

MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY  
HOUSE OF DELEGATES

Resolution 16-15

INTRODUCED BY: Queen Anne's County Medical Society

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

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1 Whereas, for at least 20 years, Maryland law has required the diversion of 12 percent of physician license  
2 fees to two programs administered by the Maryland Higher Education Commission ("MHEC"), the Loan  
3 Assistance Repayment Program for Physicians (LARP), and the Health Personnel Shortage Incentive  
4 Grant (HPSIG), if the Governor does not budget at least \$750,000 for these two programs; and  
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6 Whereas, the LARP monies diverted from physician license fees have provided needed financial  
7 assistance to primary care physicians willing to serve in underserved areas of the State, and an incentive  
8 to do so; and  
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10 Whereas, the LARP program provides loan repayment assistance for primary care physicians, physician  
11 assistants (who must also contribute to the program through their license fees) practicing primary care,  
12 and medical residents specializing in primary care in the State. In FY 2014, 27 physicians applied for or  
13 continued to receive a total of \$672,116 in LARP assistance, an average of \$25,000 each; and  
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15 Whereas, the HPSIG program was designed to increase the number of graduates eligible for licensure,  
16 certification or registration in health shortage occupations, as certified by the Department of Health and  
17 Mental Hygiene each year. Program funds are awarded to institutions in the State that provide programs  
18 in these designated shortage areas; and  
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20 Whereas, contrary to the LARP program, the use of HPSIG funds has shown minimal relation to the  
21 practice of medicine by physicians, yet is funded through physician fees. For example, HPSIG funds  
22 have been used in recent years by MHEC to allow nursing students at Allegany College to attend a  
23 conference, for the purchase of a microscope at Anne Arundel Community College, and to buy computers  
24 at the University of Maryland-Eastern Shore; and  
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26 Whereas, the Governor of MD has not budgeted funds for these two programs since at least 1997, and  
27 consequently LARP and HPSIG have been funded since then with over \$16 million in physician license  
28 fees; and  
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30 Whereas, the General Assembly will receive a report on all expenditures for these two programs for the  
31 years 2010 thru 2015 from MHEC in December of 2015, and will be deciding whether changes in these  
32 funding mechanisms should be made; therefore be it  
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34 Resolved, that Med Chi will work legislatively to eliminate the diversion of physician license fees to fund  
35 the HPSIG program, and to ensure that the amount of fees diverted to the LARP program are  
36 proportionate to the amount actually distributed by MHEC for that purpose.  
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39 As adopted by the House of Delegates at its meeting on September 19, 2015.  
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