

MedChi

The Maryland State Medical Society

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TO: The Honorable Paul G. Pinsky, Chair
The Honorable Guy Guzzone, Chair
Members, Senate Education, Health, and Environmental Affairs Committee
Members, Senate Budget and Taxation Committee
The Honorable Melony Griffith
The Honorable Steve Hershey

FROM: J. Steven Wise
Pamela Metz Kasemeyer
Danna L. Kauffman
Richard A. Tabuteau

DATE: February 13, 2020

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 501 – *Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants – Administration and Funding*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** Senate Bill 501.

MedChi strongly supports the Loan Assistance Repayment Program for Physicians and Physician Assistants (“LARP”), which provides loan repayment assistance to physicians and PAs who agree to work in underserved areas of the State for a period of 2 years or more. MedChi’s members have put their money where their mouth is with LARP: Each year, \$400,000 of license fees are transferred from the Board of Physicians Fund to LARP, and there are federal matching dollars available. Over \$11 million dollars in license fees have gone to LARP since 1997.

MedChi agrees that more funds are needed and wants to work to identify funding sources. We also agree that the Department of Health should administer the program rather than the Higher Education Commission, where oversight and administration have been lacking. **However, MedChi does not support increasing the annual amount of license fees going to the program from the current \$400,000 to \$1,000,000 as the bill directs at page 7, line 29.** If this were to occur, 10% of the Board’s entire budget would be going to fund LARP. Physician license fees are already the 12th highest in the country on an annualized basis.

Furthermore, license fees should not be the sole source of funding for LARP. Since 2015, there have been 57 awardees of LARP funds, and 44 of them have been employed by hospitals, yet the hospitals

supply absolutely no funding to the LARP program. As the chief beneficiary of LARP as employers, the hospitals should be contributing. Likewise, the public interest in an adequate supply of physicians and PAs supports the use of General Fund dollars, which were supposed to be the primary source of LARP funding since its inception, but this has never occurred.

MedChi believes that a one-year fix should be adopted by the General Assembly using a limited amount of the Board of Physicians' Fund Balance, but not the amounts proposed in the Budget Reconciliation and Financing Act (See Senate Bill 192 at p. 35). During the 2020 interim, the stakeholders should be brought together in a workgroup to look for long-term, equitable funding sources and to recommend other improvements in the LARP program.

Amendments to address our concerns are set forth on the attachment. MedChi supports the bill, but only with their adoption.

For more information call:

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MedChi's Proposed Amendments to SB 501

AMENDMENT NO. 1

On Page 7, delete line 29 through line 7 on Page 8.

AMENDMENT NO. 2

On Page 10, at line 5, strike starting with “how” through “the” in the same line.

AMENDMENT NO. 3

On Page 10, at line 13, strike “and”.

AMENDMENT NO. 4

On Page 10, at line 16, after “school” insert “; AND (4) EXAMINE AND RECOMMEND FUNDING SOURCES OTHER THAN LICENSE FEES FOR THE LOAN ASSISTANCE REPAYMENT PROGRAM FOR PHYSICIANS AND PHYSICIAN ASSISTANTS.”