

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Edward J. Kasemeyer, Chair  
Members, Senate Budget and Taxation Committee  
The Honorable Adelaide C. Eckardt

FROM: J. Steven Wise  
Pam M. Kasemeyer  
Danna L. Kauffman

DATE: February 24, 2016

RE: **SUPPORT** – Senate Bill 411 – *Income Tax – Credit for Physician Preceptors in Areas With Health Care Workforce Shortages*

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The Maryland State Medical Society (MedChi), which represents more than 7,600 Maryland physicians and their patients, supports Senate Bill 411.

MedChi supports SB 411 and its goal of providing incentives for medical students and those in postgraduate medical training programs to practice in areas of the State that are underserved. The income tax credit the bill provides to those practices willing to take on these students will be a useful tool in not only luring students to these areas, but in hopefully getting them to remain after their education is complete and they are fully licensed.

However, MedChi would like to note to the Committee that the funding mechanism for the tax credit has already been the subject of legislation passed by the Senate this year. The Health Personnel Shortage Incentive Grant Program (HPSIG) is referenced on page 4-5 of the bill, and some of the money in that program flowed from a diversion of physician license fees. Indeed, 12 percent of all Board of Physician fees have been diverted evenly between HPSIG and the Physician Loan Assistance Repayment Program (LARP) for many years. MedChi strongly supports LARP, but has long questioned the appropriateness of diverting license fees to HPSIG, which had a fund balance in recent years that was taken for the General Fund and has funded programs that have little to do with the practice of medicine.

Earlier this Session, the Senate amended the law to discontinue sending BOP fees to HPSIG, but continued current funding levels for LARP. Thus, in order to properly fund the tax credit under Senate Bill 411, another means of funding will have to be utilized. MedChi would be pleased to work with the Committee to identify that source.

For the reasons set forth above, MedChi supports Senate Bill 411.

**For more information call:**

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