INTRODUCED BY: Queen Anne’s County Medical Society

SUBJECT: Diversion of Physician License Fees to Fund Maryland Higher Education Commission Programs

Whereas, for at least 20 years, Maryland law has required the diversion of 12 percent of physician license fees to two programs administered by the Maryland Higher Education Commission (“MHEC”), the Loan Assistance Repayment Program for Physicians (LARP), and the Health Personnel Shortage Incentive Grant (HPSIG), if the Governor does not budget at least $750,000 for these two programs; and

Whereas, the LARP monies diverted from physician license fees have provided needed financial assistance to primary care physicians willing to serve in underserved areas of the State, and an incentive to do so; and

Whereas, the LARP program provides loan repayment assistance for primary care physicians, physician assistants (who must also contribute to the program through their license fees) practicing primary care, and medical residents specializing in primary care in the State. In FY 2014, 27 physicians applied for or continued to receive a total of $672,116 in LARP assistance, an average of $25,000 each; and

Whereas, the HPSIG program was designed to increase the number of graduates eligible for licensure, certification or registration in health shortage occupations, as certified by the Department of Health and Mental Hygiene each year. Program funds are awarded to institutions in the State that provide programs in these designated shortage areas; and

Whereas, contrary to the LARP program, the use of HPSIG funds has shown minimal relation to the practice of medicine by physicians, yet is funded through physician fees. For example, HPSIG funds have been used in recent years by MHEC to allow nursing students at Allegany College to attend a conference, for the purchase of a microscope at Anne Arundel Community College, and to buy computers at the University of Maryland-Eastern Shore; and

Whereas, the Governor of MD has not budgeted funds for these two programs since at least 1997, and consequently LARP and HPSIG have been funded since then with over $16 million in physician license fees; and

Whereas, the General Assembly will receive a report on all expenditures for these two programs for the years 2010 thru 2015 from MHEC in December of 2015, and will be deciding whether changes in these funding mechanisms should be made; therefore be it

Resolved, that Med Chi will work legislatively to eliminate the diversion of physician license fees to fund the HPSIG program, and to ensure that the amount of fees diverted to the LARP program are proportionate to the amount actually distributed by MHEC for that purpose.

As adopted by the House of Delegates at its meeting on September 19, 2015.