

MedChi

The Maryland State Medical Society

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TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Larry Hogan Administration

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

DATE: February 26, 2020

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 192 – *Budget Reconciliation and Financing Act of 2020*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** Senate Bill 192.

Senate Bill 192 proposes to take \$400,000 from the Board of Physicians fund balance, which is comprised of license fees, and transfer it to the Physician and Physician Assistant Loan Assistance Repayment Program (LARP). This is in addition to the \$400,000 in license fees that are already transferred to LARP on an annual basis.

Senate Bill 192 cannot be viewed standing alone. Senate Bill 501/House Bill 998 separately propose to increase this annual amount to \$1 million dollars, something the accompanying Fiscal Notes find “unsustainable” and a policy that will lead to an increase in already high license fees. Indeed, Maryland already has some of the highest physician license fees in the country, per the 2019 Sunset Review Evaluation of the Board. When the transfer proposed here and the \$1M proposed by Senate Bill 501/House Bill 998 are added together, the equivalent of 10% of the Board’s annual budget is going to the LARP program, which is not only unsustainable it is also inequitable. Maryland’s “non-profit” hospitals are the chief beneficiaries of the LARP program, with most recipients being employed by them, yet they contribute nothing to LARP.

MedChi has always supported the annual transfer of \$400,000 to LARP. However, we do not support any policy that continues to make license fees the sole funding source for LARP. If a one-time transfer of license fees is going to occur, as proposed here, it should be coupled with budget language requiring the stakeholders to convene in calendar year 2020 and develop a long-term plan that includes partial funding by hospitals. Continued transfers through the BRFA, or passage of Senate Bill 501/House Bill 998, which fund the entire LARP program through license fees, is not a fair policy and should not be continued.

For more information call:

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