SB 411 Physician Preceptor Income Tax Credit

Position: Support

Bill Summary
SB 411 would authorize a credit against the State income tax for an individual who serves as a physician preceptor in specified preceptorship programs under specified circumstances and works in specified areas of the State with health care workforce shortages. It would require the Department of Health & Mental Hygiene to report to the Comptroller and the General Assembly on or before January 31 of each taxable year, and apply the Act to taxable years beginning after December 31, 2015.

MHA Position
At the heart of physician preceptorship programs is community-based teaching: the teaching of a medical resident or student by a medical provider – a preceptor – in a clinical environment. This simple concept greatly impacts the learner’s experience by providing role modeling, effective assessment, immediate feedback, and meaningful evaluation. With one of the bedrocks of the transformation of health care in Maryland being the need to get patients the right care, at the right time, in the right setting, and with Maryland’s shortage of primary care physicians well-documented, this kind of training is critical to the future of health care.

Providing tax incentives for Maryland’s physicians who volunteer as preceptors for medical students in their primary care disciplines, and in areas that are currently underserved, will encourage this valuable work. The bill reasonably requires that eligible faculty be an otherwise uncompensated community-based licensed physician providing primary care teaching for a Maryland medical student for a minimum of three 160-hour rotations of community-based training. It also sets that a minimum of three and a maximum of 10 student rotations may be claimed each calendar year, with tax credits of $1,000 each.

Much like in other parts of the country, Maryland struggles to recruit and retain health care workers in underserved, mostly rural areas. And because Maryland ranks last in the country for Graduate Medical Education graduates who are likely to go on to be generalists, this incentive can help address a serious problem in our state.

For these reasons, we urge you to give SB 411 a favorable report.