

**Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants – Administration and
Funding
House Bill 998**

Before the Appropriations Committee

February 25, 2020

Position: Support

The University of Maryland Medical System (“UMMS”) supports House Bill 998. UMMS is a 13-member hospital health system with hospitals in urban, suburban and rural jurisdictions in the state.

Passage of HB 998 would greatly assist with workforce challenges especially, although not solely, in the rural parts of the state. This bill would increase the funding for the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants (LARP) and transfer oversight of the program from the Maryland Higher Education Commission to the Maryland Department of Health. It would require the Governor to include at least \$400,000 in the State Budget for the program for each of fiscal years 2019 through 2021, and then increasing the amount to \$1,000,000 in fiscal year 2022 and each year after. This Bill would also require the Department of Health to submit a report to the General Assembly detailing the number of physicians and physician assistants who applied to the program. As it stands now, many LARP-qualified applicants are turned away due to lack of sufficient dollars in the fund.

Communities in rural geographic regions face a variety of healthcare delivery challenges due to distance, lack of transportation, higher rates of chronic conditions, and inadequate access to healthcare providers. Service providers in rural areas operate with limited funding and are often forced to share staff across county jurisdictions to maximize services and efficiencies. Moreover, because the shortages of physicians in Maryland’s rural communities is so dramatic, providing incentives to encourage practice in those communities is essential to ensure adequate access to care.

LARP provides financial assistance to physicians, physicians completing residencies, and physician assistants practicing in designated geographic areas. LARP offers an incentive for physicians and physician assistants to practice in rural areas by helping to alleviate the financial burdens of student loan debt. Research suggests that residents who train in rural areas and whose training emphasizes services necessary for rural practice are more likely to practice in rural areas after their residencies end. Scholarships and loan repayment programs are effective in achieving long-term retention of physicians in the communities they serve.

For these reasons, we urge a favorable report on House Bill 998.

Respectfully submitted,

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