



2022 SESSION
POSITION PAPER

BILL NO: SB 626

COMMITTEE: Health and Government Operations

POSITION: Support

TITLE: SB 626 – Maryland Loan Assistance Repayment Program for Physicians and Physicians Assistants – Alterations

BILL ANALYSIS

Senate Bill 626 (SB 626) clarifies eligibility to participate in the Maryland Loan Assistance Repayment Program. The bill authorizes the Maryland Department of Health (MDH) to establish prorated loan replacement assistance for participants. SB 626 also establishes the Maryland Loan Assistance Repayment Program Advisory Council (the Council) for Physicians and Physician Assistants, which will assist MDH in the administration and oversight of the program. The Council will be required to report all activities and recommendations produced by the Council to the Governor and the General Assembly on or before October 1 of each year.

POSITION AND RATIONALE

The Maryland Health Care Commission supports SB 626.

The Association of American Medical Colleges projects a national physician shortfall of between 37,800-124,000 physicians by 2034 for both primary care (family medicine, general pediatrics, and geriatric medicine) and specialty care (surgical specialties (e.g. general surgery, obstetrics and gynecology, and orthopedic surgery), medical specialties (e.g. cardiology, oncology, infectious diseases, and pulmonology), and other specialties (e.g. anesthesiology, neurology, emergency medicine, and addiction medicine).¹ Similar trends are seen in Maryland as the population of older adults and insured individuals continues to increase. To meet current demands for primary care, Maryland will need to increase the number of physicians by more than 1,052 primary care physicians by 2030.²

¹ *AAMC Report Reinforces Mounting Physician Shortage*. AAMC. June 2021. Available at: <https://www.aamc.org/news-insights/press-releases/aamc-report-reinforces-mounting-physician-shortage> ² *Maryland: Projecting Primary Care Physician Workforce*. Robert Graham Center. September 2013. Available at: <https://www.graham-center.org/content/dam/rgc/documents/maps-data-tools/state-collections/workforce-projections/Maryland.pdf>

The Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants (MLARP) fund was authorized under Health-General §24-1707, and aims to improve recruitment and retention of healthcare providers, particularly in rural and underserved communities in Maryland.³ The program is also advantageous for relieving medical school debt. According to recent research, the median debt burden for medical school graduates was \$190,000.⁴ The MLARP offers physicians, physician assistants, and medical residents in their last year of residency up to \$100,000 for a two-year service commitment.

SB 626 clarifies eligibility for the MLARP to include part-time physicians and part-time physician assistants. Allowing providers who work part-time to participate in the program broadens the reach of the tax credit, which will incentivize more providers to practice in under-resourced communities. The bill also authorizes MDH to establish prorated loan replacement assistance for participants. Proration allows unspent portions of the loan to remain in the fund maintained by MDH for future administration of the program.

SB 626 establishes the MLARP Advisory Council for Physicians and Physician Assistants. Several workgroups have been convened to oversee and monitor MLARP, however there is an opportunity to create a council dedicated to the administration of the program. The Council proposed in the bill will consist of senior leaders from regulatory commissions, hospital associations, medical schools, medical academies, and State boards. The Council will be mandated to have regular oversight over the program. The MLARP is currently funded by MDH, but the Council will seek alternate funding sources that will ensure longevity of the program. The Council will increase awareness of the program in educational institutions and other organizations, and will make recommendations to the Governor and the General Assembly.

For these reasons, the Commission asks for a favorable report on SB 626.

Note: The Maryland Health Care Commission is an independent State agency, and the position of the Commission may differ from the position of the Maryland Department of Health.

³ Maryland Loan Repayment Programs. Maryland.gov. Available at: <https://health.maryland.gov/pophealth/Pages/State-Loan-Repayment-Program.aspx> ⁴ Manage medical student loans. American Medical Association. Available at: <https://www.ama-assn.org/residents-students/career-planning-resource/manage-medical-student-loans>