

HOUSE BILL 998

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CF SB 501

By: **Delegates Sample–Hughes, Anderton, Arentz, Bagnall, Beitzel, Crosby, Hartman, Jacobs, R. Lewis, Mautz, McKay, Morgan, Otto, Proctor, Rosenberg, and P. Young**

Introduced and read first time: February 5, 2020

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Loan Assistance Repayment Program for Physicians and Physician**
3 **Assistants – Administration and Funding**

4 FOR the purpose of transferring oversight of the Maryland Loan Assistance Repayment
5 Program for Physicians and Physician Assistants from the Office of Student
6 Financial Assistance within the Maryland Higher Education Commission to the
7 Maryland Department of Health; requiring the Department, on or before a certain
8 date each year, to submit a certain report to the General Assembly; altering certain
9 provisions of law related to funding for the Program; requiring the Comptroller, in
10 certain fiscal years, to distribute certain fees in a certain manner for a certain
11 purpose if the Governor does not include a certain amount of funding for the Program
12 in the State budget; requiring the Comptroller to distribute certain fees to the Board
13 of Physicians Fund if the Governor includes in the State budget a certain amount of
14 funding for the Program; requiring the Department to convene a certain workgroup;
15 providing for the duties of the workgroup; requiring the workgroup to submit a
16 certain report to the General Assembly on or before a certain date; making
17 conforming changes; repealing certain obsolete provisions of law; and generally
18 relating to the Maryland Loan Assistance Repayment Program for Physicians and
19 Physician Assistants.

20 BY transferring

21 Article – Education

22 Section 18–2801 through 18–2806, respectively, and the subtitle “Subtitle 28.

23 Maryland Loan Assistance Repayment Program for Physicians and Physician
24 Assistants”

25 Annotated Code of Maryland

26 (2018 Replacement Volume and 2019 Supplement)

27 to be

28 Article – Health – General

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 24–1701 through 24–1706, respectively, and the subtitle “Subtitle 17.
2 Maryland Loan Assistance Repayment Program for Physicians and Physician
3 Assistants”
4 Annotated Code of Maryland
5 (2019 Replacement Volume)

6 BY repealing and reenacting, with amendments,
7 Article – Health – General
8 Section 24–1701, 24–1702(b)(1), 24–1704, 24–1705, and 24–1706
9 Annotated Code of Maryland
10 (2019 Replacement Volume)
11 (As enacted by Section 1 of this Act)

12 BY adding to
13 Article – Health – General
14 Section 24–1707
15 Annotated Code of Maryland
16 (2019 Replacement Volume)

17 BY repealing and reenacting, with amendments,
18 Article – Health Occupations
19 Section 14–207 and 15–206(c)
20 Annotated Code of Maryland
21 (2014 Replacement Volume and 2019 Supplement)

22 Preamble

23 WHEREAS, One in five citizens in Maryland live in rural or medically underserved
24 communities and face challenges in accessing health care services because only 10% of
25 physicians choose to work in rural or medically underserved communities; and

26 WHEREAS, A report prepared on behalf of the Association of American Medical
27 Colleges projects a total physician shortfall of between 40,800 and 104,900 physicians by
28 2030; and

29 WHEREAS, The 2017 Report of the Workgroup on Rural Health Delivery to the
30 Maryland Health Care Commission focused on expanding the health care workforce as one
31 of its priorities, recommending tax credits, loan or grant opportunities to incentivize
32 physicians, medical students, and residents, and streamlining and expanding the Loan
33 Assistance Repayment Program (LARP) by centralizing oversight of the program; and

34 WHEREAS, Emerging evidence demonstrates that scholarship and loan repayment
35 programs are effective in achieving long–term retention of participants in the communities
36 they serve; and

37 WHEREAS, Based on a retention study conducted by the Maryland Department of
38 Health’s Office of Workforce Development in 2017, 83% of health care providers agreed to

1 stay in Maryland or at their current practice site after their obligation under LARP was
2 completed; and

3 WHEREAS, The funding stream for LARP has been reduced over the last 5 years at
4 a time when over 350 health care providers have applied for funding and over 100 have
5 been denied in fiscal years 2019 and 2020 due to lack of funding, decreasing the availability
6 of specialty providers in medically underserved areas throughout Maryland; now, therefore,

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8 That Section(s) 18–2801 through 18–2806, respectively, and the subtitle “Subtitle 28.
9 Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants”
10 of Article – Education of the Annotated Code of Maryland be transferred to be Section(s)
11 24–1701 through 24–1706, respectively, and the subtitle “Subtitle 17. Maryland Loan
12 Assistance Repayment Program for Physicians and Physician Assistants” of Article –
13 Health – General of the Annotated Code of Maryland.

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
15 as follows:

16 **Article – Health – General**

17 24–1701.

18 (a) In this subtitle the following words have the meanings indicated.

19 (b) [“Department” means the Maryland Department of Health.

20 (c) [“Education loan” means any loan that is obtained for tuition, educational
21 expenses, or living expenses for undergraduate or graduate study leading to practice as a
22 physician or physician assistant.

23 [(d)] (C) “Fund” means the Maryland Loan Assistance Repayment Program
24 Fund.

25 [(e)] (D) “Primary care” includes:

26 (1) Primary care;

27 (2) Family medicine;

28 (3) Internal medicine;

29 (4) Obstetrics;

30 (5) Pediatrics;

31 (6) Geriatrics;

1 (7) Emergency medicine;

2 (8) Women's health; and

3 (9) Psychiatry.

4 **[(f)] (E)** "Program" means the Maryland Loan Assistance Repayment Program
5 for Physicians and Physician Assistants.

6 24-1702.

7 (b) The Fund consists of:

8 (1) Revenue generated through an increase, as approved by the Health
9 Services Cost Review Commission, to the rate structure of all hospitals in accordance with
10 § 19-211 of **[the Health – General Article] THIS ARTICLE**; and

11 24-1704.

12 (a) (1) In this section, "eligible field of employment" means employment by an
13 organization, institution, association, society, or corporation that is exempt from taxation
14 under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

15 (2) "Eligible field of employment" includes employment by the State or any
16 local government in the State.

17 (b) The **[Office] DEPARTMENT** shall assist in the repayment with the funds
18 transferred to the **[Office] DEPARTMENT** by the Comptroller under § **[14-207(d)(2)]**
19 **14-207(D)** of the Health Occupations Article of the amount of education loans owed by a
20 physician or physician assistant who:

21 (1) (i) Practices primary care in an eligible field of employment in a
22 geographic area of the State that has been federally designated; or

23 (ii) Is a medical resident specializing in primary care who agrees to
24 practice for at least 2 years as a primary care physician in an eligible field of employment
25 in a geographic area of the State that has been federally designated; and

26 (2) Meets any other requirements established by the **[Office, in**
27 **consultation with the] Department**.

28 (c) Any unspent portions of the money that is transferred to the **[Office]**
29 **DEPARTMENT** for use under this subtitle from the Board of Physicians Fund may not be
30 transferred to or revert to the General Fund of the State, but shall remain in the Fund
31 maintained by the **[Office] DEPARTMENT** to administer the Program.

1 24-1705.

2 (a) In addition to the assistance provided under § [18-2804] **24-1704** of this
3 subtitle, the [Office] **DEPARTMENT** may, subject to the availability of money in the Fund,
4 assist in the repayment of an education loan owed by a physician or physician assistant
5 who:

6 (1) Practices a medical specialty that has been identified by the
7 Department as being in shortage in the geographic area of the State where the physician
8 or physician assistant practices that specialty; and

9 (2) Commits to practicing in the area for a period of time determined by
10 the [Office] **DEPARTMENT**.

11 (b) The [Office] **DEPARTMENT** shall prioritize funding for the repayment of
12 education loans through the Program in the following order:

13 (1) Physicians and physician assistants that meet the requirements under
14 § [18-2804(b)] **24-1704(B)** of this subtitle;

15 (2) Physicians and physician assistants practicing primary care in a
16 geographic area where the Department has identified a shortage of primary care physicians
17 or physician assistants; and

18 (3) Physicians and physician assistants practicing a medical specialty
19 other than primary care in a geographic area where the Department has identified a
20 shortage of that specialty.

21 24-1706.

22 The [Office, in collaboration with the] Department[,] shall adopt regulations to
23 implement the provisions of this subtitle, including:

24 (1) Establishing the maximum number of participants in the Program each
25 year in each priority area described under § [18-2805] **24-1705** of this subtitle; and

26 (2) Establishing the minimum and maximum amount of loan repayment
27 assistance awarded under this subtitle in each priority area described under § [18-2805]
28 **24-1705** of this subtitle.

29 **24-1707.**

30 **ON OR BEFORE JULY 1, 2021, AND EACH JULY 1 THEREAFTER, THE**
31 **DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH**
32 **§ 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON:**

1 **(1) THE ELIGIBLE PHYSICIANS, PHYSICIAN ASSISTANTS, AND**
2 **MEDICAL RESIDENTS WHO APPLIED FOR THE PROGRAM, INCLUDING INFORMATION**
3 **ON:**

4 **(I) THE SPECIALTY OF THE PHYSICIAN, PHYSICIAN ASSISTANT,**
5 **OR MEDICAL RESIDENT;**

6 **(II) THE TYPE AND LOCATION OF THE SITE IN WHICH THE**
7 **PHYSICIAN, PHYSICIAN ASSISTANT, OR MEDICAL RESIDENT PROVIDED SERVICES;**
8 **AND**

9 **(III) THE GEOGRAPHIC AREA SERVED BY THE PHYSICIAN,**
10 **PHYSICIAN ASSISTANT, OR MEDICAL RESIDENT; AND**

11 **(2) THE PHYSICIANS, PHYSICIAN ASSISTANTS, AND MEDICAL**
12 **RESIDENTS WHO PARTICIPATED IN THE PROGRAM, INCLUDING INFORMATION ON:**

13 **(I) THE AMOUNT OF ASSISTANCE PROVIDED TO EACH**
14 **PARTICIPANT;**

15 **(II) THE SPECIALTY OF THE PARTICIPANT;**

16 **(III) THE TYPE AND LOCATION OF THE SITE IN WHICH THE**
17 **PARTICIPANT PROVIDED SERVICES; AND**

18 **(IV) THE GEOGRAPHIC AREA SERVED BY THE PARTICIPANT.**

19 **Article – Health Occupations**

20 14–207.

21 (a) There is a Board of Physicians Fund.

22 (b) (1) The Board may set reasonable fees for the issuance and renewal of
23 licenses and its other services.

24 (2) The fees charged shall be set so as to approximate the cost of
25 maintaining the Board, including the cost of providing a rehabilitation program for
26 physicians under § 14–401.1(g) of this title.

27 (3) Funds to cover the compensation and expenses of the Board members
28 shall be generated by fees set under this section.

29 (c) The Board shall pay all fees collected under the provisions of this title to the

1 Comptroller of the State.

2 (d) (1) [In fiscal year 2017 and fiscal year 2018, if the Governor does not
3 include in the State budget at least \$550,000 for the operation of the Maryland Loan
4 Assistance Repayment Program for Physicians and Physician Assistants under Title 18,
5 Subtitle 28 of the Education Article, as administered by the Maryland Higher Education
6 Commission, the Comptroller shall distribute:

7 (i) \$550,000 of the fees received from the Board to the Office of
8 Student Financial Assistance to be used to make grants under the Maryland Loan
9 Assistance Repayment Program for Physicians and Physician Assistants under Title 18,
10 Subtitle 28 of the Education Article to physicians and physician assistants engaged in
11 primary care or to medical residents specializing in primary care who agree to practice for
12 at least 2 years as primary care physicians in a geographic area of the State that has been
13 designated by the Secretary of Health as being medically underserved; and

14 (ii) The balance of the fees to the Board of Physicians Fund.

15 (2) In EACH OF fiscal [year] YEARS 2019 [and each fiscal year thereafter]
16 THROUGH 2021, if the Governor does not include in the State budget at least \$400,000 for
17 the operation of the Maryland Loan Assistance Repayment Program for Physicians and
18 Physician Assistants under [Title 18, Subtitle 28 of the Education Article] TITLE 24,
19 SUBTITLE 17 OF THE HEALTH – GENERAL ARTICLE, as administered by the [Maryland
20 Higher Education Commission] DEPARTMENT, the Comptroller shall distribute:

21 (i) \$400,000 of the fees received from the Board to the [Office of
22 Student Financial Assistance] DEPARTMENT to be used to make grants under the
23 Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants
24 under [Title 18, Subtitle 28 of the Education Article] TITLE 24, SUBTITLE 17 OF THE
25 HEALTH – GENERAL ARTICLE to physicians and physician assistants engaged in primary
26 care or to medical residents specializing in primary care who agree to practice for at least
27 2 years as primary care physicians in a geographic area of the State that has been
28 designated by the Secretary [of Health] as being medically underserved; and

29 (ii) The balance of the fees to the Board of Physicians Fund.

30 (2) IN FISCAL YEAR 2022 AND EACH FISCAL YEAR THEREAFTER, IF
31 THE GOVERNOR DOES NOT INCLUDE IN THE STATE BUDGET AT LEAST \$1,000,000
32 FOR THE OPERATION OF THE MARYLAND LOAN ASSISTANCE REPAYMENT
33 PROGRAM FOR PHYSICIANS AND PHYSICIAN ASSISTANTS UNDER TITLE 24,
34 SUBTITLE 17 OF THE HEALTH – GENERAL ARTICLE, AS ADMINISTERED BY THE
35 DEPARTMENT, THE COMPTROLLER SHALL DISTRIBUTE:

36 (1) \$1,000,000 OF THE FEES RECEIVED FROM THE BOARD TO
37 THE DEPARTMENT TO BE USED TO MAKE GRANTS UNDER THE MARYLAND LOAN

1 **ASSISTANCE REPAYMENT PROGRAM FOR PHYSICIANS AND PHYSICIAN ASSISTANTS**
2 **UNDER TITLE 24, SUBTITLE 17 OF THE HEALTH – GENERAL ARTICLE TO**
3 **PHYSICIANS AND PHYSICIAN ASSISTANTS ENGAGED IN PRIMARY CARE OR TO**
4 **MEDICAL RESIDENTS SPECIALIZING IN PRIMARY CARE WHO AGREE TO PRACTICE**
5 **FOR AT LEAST 2 YEARS AS PRIMARY CARE PHYSICIANS IN A GEOGRAPHIC AREA OF**
6 **THE STATE THAT HAS BEEN DESIGNATED BY THE SECRETARY AS BEING MEDICALLY**
7 **UNDERSERVED; AND**

8 **(II) THE BALANCE OF THE FEES TO THE BOARD OF PHYSICIANS**
9 **FUND.**

10 (3) If the Governor includes in the State budget at least the amount
11 specified in paragraph (1) or (2) of this subsection for the operation of the Maryland Loan
12 Assistance Repayment Program for Physicians and Physician Assistants under [Title 18,
13 Subtitle 28 of the Education Article] **TITLE 24, SUBTITLE 17 OF THE HEALTH –**
14 **GENERAL ARTICLE**, as administered by the [Maryland Higher Education Commission]
15 **DEPARTMENT**, the Comptroller shall distribute the fees to the Board of Physicians Fund.

16 (e) (1) The Fund shall be used exclusively to cover the actual documented
17 direct and indirect costs of fulfilling the statutory and regulatory duties of the Board as
18 provided by the provisions of this title.

19 (2) (i) The Fund is a continuing, nonlapsing fund, not subject to §
20 7–302 of the State Finance and Procurement Article.

21 (ii) Any unspent portions of the Fund may not be transferred or
22 revert to the General Fund of the State, but shall remain in the Fund to be used for the
23 purposes specified in this title.

24 (3) Interest or other income earned on the investment of moneys in the
25 Fund shall be paid into the Fund.

26 (4) No other State money may be used to support the Fund.

27 (f) (1) In addition to the requirements of subsection (e) of this section, the
28 Board shall fund the budget of the Physician Rehabilitation Program with fees set,
29 collected, and distributed to the Fund under this title.

30 (2) After review and approval by the Board of a budget submitted by the
31 Physician Rehabilitation Program, the Board may allocate moneys from the Fund to the
32 Physician Rehabilitation Program.

33 (g) (1) The chair of the Board or the designee of the chair shall administer the
34 Fund.

35 (2) Moneys in the Fund may be expended only for any lawful purpose

1 authorized by the provisions of this title.

2 (h) The Legislative Auditor shall audit the accounts and transactions of the Fund
3 as provided in § 2–1220 of the State Government Article.

4 15–206.

5 (c) (1) In fiscal year 2017 and fiscal year 2018, if the Governor does not include
6 in the State budget at least \$550,000 for the operation of the Maryland Loan Assistance
7 Repayment Program for Physicians and Physician Assistants under [Title 18, Subtitle 28
8 of the Education Article] **TITLE 24, SUBTITLE 17 OF THE HEALTH – GENERAL**
9 **ARTICLE**, as administered by the Maryland Higher Education Commission, the
10 Comptroller shall distribute:

11 (i) \$550,000 of the fees received from the Board to the Office of
12 Student Financial Assistance to be used to make grants under the Maryland Loan
13 Assistance Repayment Program for Physicians and Physician Assistants under [Title 18,
14 Subtitle 28 of the Education Article] **TITLE 24, SUBTITLE 17 OF THE HEALTH –**
15 **GENERAL ARTICLE** to physicians and physician assistants engaged in primary care or to
16 medical residents specializing in primary care who agree to practice for at least 2 years as
17 primary care physicians in a geographic area of the State that has been designated by the
18 Secretary [of Health] as being medically underserved; and

19 (ii) The balance of the fees to the Board of Physicians Fund.

20 (2) In fiscal year 2019 and each fiscal year thereafter, if the Governor does
21 not include in the State budget at least \$400,000 for the operation of the Maryland Loan
22 Assistance Repayment Program for Physicians and Physician Assistants under [Title 18,
23 Subtitle 28 of the Education Article] **TITLE 24, SUBTITLE 17 OF THE HEALTH –**
24 **GENERAL ARTICLE**, as administered by the Maryland Higher Education Commission, the
25 Comptroller shall distribute:

26 (i) \$400,000 of the fees received from the Board to the Office of
27 Student Financial Assistance to be used to make grants under the Maryland Loan
28 Assistance Repayment Program for Physicians and Physician Assistants under [Title 18,
29 Subtitle 28 of the Education Article] **TITLE 24, SUBTITLE 17 OF THE HEALTH –**
30 **GENERAL ARTICLE** to physicians and physician assistants engaged in primary care or to
31 medical residents specializing in primary care who agree to practice for at least 2 years as
32 primary care physicians in a geographic area of the State that has been designated by the
33 Secretary [of Health] as being medically underserved; and

34 (ii) The balance of the fees to the Board of Physicians Fund.

35 (3) If the Governor includes in the State budget at least the amount
36 specified in paragraph (1) or (2) of this subsection for the operation of the Maryland Loan
37 Assistance Repayment Program for Physicians and Physician Assistants under [Title 18,

1 Subtitle 28 of the Education Article] **TITLE 24, SUBTITLE 17 OF THE HEALTH –**
2 **GENERAL ARTICLE**, as administered by the Maryland Higher Education Commission, the
3 Comptroller shall distribute the fees to the Board of Physicians Fund.

4 SECTION 3. AND BE IT FURTHER ENACTED, That:

5 (a) The Maryland Department of Health shall convene a stakeholder workgroup
6 to examine how the State can implement a program within or in addition to the Maryland
7 Loan Assistance Repayment Program for Physicians and Physician Assistants to further
8 incentivize medical students to practice in health professional shortage areas and medically
9 underserved areas in the State.

10 (b) The workgroup shall:

11 (1) Review medical school student debt experienced in the United States
12 and in Maryland;

13 (2) Examine and recommend state–assisted tuition reduction options
14 based on a comparison of programs available in other states; and

15 (3) Examine and recommend methods to incentivize medical students to
16 commit to practicing in medically underserved areas in the State before entering a
17 residency program or on graduation from medical school.

18 (c) On or before December 1, 2020, the workgroup shall report its findings and
19 recommendations, in accordance with § 2–1257 of the State Government Article, to the
20 General Assembly.

21 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2020.