with Health Care Workforce Shortages** this legislative session.

Feel free to contact Beverly Lang, Executive Director, NPAM if you need additional information.

Kindest Regards,

Beverly Lang MScN, RN, ANP-BC, FAANP

Executive Director,

Nurse Practitioner Association of Maryland Inc.

443-367-0277 (Office)

410-404-1747 (Mobile)

Fax: 410-772-7915

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SB0092_FAV_MedChi.pdf

Uploaded by: Wise, Steve

Position: FAV

MedChi

The Maryland State Medical Society

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1.800.492.1056

www.medchi.org

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Adelaide C. Eckardt

FROM: J. Steven Wise
Pamela Metz Kasemeyer
Danna L. Kauffman

DATE: January 21, 2021

RE: **SUPPORT** – Senate Bill 92 – *Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages - Eligibility and Sunset Repeal*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** Senate Bill 92.

Senate Bill 92 repeals the sunset on two income tax credits for physicians who act as preceptors in healthcare workforce shortage areas. Under the program, a physician can act as a preceptor, or teacher, to a physician or nurse practitioner student. The physician must complete three rotations of 100 hours each in a shortage area to be eligible for a \$1,000 tax credit.

These experiences provide valuable education and training to students, and equally as important exposes them to providing health care in areas where providers may not otherwise consider locating upon completion of their education. This exposure helps to lure practitioners to areas desperately in need of physicians and other primary care providers. Offering a tax credit in exchange for the time of physicians and nurse practitioners who participate is a small investment that can reap a large reward for the State in the form of better and more readily available primary care.

For these reasons, MedChi urges the Committee to support SB 92.

For more information call:

J. Steven Wise
Pamela Metz Kasemeyer
Danna L. Kauffman
410-244-7000

Maryland Hospital Association- SB 92- Income Tax –

Uploaded by: Witten, Jennifer

Position: FAV



Maryland
Hospital Association

January 21, 2021

To: The Honorable Guy Guzzone, Chair, Senate Budget & Taxation Committee

Re: Letter of Support- Senate Bill 92- Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages- Eligibility and Sunset Repeal

Dear Chair Guzzone:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 92. This legislation reduces the required hours of training a licensed physician needs to participate in the preceptorship program and qualify for the tax credit. The bill also repeals the sunset provision, making this income tax credit permanent.

Recruiting and retaining a robust workforce is essential to the vitality of hospitals and health systems, the success of the Maryland Model, and our ability to ensure all Marylanders have access to the care they need. By 2030, many of Maryland's 24 jurisdictions are projected to have shortages in primary care and mental health providers.¹ Despite having world-renowned medical schools here, we are a net exporter of physicians—losing 60% of medical graduates every year.

Physician and advanced practitioner preceptorship programs integrate community-based teaching. This means a medical provider—a preceptor—teaches a medical resident or student in a clinical environment. This mentorship improves the learner's experience through role modeling, effective assessment, immediate feedback, and meaningful evaluation. Tax incentives that support preceptorship programs will encourage this valuable work, which is done on a volunteer basis. Several other states have adopted similar programs with successful outcomes similar to Maryland. The program centers on recruiting in healthcare shortage areas encouraging students to learn in underserved communities. This is one simple way to invest in our healthcare workforce especially now given the strain and demand on providers responding to the pandemic.

For these reasons, we urge you to give SB 92 a favorable report.

For more information, please contact:
Jennifer Witten, Vice President, Government Affairs
Jwitten@mhaonline.org

¹ IHS Markit. (September 20, 2018). Maryland Primary Care and Selected Specialty Health Workforce Study: Study Methods and Findings

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Uploaded by: Office of Governmental Affairs, Maryland Department of Health

Position: FWA



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary

January 21, 2021

The Honorable Guy Guzzone, Chairman
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB92 – Income Tax – Credits for Preceptors in Areas with Health Care Workforce Shortages – Eligibility and Set Repeal – Letter of Information with Amendments

Dear Chairman Guzzone and Committee Members:

The Maryland Department of Health (the “Department”) submits this letter of information with technical amendments for SB92 – Income Tax – Credits for Preceptors in Areas with Health Care Workforce Shortages – Eligibility and Sunset Repeal.

SB92 repeals the sunset of Tax-General Article, §§10–738–739 and revises the minimum number of hours required for a medical student rotation.

The Department’s Office of Population Health Improvement (OPHI) manages the implementation of the current Preceptor Tax Credit programs for physicians and nurse practitioners. The program proposed under SB92 is similar in program requirements and adds an additional preceptor type to the tax credit program. The Department would like to suggest technical clarifications to SB 92 that would allow us to implement SB92 and this program should the bill be passed.

First, the use of the terms “rotation” and “student” for eligibility and payment criteria in this bill is confusing. OPHI would like consistent use of the language to make rotation and student distinct for the purpose of determining program eligibility and tax credits. The eligibility criteria for tax credit in SB0092 is based on a minimum of three (3) rotations served, however credit is certified per student. This means a preceptor working with one student for 3 rotations would only be eligible for \$1,000 rather than \$3,000. This misalignment of eligibility and payment criteria creates operational difficulties and potentially disincentivizes preceptors from precepting an individual student for more than one rotation.

Second, the Department interprets January 31 of the cycle application closure year as the due date for the report to the General Assembly and Comptroller for the prior tax year’s credits (those reviewed and awarded during the application cycle). Thirty-one (31) calendar days following the close of the tax year does not allow for the complete review, scoring, validation, Secretary of Health approval, and award/denial of credits.

We suggest the following amendments to successfully implement the intent of SB92, should the Committee desire to report the bill favorably:

AMENDMENT NO. 1

On page 3, lines 20 through 22, after (d), strike **“On or before January 31 of each taxable year, the Department shall: (1) report to the Comptroller on the tax credit certificates issued under this section during the prior taxable year”** and substitute **“within 15 days after the end of the first calendar year quarter, report to the Comptroller on the tax credit certificates issued for the prior taxable year.”**

AMENDMENT NO. 2

On page 6, lines 14 through 16, after (e), strike **“On or before January 31 of each taxable year, the Department shall: (1) report to the Comptroller on the tax credit certificates issued under this section during the prior taxable year”** and substitute **“within 15 days after the end of the first calendar year quarter, report to the Comptroller on the tax credit certificates issued for the prior taxable year.”**

AMENDMENT NO. 3

On page 2, lines 29 through 31, strike **“the Department shall issue a credit certificate in the amount of \$1,000 for each student for whom the licensed physician served as a physician preceptor without compensation”** and substitute **“the Department shall issue a credit certificate in the amount of \$1,000 for each physician student rotation of the minimum number of hours for which the licensed physician served as a preceptor without compensation.”**

AMENDMENT NO. 4

On page 4, lines 25 through 27, strike **“the Department shall issue a credit certificate in the amount of \$1,000 for each nurse practitioner student for whom the nurse practitioner or licensed physician served as a physician preceptor without compensation”** and substitute **“the Department shall issue a credit certificate in the amount of \$1,000 for each nurse practitioner student rotation of the minimum number of hours for which the nurse practitioner or licensed physician served as a preceptor without compensation.”**

I hope this information is useful. If you would like to discuss this further, please contact me at (410) 260-3190 or webster.ye@maryland.gov or Deputy Director of Governmental Affairs, Heather Shek at the same phone number or heather.shek@maryland.gov.

Sincerely,



Webster Ye
Assistant Secretary, Health Policy