

## **Board of Physician License Fees**

**BACKGROUND:** 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). This diversion occurs if the Governor does not budget at least \$750,000 for these two programs, and recent Governors have not done so.

The LARP monies provide needed financial assistance to primary care physicians willing to serve in underserved areas of the State, and an incentive to do so. Med Chi supports this program.

The HPSIG program, on the other hand, was designed to increase the number of graduates eligible for licensure, certification or registration in other 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. Unlike the LARP funding, HPSIG funds have shown minimal relation to the practice of medicine by physicians. 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. In short, the HPSIG program bears little relation to the practice of medicine, yet is funded by physician fees, which should first be devoted to the purpose for which they were created—the administration of the Board of Physicians.

**PROBLEM:** Funds have not been budgeted for these two programs since at least 1997, and consequently LARP and HPSIG have been funded since then with over \$16 million from physician license fees. Med Chi supports the continuation of the LARP program, but does not believe that physician license fees should continue to be diverted to the HPSIG program. That program should either be discontinued or funded through an alternative mechanism.

By eliminating the diversion of fees for the HPSIG program, these monies could then be used to support the needs within the Board of Physicians which will directly benefit physicians, including the acquisition of a new computer system that will ease license application and renewal, making the Board more efficient. Accordingly, after these actions are taken, fees can be reduced to a more appropriate level.

**SOLUTION:** Amend the law to eliminate this automatic diversion of license fees to the HPSIG program, while preserving the LARP program. In this way, the Board of Physicians will have the resources to adequately and efficiently carry out its functions in the near term, and then to reduce fees accordingly.

**WHAT TO DO:** Call/write/e-mail your legislators and ask them to support these changes to the law. Legislation will be introduced in the 2016 Session to accomplish this reasonable change.

