

**Maryland Loan Assistance Repayment Program (MLARP) for Physicians and Physician Assistants**

**Sustainable Funding Subgroup**

May 18, 2021 9:00 a.m. – 10:00 a.m., Virtual Meeting

**Minutes**

**Attendees**

Matthew Dudzic, Board of Physicians (BOP)  
Megan Renfrew, Health Services Cost Review Commission (HSCRC)  
Erin Dorrien, Maryland Hospital Association (MHA)  
Jane Krienke, Maryland Hospital Association (MHA)  
Shamonda Braithwaite, Mid-Atlantic Association of Community Health Clinics (MACHC)  
Delegate Erek Barron, Maryland House of Delegates  
Sara Seitz, Maryland Department of Health (MDH)  
Sadé Diggs, Maryland Department of Health (MDH)

**Notes**

- I. **Welcome/Introduction:** Subgroup lead provided list of brainstorming ideas for the group to discuss policy pros and cons of each suggested sustainable funding source, separate from the legislative action/strategy that would be required and discussed at a later time.
  
- II. **Group Brainstorm:** The group walked through potential future state funding sources, noting pros, cons, examples and additional thoughts/needs alongside each funding source as noted in the Table 1 on pages 2-4.
  
- III. **Next Steps**
  - a. Plan of Action Toward Recommendations
    - i. Members will continue to add to information/thoughts to the potential funding source options chart saved on the Google Drive
    - ii. Drill down on potential sustainable funding options
  - b. Member Action Steps
    - i. MHA and MedChi will meet with HSCRC to think through a strategy to further discuss the potential of rate setting with the Center for Medicare and Medicaid Innovation (CMMI)
    - ii. MHA will internally begin to process the potential for a new assessment outside of the rates setting system
    - iii. MHA, Board of Physicians, and MedChi will meet to talk about licensure surcharge ideas
  - c. Next Meeting
    - i. The subgroup will meet again at the end of June/early July before next main Workgroup meeting; Members will choose date via Doodle poll sent out by Workgroup staff.

**Table 1: Potential State Funding Sources, 5/18/2021 Subgroup Meeting**

Potential Funding Source	Pros	Cons	Example	Additional Notes
Insurers	Direct, sustainable	Unknown willingness level		Connect to network adequacy data/issues?
Provider Licensure Surcharge/Current Provider Contribution	<p>Currently 12 health professional types pay into LARP, but only MDs and PAs benefit. Licensure fee would allow targeting to professional types that benefit.</p> <p>Optional provider contribution. <i>Could that be written off on taxes?</i></p>	<p>Mandate from the Gov to not increase fees, and reduce whenever possible.</p> <p>Most people who pay won't benefit, even amount PAs and MDs</p> <p>Voluntary contribution would be an unstable income source.</p>	<p>DC attorney license</p> <p>California</p>	<p>I like the idea of providers funding their peers from an ethical perspective (like lawyers funding public interest law)--but requiring it is politically challenging.</p> <p>Some other professions that are regulated, but not high earning-- why are they funding a physician program.</p>
Employer Match	<p>Demonstrates employer dedication to the candidate/slot.</p> <p>Non-taxable, not seen as income</p>	<p>Not redistributive (i.e. takes money from the employer in the underserved area, rather than distributing the cost more broadly, including from others who can better afford)--which may limit how many providers the employer can employ. This makes the program more beneficial for larger employers. It would be impossible to open a 1 doc. practice with this model.</p> <p>This is an unstable revenue base because it is voluntary</p> <p>Is this approach a higher administrative burden for MDH?</p>	Alaska recruitment network	<p>Employer wants a recipient, and funds that slot.</p> <p>AK addresses redistribution issue by having more programs and sliding scale of subsidy from the state by how hard it is to recruit.</p> <p>What are "hospitals" spending to recruit? Cost is high in rural areas (shore). What about FQHCs?</p> <p>Ric (lifebridge): In a urban/suburban area (not underserved area), \$20/30K bonus for hospitalists, + several FTEs on recruitment and retention. They are getting a lot of requests for loan repayment.</p> <p>LARP state program is not physician income, but the hospital payment is of loans is taxable.</p>

				Could MD set up a program like AK's recruitment network? Licensing boards have a recruitment network. Licensees are notified when positions come available.
Assessment on Health Care Facilities (Hospitals and others)	Fair / Distributed across the system  Access to care resonates under Total Cost of Care more than it used to, so that people can be treated in the community.	Political headwinds for an increase in assessment		Need to look at the sites that benefit from the program.
Rate Setting	Clear connection to goals of Total Cost of Care: Increase high quality primary care access in areas most needed	CMMI provided negative response regarding use of rates; unallowable		MHA and MedChi support using rates. See it as a clean route to sustainable funding  HSCRC urges caution about what we ask of CMMI
Grants and Private Foundations		Temporary/not 100% sustainable  Requires ongoing staff time to chase dollars (v.s. a permanent source)  Grantor may dictate terms and data required.	Washington State	Some foundations are supporting access to care.  WA statute had a solicitation system built into the law to support the staff to look for grants-- the legislature had to give permission to the state to solicit grants.  CA and OK had private partners.
Dedicated Tax	Broad based Stable revenue source--tends to decline slowly over time.	Politically difficult		Need to research share of each type of tax. Options: Sports betting, Flavored tobacco, Marijuana Legalization, Sin taxes, Education  Is there a way to earmark some portion or some other current source of funding?

				How to package? Easier if we expand the program so that we are covering more health professions
Community/local investment				
State tax donation	Broad potential --there are a large # of tax payers	Could the option be presented in a few words that would make it appeal to tax payers?  Taxpayers may think doctors earn enough.	Maryland Cancer Fund	A box on the state tax form that asks people to donate to fund.
Schools and Universities				Well funded law schools fund LARP for their lower-income public service graduates