

1 ENGROSSED HOUSE
2 BILL NO. 2503

By: Mize, West (Josh) and Burns
of the House

3 and

4 Rader of the Senate

5
6
7 [revenue and taxation - establishing tax credit for
8 certain individuals who conduct a preceptorship
9 rotation - establishing requirements for
10 individuals claiming credit - effective date]
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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.406 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. As used in this section:

19 1. "Advanced Practice Registered Nurse student" means an
20 individual participating in a training program in this state that is
21 accredited by a nationally recognized accrediting body for advanced
22 practice registered nursing programs for the training of individuals
23 to become Advanced Practice Registered Nurses as defined in Section
24 567.3a of Title 59 of the Oklahoma Statutes;

1 2. "Faculty preceptor" means a medical doctor, a doctor of
2 osteopathy, an Advanced Practice Registered Nurse or a physician
3 assistant who:

- 4 a. is licensed in this state, and
- 5 b. practices in a location not less than forty (40) miles
6 from the city center of a city with a population of
7 not less than two hundred fifty thousand (250,000);

8 3. "Medical school" means a legally chartered allopathic
9 medical school recognized by the Oklahoma State Regents for Higher
10 Education;

11 4. "Medical student" means a student currently enrolled in a
12 medical school in this state or a school or college of osteopathic
13 medicine in this state;

14 5. "Physician assistant student" means an individual
15 participating in a training program in this state that is approved
16 by the State Board of Medical Licensure and Supervision for the
17 training of individuals to become physician assistants as defined in
18 Section 519.2 of Title 59 of the Oklahoma Statutes;

19 6. "Preceptorship rotation" means a period of preceptorship
20 training of one or more medical students, residents, physician
21 assistant students or Advanced Practice Registered Nurse students
22 that in aggregate totals one hundred sixty (160) hours;

23 7. "Preceptorship training" means uncompensated training of a
24 medical student, resident, Advanced Practice Registered Nurse

1 student or physician assistant student enrolled in a training
2 program in Oklahoma;

3 8. "Resident" means a medical doctor or doctor of osteopathy
4 pursuing postgraduate medical education at a program supported by a
5 state-supported school, a medical school or a school or college of
6 osteopathic medicine in this state; and

7 9. "School or college of osteopathic medicine" means a legally
8 chartered and accredited school or college of osteopathic medicine
9 requiring:

- 10 a. for admission to its courses of study, a preliminary
11 education equal to the requirements established by the
12 Bureau of Professional Education of the American
13 Osteopathic Association, and
14 b. for granting the D.O. degree, Doctor of Osteopathy or
15 Doctor of Osteopathic Medicine, actual attendance at
16 such osteopathic school or college and demonstration
17 of successful completion of the curriculum and
18 recommendation for graduation.

19 B. 1. For taxable years beginning on or after January 1, 2021,
20 and ending on December 31, 2030, there shall be allowed a credit
21 against the tax imposed pursuant to Section 2355 of Title 68 of the
22 Oklahoma Statutes for a faculty preceptor who conducts a
23 preceptorship rotation.

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1 2. The credit shall be allowed for no greater than ten
2 preceptorship rotations completed in a calendar year, and shall be
3 equal to the following amounts:

4 a. for a licensed medical doctor or doctor of osteopathy,
5 Five Hundred Dollars (\$500.00) each for the first,
6 second or third preceptorship rotations and One
7 Thousand Dollars (\$1,000.00) each for up to seven
8 subsequent rotations, and

9 b. for a licensed Advanced Practice Registered Nurse or a
10 physician assistant, Three Hundred Seventy-five
11 Dollars (\$375.00) each for the first, second or third
12 preceptorship rotations and Seven Hundred Fifty
13 Dollars (\$750.00) each for up to seven subsequent
14 rotations.

15 C. The credit authorized by this section shall not be used to
16 reduce the tax liability of the taxpayer to less than zero (0).

17 D. To the extent not used, the credits authorized by this
18 section may be carried over, in order, to each of the five (5)
19 subsequent tax years.

20 E. A faculty preceptor shall not be eligible for the credit
21 created under this section if he or she is not certified by the
22 Physician Manpower Training Commission as provided by Section 697.5
23 of Title 70 of the Oklahoma Statutes.

1 F. The Physician Manpower Training Commission shall certify
2 preceptorship rotations on behalf of all eligible public and private
3 training programs for medicine, osteopathic medicine, advanced
4 practice nursing, and physician assistants at institutions in this
5 state for the purpose of determining eligibility for the income tax
6 credit created under this section and shall provide to the taxpayer
7 such information as may be required pursuant to subsection G of this
8 section.

9 G. In order to receive the credit provided pursuant to this
10 section, a faculty preceptor shall:

11 1. Claim the credit for the tax year in which the preceptorship
12 rotation was completed;

13 2. Certify that he or she did not receive payment during such
14 tax year from any source for providing the training; and

15 3. Supply such supporting documentation as may be required by
16 the Oklahoma Tax Commission.

17 H. The credit provided by this section shall be evaluated by
18 the Incentive Evaluation Commission at least once every four (4)
19 years, as provided in Section 7004 of Title 62 of the Oklahoma
20 Statutes. In addition to any other data, the evaluation shall
21 include data on the annual:

22 1. Number of faculty preceptors claiming the credit;

23 2. Total number of preceptorship rotations completed;

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1 3. Number and type of trainees who participated in a
2 preceptorship rotation; and

3 4. Total amount of credits allowed pursuant to this section.

4 SECTION 2. AMENDATORY 70 O.S. 2011, Section 697.5, is
5 amended to read as follows:

6 Section 697.5 The Physician Manpower Training Commission, in
7 order to perform its official function in establishing and
8 administering physician training programs, shall have the following
9 specific powers, duties and responsibilities:

10 1. To review all available data on physician manpower in
11 Oklahoma in order to determine the current and projected
12 distribution of physicians by geographic location and by type of
13 practice, and, to accomplish this review, the Commission shall
14 obtain information from and work in conjunction with the State
15 Department of Health and all other agencies which gather data and
16 evaluate health manpower needs;

17 2. To review data and information on accredited physician
18 internship and residency programs currently operated by Oklahoma
19 hospitals and other approved clinical situations, in order to
20 ascertain the number and distribution by physician specialty
21 training and by geographic location of available internship and
22 residency positions and to evaluate the impact of internship and
23 residency placement on the establishment of practices by physicians

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1 in that geographic area or similar areas within the state where
2 their services are urgently needed;

3 3. To serve as an agent to advise hospitals, clinics, and
4 communities on setting up and planning internship and residency
5 programs which emphasize the provision of additional primary care
6 physicians to service the rural areas of Oklahoma with primary care
7 specialties to be defined to include training in the area of
8 internal medicine, obstetrics and gynecology, pediatrics, emergency
9 trauma, and family practice;

10 4. To provide general counsel and advice in the development,
11 operation and evaluation of physician internship and residency
12 programs throughout the State of Oklahoma in cooperation with the
13 efforts of the Oklahoma State Regents for Higher Education and the
14 state's physician training institutions such as the ~~Oklahoma~~
15 University of Oklahoma College of Medicine, Oklahoma City and Tulsa
16 campuses, and the Oklahoma College of Osteopathic Medicine and
17 Surgery, and subject to accreditation by official and appropriate
18 accrediting agencies;

19 5. To develop the criteria for determining the physician
20 training cost component or associated clinical and hospital training
21 costs which are or may be nonreimbursable by third party payers in
22 programs proposed by accredited hospitals, clinical situations, or
23 hospital and clinical programs affiliated with and administered by
24 the University of Oklahoma College of Medicine, College of Medicine

1 - Tulsa or College of Osteopathic Medicine and Surgery in order to
2 determine the share for the state in supporting the salary,
3 benefits, training and program administration costs incurred by
4 hospitals in supporting of the interns and residents;

5 6. To develop the criteria and procedure by which state
6 matching funds will be awarded to hospitals, accredited clinical
7 situations, in cooperation with the University of Oklahoma College
8 of Medicine, University of Oklahoma College of Medicine - Tulsa, and
9 the Oklahoma College of Osteopathic Medicine and Surgery which shall
10 administer programs in hospital and clinical situations in the state
11 to be used to underwrite the salaries, benefits and associated
12 training and administration costs provided for the physician interns
13 and residents during their period of training in such a way as to
14 create an incentive for the development and establishment of
15 residency and internship positions by hospitals, clinical
16 establishments or by affiliation agreement with the University of
17 Oklahoma College of Medicine, University of Oklahoma College of
18 Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine
19 and Surgery by providing funds to cover and to supplement the
20 nonreimbursable or additional costs incurred in hospitals for
21 training activities or for delivery of service in outreach and
22 ambulatory clinical situations which are outside but associated with
23 the hospitals and clinical establishments participating in the
24 program;

1 7. To review and to approve for inclusion in the programs
2 funded the applications for funds submitted by accredited hospitals
3 and clinical situations participating in physician training programs
4 in cooperation with the University of Oklahoma College of Medicine,
5 University of Oklahoma College of Medicine - Tulsa and the Oklahoma
6 College of Osteopathic Medicine and Surgery for the costs of
7 supplying residents and interns in programs which they administer by
8 affiliation agreements with hospitals and clinical situations
9 throughout the state in which the interns and residents are
10 supervised and funded by the University of Oklahoma College of
11 Medicine, University of Oklahoma College of Medicine - Tulsa and the
12 Oklahoma College of Osteopathic Medicine and Surgery and the
13 hospitals and clinical establishments pay for the patient care
14 services rendered in their institutions by these residents and
15 interns during the period of training;

16 8. To determine the specific level of funding and the
17 priorities used for granting state support to approved hospitals and
18 clinical situations, in cooperation with the University of Oklahoma
19 College of Medicine, University of Oklahoma College of Medicine -
20 Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery
21 for approved hospital physician training programs for interns and
22 residents and to recommend to the Governor and the Oklahoma
23 Legislature the total funds needed to carry out the purpose of this
24 program;

1 9. To employ a director and any staff personnel required to
2 administer the funding of approved physician training programs and
3 to contract with other state agencies and institutions to conduct
4 and to perform specified services, functions and aspects in
5 administering state funds on the specified cost-sharing basis
6 determined by the Commission or for developing programs and
7 community and institutional participation in these training
8 programs;

9 10. To ensure that hospitals or clinical situations that can
10 qualify in all sections of Oklahoma be utilized, and to take all
11 steps necessary to assist such hospitals or clinics in obtaining
12 necessary recognition or status, or in meeting standards for
13 accreditation or affiliation so that they may participate in these
14 physician training programs;

15 11. To ensure that in programs administered and operated by the
16 University of Oklahoma College of Medicine, University of Oklahoma
17 College of Medicine - Tulsa and the Oklahoma College of Osteopathic
18 Medicine and Surgery in hospitals and clinical situations throughout
19 the state that funds allocated to the colleges are paid by the
20 hospitals and clinical situations in which the patient care services
21 are rendered, the funds are expended for such purposes in funding
22 residents and interns in the physician training programs that the
23 colleges have established with the approved hospitals and clinical
24 situations which programs are designed to provide primary health

1 care services to the rural and medically underserved parts of the
2 state;

3 12. To conduct and to administer a program of physician and
4 health manpower placement services throughout the State of Oklahoma.
5 Placement services shall be made available to communities,
6 hospitals, health care facilities, physician and health professional
7 training institutions, health professional associations and
8 organizations, individual physicians, health professionals, students
9 in physician and health professional training institutions and
10 schools, and other interested parties in such a way so as to further
11 the purposes of improving the distribution of physicians and health
12 professionals practicing or available for practice in the state and
13 improving in the availability of health care services to the people
14 of the state. ~~Said~~ The placement service shall include but not be
15 limited to assisting communities in matching with, contacting and
16 recruiting physicians and health professionals to practice in
17 communities in the state. The Commission shall develop criteria and
18 procedures for the conduct and performance of placement services and
19 employ any staff, contract for services with any private agency,
20 nonprofit corporation or institution to facilitate the performance
21 of placement services; and

22 13. For purposes of the income tax credit authorized pursuant
23 to Section 1 of this act and in cooperation with the Oklahoma Tax
24 Commission:

