

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 393 (Delegate Bagnall)
Health and Government Operations and Appropriations Education, Energy, and the Environment

Higher Education - Maryland Dent-Care Program - Eligibility

This bill expands eligibility for the Maryland Dent-Care Program to include part-time dentists or dental hygienists. The bill also authorizes the Maryland Higher Education Commission’s (MHEC) Office of Student Financial Assistance (OSFA), in collaboration with the Maryland Department of Health (MDH), to establish prorated loan repayment assistance for part-time dentists or dental hygienists participating in the program. The bill also clarifies that, as a condition of eligibility for the program, an individual must be licensed to practice in Maryland by the State Board of Dental Examiners under either a general or limited license. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Expanding *eligibility* for the Maryland Dent-Care Program does not require additional spending, as discussed below. MHEC OSFA expenditures increase minimally for system enhancements required to establish prorated award amounts. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Loan Assistance Repayment Program (LARP) – Generally

LARP provides loan repayment assistance in exchange for certain service commitments to help ensure that underserved areas of the State have sufficient numbers of primary care

physicians, physician assistants, dentists, lawyers, and other professionals serving those areas or low-income families. LARP also provides loan repayment assistance in exchange for service commitments to serve as a police officer or probation agent anywhere in the State. The program is subdivided into the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, the Maryland LARP for Physicians and Physician Assistants, and the Maryland LARP for Police Officers and Probation Agents. Individuals must have received a graduate, professional, or undergraduate degree from a college or university in the State or a school of law or have received a Resident Teacher Certificate from the Maryland State Department of Education (MSDE) after completing an approved alternative teaching preparation program. Except for the Maryland LARP for Police Officers and Probation Agents, they must also be employed full-time in State or local government or in a nonprofit organization that assists low-income, underserved residents or underserved areas in the State. For the Maryland LARP for Police Officers and Probation Agents, individuals must obtain employment as a police officer or probation agent in the State for at least two years and satisfy any other criteria OSFA establishes.

Janet L. Hoffman Loan Assistance Repayment Program

The Janet L. Hoffman LARP is administered by OSFA to assist in the repayment of any higher education loan owed by an individual who:

- *either* (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, a law school, or, for mental health professionals only, any accredited college or university *or* (2) receives a Resident Teacher Certificate from MSDE after completing an approved alternative teaching preparation program;
- obtains eligible employment;
- receives an income less than the maximum eligible total income levels established by the office, including any additional sources of income; and
- satisfies any other criteria established.

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech pathologists, and teachers. A licensed clinical alcohol and drug counselor, a licensed clinical marriage and family therapy counselor, or a licensed clinical professional counselor whose practice is located in a high-need geographic area of the State as determined by MDH may receive assistance under the program.

For the Janet L. Hoffman LARP, awards are determined by an applicant's overall reported educational debt at the time of application. Award funds are distributed annually over a three-year period as long as the recipient remains eligible and continues to submit the required annual employment, lender, and tax documentation by the deadline.

Maryland Dent-Care Program

The Maryland Dent-Care Program's purpose is to increase access to oral health services for underserved Maryland Medicaid recipients by increasing the number of dentists and dental hygienists who treat that population. To be eligible for an award, an applicant must (1) be licensed to practice in Maryland by the State Board of Dental Examiners; (2) demonstrate financial need; (3) be employed full time as a dentist or dental hygienist; (4) agree to have at least 30% of their patient population be Maryland Medicaid recipients; and (5) meet any other criteria established by OSFA. Generally, a recipient may hold the award for up to three years if the recipient continues to be employed full time as a dentist or dental hygienist and continues to treat Medicaid recipients as at least 30% of all patients. However, beginning October 1, 2023, each award must be *at least* \$50,000 per year for three years for a dentist and may *not exceed* \$10,000 for two years for a dental hygienist.

State Expenditures: Expanding *eligibility* to include part-time dentists and dental hygienists does not necessarily require additional spending. MHEC advises that, in fiscal 2023, the Maryland Dent-Care Program awarded \$356,100 to 15 dentists for an average award amount of \$23,740. Although Chapter 377 of 2023 expanded eligibility for the program to include dental hygienists, MHEC advises that, because Chapter 377 also increased the minimum award amount for dentists without providing additional funding, MHEC was unable to make any initial awards to dental hygienists in fiscal 2024. MHEC also reduced the number of initial dentist awards so that only one initial award was made for the new minimum amount of \$50,000 in fiscal 2024.

Therefore, MHEC advises that, although the bill expands *eligibility*, making part-time awards under the program, in addition to the existing full-time awards, would require an estimated \$5,000 annually per additional part-time dental hygienist and an estimated \$25,000 annually per additional part-time dentist (exact amounts would ultimately be set by OSFA as specified in the bill). These cost estimates assume MHEC continues to award only one full-time dental award and no full-time dental hygienist awards each year. MHEC, therefore, advises that adding part-time awards while also increasing the number of initial full-time dental and dental hygienist awards made each year would require significant additional spending.

As the Maryland Dent-Care Program is a subprogram of the Janet L Hoffman LARP; the number and mix of award recipients in future years will depend on overall funding for the program and decisions by MHEC on how to allocate dollars across those programs. The fiscal 2025 budget as introduced includes approximately \$6.4 million in funding for the Janet L. Hoffman LARP, the same amount of funding that was allocated in fiscal 2024. In fiscal 2023, the program received \$1.3 million. To the extent additional funding is not available, part-time dentists and dental hygienists can be added to the program's waiting list with existing resources. Alternatively, the Department of Legislative Services advises

that, with the flexibility to make awards to part-time dentists and dental hygienists (in addition to or instead of full-time dentists and dental hygienists), the program may be able to more readily serve such practitioners within the existing funding parameters.

MHEC advises that upgrading its Maryland College Aid Processing System to properly calculate prorated scholarship amounts requires a one-time expenditure of approximately \$4,500 in fiscal 2025.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 334 (Senator Klausmeier) - Education, Energy, and the Environment.

Information Source(s): Maryland Higher Education Commission; Maryland Department of Health; Department of Legislative Services

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