

1 H.607

2 Introduced by Representative Conquest of Newbury

3 Referred to Committee on

4 Date:

5 Subject: Health; health care providers; graduate medical education; primary
6 care; tax credits

7 Statement of purpose of bill as introduced: This bill proposes to increase the
8 primary care workforce in Vermont by providing tuition waivers for medical
9 students who choose to practice primary care in an underserved area of the
10 State, creating a recruitment program for medical students likely to pursue
11 primary care, directing that a certain portion of State graduate medical
12 education funding must go to family physician residency positions, and
13 creating income tax credits for primary care providers who practice in a rural,
14 underserved area of the State for at least five years.

15 ~~An act relating to increasing the supply of primary care providers in~~
16 ~~Vermont~~ *An act relating to increasing the supply of nurses and primary care*
17 *providers in Vermont*

It is hereby enacted by the General Assembly of the State of Vermont:

18 ~~Sec. 1, 18 V.S.A. § 33 is added to read:~~

19 ~~§ 33. MEDICAL STUDENTS; PRIMARY CARE~~

1 ~~(c)(1) The Department of Health, in collaboration with the Office of~~
2 Primary Care and Area Health Education Centers Program at the University of
3 Vermont College of Medicine (AHEC), shall establish a rural primary care
4 physician scholarship program. The scholarships shall cover the medical
5 school tuition for up to 20 medical students annually who commit to practicing
6 primary care for a minimum of five years in a rural, health professional
7 shortage or medically underserved area of this State, as defined by the federal
8 Health Resources and Services Administration.

9 (2) The cost of medical school tuition for the students awarded
10 scholarships under this subsection shall be borne as follows:

11 (A) one-third by the State of Vermont;

12 (B) one-third by the University of Vermont College of Medicine; and

13 (C) one-third by accountable care organizations certified pursuant to
14 chapter 220 of this title.

15 (3) A scholarship recipient who does not fulfill the commitment to
16 practice primary care for at least five years in a rural, health professional
17 shortage or medically underserved area of this State shall be liable for
18 repayment of the full amount of the scholarship.

19 (4) The Department shall adopt rules in accordance with 3 V.S.A.
20 chapter 25 as needed to specify the parameters of the scholarship program,
21 including establishing the criteria for scholarship eligibility.

1 ~~(b) The Department of Health, in collaboration with AHDC, shall establish~~
2 ~~a primary care student recruitment program focused on attracting and selecting~~
3 ~~medical students who are likely to practice primary care following completion~~
4 ~~of their medical education, with a goal that at least 50 percent of the medical~~
5 ~~students who graduate from the medical school will pursue a primary care~~
6 ~~medical career.~~

7 Sec. 2. 32 V.S.A. § 5813(y) is added to read

8 (y) The statutory purpose of the primary care access tax credit in section
9 5830f of this title is to increase access to primary care medical services in
10 rural, underserved areas of the State.

11 Sec. 3. 32 V.S.A. § 5830f is added to read:

12 § 5830f. PRIMARY CARE ACCESS TAX CREDIT

13 (a) Definitions. As used in this section:

14 (1) "Eligible primary care professional" means an individual licensed as
15 a physician under 26 V.S.A. chapter 23 or 33, as an advanced practice
16 registered nurse under 26 V.S.A. chapter 28, or as a physician assistant under
17 26 V.S.A. chapter 31, who, on or after January 1, 2021:

18 (A) practices primary care medicine in a rural, underserved area of
19 this State;

20 (B) is certified as eligible by the Department of Health under

21 ~~subsection (c) of this section;~~

1 ~~(C) agrees to practice primary care medicine for a minimum of 30~~
2 ~~hours per week in a rural, underserved area for at least five years following~~
3 ~~certification pursuant to subsection (c) of this section; and~~

4 ~~(D) has an unpaid student loan owed to an institution for course work~~
5 ~~directly related to the individual's training in primary care medicine.~~

6 ~~(2) "Underserved area" means an area in this State that is a health~~
7 ~~professional shortage area or medically underserved area or that contains a~~
8 ~~medically underserved population as defined by the federal Health Resources~~
9 ~~and Services Administration.~~

10 ~~(b) Credit. An eligible primary care professional shall be allowed a credit~~
11 ~~against the taxes due under this chapter as follows:~~

12 ~~(1) The credit may be claimed in the first year that the eligible primary~~
13 ~~care professional meets the conditions of eligibility for at least six months and~~
14 ~~may continue to be claimed in each of the four subsequent years or until the~~
15 ~~eligible primary care professional's student loan is paid in full, whichever~~
16 ~~comes first.~~

17 ~~(2) The credit may be claimed in an amount equal to the annual~~
18 ~~payments made on the student loan, not to exceed \$15,000.00 per year.~~

19 ~~(3) The credit shall not reduce the tax due under this chapter to less than~~
20 ~~\$0.00.~~

21 ~~(c) Eligibility limitation; certification~~

1 ~~(1) The Department of Health shall certify up to 15 eligible primary~~
2 ~~care professionals each year.~~

3 (2) The Department of Health shall monitor certified primary care
4 professionals to ensure that they continue to be eligible for the credit under this
5 section and shall decertify any primary care professional who ceases to meet
6 the conditions of eligibility. The Department of Health shall notify the
7 Department of Taxes whenever a primary care professional is certified or
8 decertified.

9 (3) A decertified primary care professional ceases to be eligible for the
10 credit under this section beginning with the tax year during which the primary
11 care professional is decertified.

12 (d) Rules. The Department of Health shall adopt rules in accordance with
13 3 V.S.A. chapter 25 as needed to carry out the provisions of this section.

14 (e) Annual report. On or before January 15, 2023 and on or before
15 January 15 annually thereafter, the Department of Health and the Department
16 of Taxes shall report to the House Committees on Health Care and on Ways
17 and Means and the Senate Committees on Health and Welfare and on Finance
18 the number of eligible primary care professionals certified and decertified each
19 year by the Department of Health pursuant to this section and the total annual
20 loss of revenue attributable to the credit established in subsection (b) of this

21 ~~section. The report of annual revenue loss pursuant to this subsection shall not~~

1 ~~be construed to replace any of the responsibility of the Department of Taxes~~
2 for biennial tax expenditure reporting under section 312 of this title.

3 Sec. 4. 33 V.S.A. § 1901(h) is added to read:

4 (h) Any graduate medical education payments made by the Agency of
5 Human Services or Department of Vermont Health Access to a qualified
6 teaching hospital shall be contingent on the teaching hospital maintaining at
7 least 30 family physician residency positions by 2026.

8 Sec. 5. 18 V.S.A. chapter 1 is amended to read:

9 CHAPTER 1. DEPARTMENT OF HEALTH; GENERAL PROVISIONS

10 Subchapter 1. General Provisions

11 § 1. GENERAL POWERS OF DEPARTMENT OF HEALTH

12 * * *

13 Subchapter 2. Health Care Professionals; Educational Assistance

14 * * *

15 Sec. 6. REDESIGNATIONS

16 (a) 18 V.S.A. § 10 (educational assistance; incentives; nurses) is
17 redesignated to be 18 V.S.A. § 31 in 18 V.S.A. chapter 1, subchapter 2.

18 (b) 18 V.S.A. § 10a (loan repayment for health care providers and Health
19 Care Educational Loan Repayment Fund) is redesignated to be 18 V.S.A. § 32
20 in 18 V.S.A. chapter 1, subchapter 2.

21 ~~Sec. 7. EFFECTIVE DATES~~

1 ~~(a) Secs. 1 (18 V.S.A. § 32), 5 (designation of subchapters in 18 V.S.A.~~
2 ~~chapter 1), and 6 (redesignations) and this section shall take effect on passage,~~
3 ~~with scholarships under 18 V.S.A. § 33(a) becoming available beginning with~~
4 ~~the 2021-2022 academic year.~~

5 (b) Secs. 2 (32 V.S.A. § 5813(y); statutory purpose of tax expenditure) and
6 3 (32 V.S.A. § 5830f; primary care access tax credit) shall take effect on
7 January 1, 2021 and apply to taxable years beginning on January 1, 2021 and
8 thereafter, except that the Department of Health shall begin the rulemaking
9 process prior to January 1, 2021 in order to have rules in effect on or before
10 that date.

11 ~~(c) Sec. 4 (33 V.S.A. § 1901(b)) shall take effect on July 1, 2020.~~

Sec. 1. 18 V.S.A. § 9491 is amended to read:

§ 9491. HEALTH CARE WORKFORCE; STRATEGIC PLAN

(a) The Director of Health Care Reform in the Agency of Human Services shall ~~oversee the development of~~ maintain a current health care workforce development strategic plan that continues efforts to ensure that Vermont has the health care workforce necessary to provide care to all Vermont residents. The Director of Health Care Reform may designate an entity responsible for convening meetings and for preparing the draft strategic plan. The Green Mountain Care Board established in chapter 220 of this title shall review the draft strategic plan and shall approve the final plan and any subsequent modifications.

(b)(1) The In maintaining the strategic plan, the Director or designee shall collaborate with the area health education centers, the State Workforce Development Board established in 10 V.S.A. § 541a, the Prekindergarten-16

~~Council established in 16 V.S.A. § 2905, the Department of Labor, the Department of Health, the Department of Vermont Health Access, and other interested parties to develop and maintain the plan~~ consult with an advisory group composed of the following seven members, at least one of whom shall be a nurse, to develop and maintain the strategic plan:

(A) one representative of the Green Mountain Care Board's primary care advisory group;

(B) one representative of the Vermont State Colleges;

(C) one representative of the Area Health Education Centers' workforce initiative;

(D) one representative of federally qualified health centers;

(E) one representative of Vermont hospitals;

(F) one representative of physicians; and

(G) one representative of long-term care facilities.

(2) The Director or designee shall serve as the chair of the advisory group.

(c) The Director of Health Care Reform shall ensure that the strategic plan includes recommendations on how to develop Vermont's health care workforce, including:

(1) the current capacity and capacity issues of the health care workforce and delivery system in Vermont, including the shortages of health care professionals, specialty practice areas that regularly face shortages of qualified health care professionals, issues with geographic access to services, and unmet health care needs of Vermonters;

(2) the resources needed to ensure that:

(A) the health care workforce and the delivery system are able to provide sufficient access to services given demographic factors in the population and in the workforce, as well as other factors;

(B) the health care workforce and the delivery system are able to participate fully in health care reform initiatives, including establishing a medical home for all Vermont residents through the Blueprint for Health pursuant to chapter 13 of this title and transitioning to electronic medical records; and

(C) all Vermont residents have access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to

~~other components of health care as part of an integrated, holistic system of care;~~

~~(3) how State government, universities and colleges, the State's educational system, entities providing education and training programs related to the health care workforce, and others may develop the resources in the health care workforce and delivery system to educate, recruit, and retain health care professionals to achieve Vermont's health care reform principles and purposes; and~~

~~(4) reviewing data on the extent to which individual health care professionals begin and cease to practice in their applicable fields in Vermont;~~

~~(5) identifying factors which either hinder or assist in recruitment or retention of health care professionals, including an examination of the processes for prior authorizations, and making recommendations for further improving recruitment and retention efforts;~~

~~(6)(3) assessing the availability of State and federal funds for health care workforce development.~~

~~(c) Beginning January 15, 2013, the Director or designee shall provide the strategic plan approved by the Green Mountain Care Board to the General Assembly and shall provide periodic updates on modifications as necessary. [Repealed.]~~

Sec. 2. HEALTH CARE WORKFORCE STRATEGIC PLAN; REPORT

(a) The Director of Health Care Reform, in connection with the advisory group established pursuant to 18 V.S.A. § 9491(b) in Sec. 1 of this act, shall update the health care workforce strategic plan as set forth in 18 V.S.A. § 9491 and shall submit a draft of the plan to the Green Mountain Care Board for its review and approval on or before December 1, 2020. The Board shall review and approve the plan within 30 days following receipt.

(b) On or before January 15, 2021, the Director shall provide the updated health care workforce strategic plan to the House Committees on Health Care and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs.

Sec. 3. 18 V.S.A. § 33 is added to read:

§ 33. MEDICAL STUDENTS; PRIMARY CARE

(a) The Department of Health, in collaboration with the Office of Primary Care and Area Health Education Centers Program at the University of Vermont College of Medicine (AHEC), shall establish a rural primary care

physician scholarship program. The scholarships shall cover the medical school tuition for up to five third-year and up to five fourth-year medical students annually who commit to practicing primary care in a rural, health professional shortage or medically underserved area of this State. For each academic year of tuition covered by the scholarship, the recipient shall incur an obligation of two years of full-time service or four years of half-time service. Students receiving a scholarship for their third year of medical school shall be eligible to receive another scholarship for their fourth year of medical school. The amount of each scholarship shall be set at the in-state tuition rate less any other State or federal educational grant assistance the student receives for the same academic year.

(b) Approved specialties shall be all of the specialties recognized by the National Health Service Corps at the time of the scholarship award, which may include family medicine, internal medicine, pediatrics, obstetrics-gynecology, and psychiatry.

(c) A scholarship recipient who does not fulfill the commitment to practice primary care in accordance with the terms of the award shall be liable for repayment of the full amount of the scholarship, plus interest calculated in accordance with the formula determined by the National Health Service Corps for failure to complete a service obligation under that program.

**Sec. 4. RURAL PRIMARY CARE PHYSICIAN SCHOLARSHIP
PROGRAM; APPROPRIATION**

(a) The sum of \$811,226.00 in Global Commitment investment funds is appropriated to the Department of Health in fiscal year 2021 for scholarships for medical students who commit to practicing in a rural, health professional shortage or medically underserved area of this State in accordance with 18 V.S.A. § 33.

(b) It is the intent of the General Assembly that scholarship funds to expand Vermont's primary care physician workforce should continue to be appropriated in future years to ensure that Vermonters have access to necessary health care services, preferably in their own communities.

**Sec. 5. EDUCATIONAL ASSISTANCE; NURSING STUDENTS;
APPROPRIATION**

(a) The sum of \$1,381,276.00 in Global Commitment investment funds is appropriated to the Department of Health for additional scholarships for nursing students pursuant to the program established in 18 V.S.A. § 31, as redesignated by Sec. 7 of this act, and administered by the Vermont Student Assistance Corporation.

(b)(1) First priority for the scholarship funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for the scholarship funds shall be given to students pursuing an associate's degree in nursing who will be eligible to sit for the NCLEX-RN examination upon graduation.

(3) Third priority for the scholarship funds shall be given to students pursuing a bachelor of science degree in nursing.

(c) To be eligible for a scholarship under this section, applicants shall:

(1) demonstrate financial need;

(2) demonstrate academic capacity by carrying at least a 2.5 grade point average in their course of study prior to receiving the fund award; and

(3) agree to work as a nurse in Vermont for a minimum of one year following licensure for each year of scholarship awarded.

(d) Students attending an accredited postsecondary educational institution in Vermont shall receive first preference for scholarships.

(e) There shall be no deadline to apply for a scholarship under this section. Scholarships shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of fiscal year 2021 shall roll over and shall be available to the Department of Health in fiscal year 2022 for additional scholarships as described in this section.

(f) It is the intent of the General Assembly that scholarship funds to expand Vermont's nursing workforce should continue to be appropriated in future years to ensure that Vermonters have access to necessary health care services, preferably in their own communities.

Sec. 5a. 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. C.106.1 is amended to read:

*Sec. C.106.1 EXPANDING THE VERMONT WORKFORCE FOR
SUBSTANCE USE DISORDER TREATMENT AND
MENTAL HEALTH PROFESSIONALS*

(a) The sum of \$5,000,000 is appropriated from the Tobacco Litigation Settlement Fund to the Agency of Human Services in fiscal year 2018 and shall carry forward for the uses and based on the allocations set forth in subsections (b) and (c) of this section. The purpose of the funds is to make strategic investments in order to expand the supply of high-quality substance use

disorder treatment and mental health professionals available to Vermont residents in need of their services.

(b) The sum appropriated to the Agency of Human Services in subsection (a) of this section shall be allocated to the Agency as follows:

(1) \$1,500,000 for fiscal year 2019, which shall not be distributed until the Agency provides proposed expenditures as part of its fiscal year 2019 budget adjustment request;

(2) \$1,500,000 for fiscal year 2020, for which the Agency shall provide proposed expenditures as part of its fiscal year 2020 budget request or budget adjustment request, or both;

(3) \$1,500,000 for fiscal year 2021;

(A) of which \$1,000,000 is allocated as the State match to fund scholarships for nursing students and medical students in accordance with 18 V.S.A. §§ 31 and 33; and

(B) the remaining \$500,000 for which the Agency shall provide proposed expenditures as part of its fiscal year 2021 budget request or budget adjustment request, or both; and

(4) \$500,000 which may be provided in fiscal year 2022 or after as needed to ensure successful and sustainable implementation of the workforce expansion initiatives developed pursuant to this section.

* * *

Sec. 6. 18 V.S.A. chapter 1 is amended to read:

CHAPTER 1. DEPARTMENT OF HEALTH; GENERAL PROVISIONS

Subchapter 1. General Provisions

§ 1. GENERAL POWERS OF DEPARTMENT OF HEALTH

* * *

Subchapter 2. Health Care Professions; Educational Assistance

* * *

Sec. 7. REDESIGNATIONS

(a) 18 V.S.A. § 10 (educational assistance; incentives; nurses) is redesignated to be 18 V.S.A. § 31 in 18 V.S.A. chapter 1, subchapter 2.

(b) 18 V.S.A. § 10a (loan repayment for health care providers and Health Care Educational Loan Repayment Fund) is redesignated to be 18 V.S.A. § 32 in 18 V.S.A. chapter 1, subchapter 2.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2020.