

1 ENGROSSED SENATE
2 BILL NO. 1504

By: Thompson (Kristen) and
Garvin of the Senate

3 and

4 McEntire of the House
5

6 An Act relating to medical preceptorship training;
7 defining terms; providing income tax credit for
8 certain individuals who conduct a preceptorship
9 rotation; providing amount of and basis for credit;
10 providing limitations on credits allowed; prohibiting
11 refundability of credit; authorizing the carry
12 forward of credit; directing the Health Care
13 Workforce Training Commission to award credit;
14 limiting the amount of credit awarded to balance of
15 certain revolving funds; authorizing allocation of
16 partial credit; authorizing credits not allowed to be
17 claimed in subsequent year; specifying eligibility
18 for credit; directing the State Board of Medical
19 Licensure and Supervision, the State Board of
20 Osteopathic Examiners, and the Oklahoma Board of
21 Nursing to deposit certain fees in revolving fund for
22 certain purpose; requiring submission of information;
23 authorizing promulgation of rules; creating the
24 Physician Preceptor Tax Credit Revolving Fund, the
Physician Assistant Preceptor Tax Credit Revolving
Fund, the Osteopathic Physician Preceptor Tax Credit
Revolving Fund, and the Advanced Practice Registered
Nurses Preceptor Tax Credit Revolving Fund;
specifying sources of funds; providing for transfer
of monies to Oklahoma Tax Commission; requiring
apportionment of monies; authorizing payment of
administrative expenditures; stating purpose;
amending 70 O.S. 2021, Section 697.5, as amended by
Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp.
2023, Section 697.5), which relates to the Health
Care Workforce Training Commission; providing
additional duties; updating statutory language;
providing for codification; providing an effective
date; and declaring an emergency.

1
2 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

3 SECTION 1. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2357.409 of Title 68, unless
5 there is created a duplication in numbering, reads as follows:

6 A. As used in this section:

7 1. "Advanced practice registered nursing student" means an
8 individual participating in a state-supported training program in
9 this state that is approved by the Oklahoma Board of Nursing for the
10 training of individuals to become Advanced Practice Registered
11 Nurses as defined in Section 567.3a of Title 59 of the Oklahoma
12 Statutes;

13 2. "Faculty preceptor" means an allopathic physician,
14 osteopathic physician, physician assistant, or Advanced Practice
15 Registered Nurse licensed in this state and who provides primary
16 care services;

17 3. "Medical school" means a legally chartered medical school
18 recognized by the Oklahoma State Regents for Higher Education;

19 4. "Medical student" means a student currently enrolled in a
20 medical school in this state or a school or college of osteopathic
21 medicine in this state;

22 5. "Physician assistant student" means an individual
23 participating in a state-supported training program in this state
24 that is approved by the State Board of Medical Licensure and

1 Supervision for the training of individuals to become physician
2 assistants as defined in Section 519.2 of Title 59 of the Oklahoma
3 Statutes;

4 6. "Preceptorship rotation" means a period of preceptorship
5 training of one or more medical students, residents, physician
6 assistant students, or advanced practice registered nursing students
7 that in aggregate totals one hundred sixty (160) hours;

8 7. "Preceptorship training" means uncompensated training in
9 primary care services of a medical student, resident, physician
10 assistant student, or advanced practice registered nursing student
11 enrolled in a training program in this state;

12 8. "Primary care services" means family medicine, geriatrics,
13 general internal medicine, general pediatrics, or the substantial
14 equivalent of such services when performed by a physician assistant
15 or Advanced Practice Registered Nurse;

16 9. "Resident" means an allopathic physician or osteopathic
17 physician pursuing postgraduate medical education at a program
18 supported by a medical school or a school or college of osteopathic
19 medicine in this state; and

20 10. "School or college of osteopathic medicine" shall have the
21 same meaning as provided by Section 631 of Title 59 of the Oklahoma
22 Statutes.

23 B. 1. For tax years 2025 through 2034, there shall be allowed
24 a credit against the tax imposed pursuant to Section 2355 of Title

1 68 of the Oklahoma Statutes for a faculty preceptor who conducts a
2 preceptorship rotation.

3 2. Except as provided for by subsection F of this section,
4 credit shall be allowed for no greater than ten preceptorship
5 rotations completed in a calendar year, and shall be equal to the
6 following amounts:

7 a. for a medical student or resident, Five Hundred
8 Dollars (\$500.00) each for the first, second, or third
9 preceptorship rotations and One Thousand Dollars
10 (\$1,000.00) each for up to seven subsequent rotations,
11 and

12 b. for a physician assistant student or advanced practice
13 registered nursing student, Three Hundred Seventy-five
14 Dollars (\$375.00) each for the first, second, or third
15 preceptorship rotations and Seven Hundred Fifty
16 Dollars (\$750.00) each for up to seven subsequent
17 rotations.

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

20 D. To the extent not used, the credits authorized by this
21 section may be carried over, in order, to each of the five (5)
22 subsequent tax years.
23
24

1 E. The Health Care Workforce Training Commission shall award
2 the credit authorized by subsection B of this section to faculty
3 preceptors for preceptorship rotations of:

4 1. Medical students enrolled in a medical school in this state;

5 2. Residents who are allopathic physicians pursuing
6 postgraduate medical education at a program supported by a medical
7 school in this state;

8 3. Physician assistant students;

9 4. Medical students enrolled in a school or college of
10 osteopathic medicine in this state;

11 5. Residents who are osteopathic physicians pursuing
12 postgraduate medical education at a program supported by a school or
13 college of osteopathic medicine in this state; and

14 6. Advanced practice registered nursing students.

15 F. 1. The credits awarded by the Health Care Workforce
16 Training Commission under paragraphs 1 and 2 subsection E of this
17 section for the tax year shall not exceed the amount deposited to
18 the Physician Preceptor Tax Credit Revolving Fund created in Section
19 2 of this act during the fiscal year ending on the June 30 date
20 immediately preceding the date upon which the applicable income tax
21 year begins.

22 2. The credits awarded by the Health Care Workforce Training
23 Commission under paragraph 3 of subsection E of this section for the
24 tax year shall not exceed the amount deposited to the Physician

1 Assistant Preceptor Tax Credit Revolving Fund created in Section 3
2 of this act during the fiscal year ending on the June 30 date
3 immediately preceding the date upon which the applicable income tax
4 year begins.

5 3. The credits awarded by the Health Care Workforce Training
6 Commission under paragraphs 4 and 5 of subsection E of this section
7 for the tax year shall not exceed the amount deposited to the
8 Osteopathic Physician Preceptor Tax Credit Revolving Fund created in
9 Section 4 of this act during the preceding fiscal year ending on the
10 June 30 date immediately preceding the date upon which the
11 applicable income tax year begins.

12 4. The credits awarded by the Health Care Workforce Training
13 Commission under paragraph 6 of subsection E of this section for the
14 tax year shall not exceed the amount deposited to the Advanced
15 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
16 created in Section 5 of this act during the preceding fiscal year
17 ending on the June 30 date immediately preceding the date upon which
18 the applicable income tax year begins.

19 G. Partial claims for credit may be awarded. Credits earned
20 but not allowed due to the application of the limitation provided in
21 this section shall be considered suspended and authorized to be used
22 in the subsequent tax year and applied to the next tax year's
23 limitation.

24

1 H. In order to receive the credit provided pursuant to this
2 section, a faculty preceptor shall:

3 1. Claim the credit for the tax year in which the preceptorship
4 rotation was completed;

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

7 3. Supply supporting documentation as may be required by the
8 Health Care Workforce Training Commission.

9 I. 1. The State Board of Medical Licensure and Supervision
10 shall reserve Five Dollars (\$5.00) of every annual licensure fee
11 received from allopathic physicians and shall deposit the sum to the
12 Physician Preceptor Tax Credit Revolving Fund created in Section 2
13 of this act for the purpose of providing funding for the credit
14 authorized by this section.

15 2. The State Board of Medical Licensure and Supervision shall
16 reserve Two Dollars (\$2.00) of every annual licensure fee received
17 from physician assistants and shall deposit the sum to the Physician
18 Assistant Preceptor Tax Credit Revolving Fund created in Section 3
19 of this act for the purpose of providing funding for the credit
20 authorized by this section.

21 3. The State Board of Osteopathic Examiners shall reserve Five
22 Dollars (\$5.00) of every annual licensure fee received from
23 osteopathic physicians and shall deposit the sum to the Osteopathic
24 Physician Preceptor Tax Credit Revolving Fund created in Section 4

1 of this act for the purpose of providing funding for the credit
2 authorized by this section.

3 4. The Oklahoma Board of Nursing shall reserve Two Dollars
4 (\$2.00) of every annual licensure fee received from Advanced
5 Practice Registered Nurses and shall deposit the sum to the Advanced
6 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
7 created in Section 5 of this act for the purpose of providing
8 funding for the credit authorized by this section.

9 J. 1. With respect to each tax year for which any tax credit
10 authorized by this section is awarded, the Health Care Workforce
11 Training Commission shall electronically submit information to the
12 Oklahoma Tax Commission, which shall include the number and amount
13 of tax credits awarded and the name of the taxpayers that were
14 awarded credits.

15 2. With respect to each fiscal year the State Board of Medical
16 Licensure and Supervision, the State Board of Osteopathic Examiners,
17 and the Oklahoma Board of Nursing shall electronically submit to the
18 Health Care Workforce Training Commission and the Oklahoma Tax
19 Commission the amount deposited in the Physician Preceptor Tax
20 Credit Revolving Fund created in Section 2 of this act, the
21 Physician Assistant Preceptor Tax Credit Revolving Fund created in
22 Section 3 of this act, the Osteopathic Physician Preceptor Tax
23 Credit Revolving Fund created in Section 4 of this act, and the
24

1 Advanced Practice Registered Nurses Preceptor Tax Credit Revolving
2 Fund created in Section 5 of this act.

3 K. The Oklahoma Tax Commission, the Health Care Workforce
4 Training Commission, the State Board of Medical Licensure and
5 Supervision, the State Board of Osteopathic Examiners, and the
6 Oklahoma Board of Nursing may promulgate rules to effectuate the
7 provisions of this act.

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 495i of Title 59, unless there
10 is created a duplication in numbering, reads as follows:

11 There is hereby created in the State Treasury a revolving fund
12 for the State Board of Medical Licensure and Supervision to be
13 designated the "Physician Preceptor Tax Credit Revolving Fund". The
14 fund shall be a continuing fund, not subject to fiscal year
15 limitations, and shall consist of the monies received by the Board
16 from a portion of licensure fees received from allopathic physicians
17 under subsection I of Section 1 of this act. All monies accruing to
18 the credit of the fund are hereby appropriated and the fund shall be
19 used to make a transfer payment to the Oklahoma Tax Commission in an
20 amount equal to the amount of tax credits awarded pursuant to this
21 act. The Oklahoma Tax Commission shall apportion monies transferred
22 from the fund in the same manner as provided by Section 2352 of
23 Title 68 of the Oklahoma Statutes. Monies in the fund which are not
24 required for payment of administrative expenses to the Health Care

1 Workforce Training Commission, which shall not exceed five percent
2 (5%) of monies apportioned to the fund, or which are not required to
3 be transferred to the Oklahoma Tax Commission as otherwise required
4 by this act to offset the revenue impacted by the use of the income
5 tax credits awarded pursuant to Section 1 of this act may be used to
6 implement programs required or authorized by law.

7 SECTION 3. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 519.8a of Title 59, unless there
9 is created a duplication in numbering, reads as follows:

10 There is hereby created in the State Treasury a revolving fund
11 for the State Board of Medical Licensure and Supervision to be
12 designated the "Physician Assistant Preceptor Tax Credit Revolving
13 Fund". The fund shall be a continuing fund, not subject to fiscal
14 year limitations, and shall consist of the monies received by the
15 Board from a portion of licensure fees received from physician
16 assistants under subsection I of Section 1 of this act. All monies
17 accruing to the credit of the fund are hereby appropriated and the
18 fund shall be used to make a transfer payment to the Oklahoma Tax
19 Commission in an amount equal to the amount of tax credits awarded
20 pursuant to this act. The Oklahoma Tax Commission shall apportion
21 monies transferred from the fund in the same manner as provided by
22 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
23 fund which are not required for payment of administrative expenses
24 to the Health Care Workforce Training Commission, which shall not

1 exceed five percent (5%) of monies apportioned to the fund, or which
2 are not required to be transferred to the Oklahoma Tax Commission as
3 otherwise required by this act to offset the revenue impacted by the
4 use of the income tax credits awarded pursuant to Section 1 of this
5 act may be used to implement programs required or authorized by law.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 645.1 of Title 59, unless there
8 is created a duplication in numbering, reads as follows:

9 There is hereby created in the State Treasury a revolving fund
10 for the State Board of Osteopathic Examiners to be designated the
11 "Osteopathic Physician Preceptor Tax Credit Revolving Fund". The
12 fund shall be a continuing fund, not subject to fiscal year
13 limitations, and shall consist of the monies received by the Board
14 from a portion of licensure fees received from osteopathic
15 physicians under subsection I of Section 1 of this act. All monies
16 accruing to the credit of the fund are hereby appropriated and the
17 fund shall be used to make a transfer payment to the Oklahoma Tax
18 Commission in an amount equal to the amount of tax credits awarded
19 pursuant to this act. The Oklahoma Tax Commission shall apportion
20 monies transferred from the fund in the same manner as provided by
21 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
22 fund which are not required for payment of administrative expenses
23 to the Health Care Workforce Training Commission, which shall not
24 exceed five percent (5%) of monies apportioned to the fund, or which

1 are not required to be transferred to the Oklahoma Tax Commission as
2 otherwise required by this act to offset the revenue impacted by the
3 use of the income tax credits awarded pursuant to Section 1 of this
4 act may be used to implement programs required or authorized by law.

5 SECTION 5. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 567.31 of Title 59, unless there
7 is created a duplication in numbering, reads as follows:

8 There is hereby created in the State Treasury a revolving fund
9 for the Oklahoma Board of Nursing to be designated the "Advanced
10 Practice Registered Nurses Preceptor Tax Credit Revolving Fund".
11 The fund shall be a continuing fund, not subject to fiscal year
12 limitations, and shall consist of the monies received by the Board
13 from a portion of licensure fees received from Advanced Practice
14 Registered Nurses under subsection I of Section 1 of this act. All
15 monies accruing to the credit of the fund are hereby appropriated
16 and the fund shall be used to make a transfer payment to the
17 Oklahoma Tax Commission in an amount equal to the amount of tax
18 credits awarded pursuant to this act. The Oklahoma Tax Commission
19 shall apportion monies transferred from the fund in the same manner
20 as provided by Section 2352 of Title 68 of the Oklahoma Statutes.
21 Monies in the fund which are not required for payment of
22 administrative expenses to the Health Care Workforce Training
23 Commission, which shall not exceed five percent (5%) of monies
24 apportioned to the fund, or which are not required to be transferred

1 to the Oklahoma Tax Commission as otherwise required by this act to
2 offset the revenue impacted by the use of the income tax credits
3 awarded pursuant to Section 1 of this act may be used to implement
4 programs required or authorized by law.

5 SECTION 6. AMENDATORY 70 O.S. 2021, Section 697.5, as
6 amended by Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp. 2023,
7 Section 697.5), is amended to read as follows:

8 Section 697.5. The Health Care Workforce Training Commission,
9 in order to perform its official function in establishing and
10 administering physician training programs, shall have the following
11 specific powers, duties, and responsibilities:

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

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

1 residency placement on the establishment of practices by physicians
2 in that geographic area or similar areas within the state where
3 their services are urgently needed;

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

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

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

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

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

1 outside but associated with the hospitals and clinical
2 establishments participating in the program;

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

18 8. To determine the specific level of funding and the
19 priorities used for granting state support to approved hospitals and
20 clinical situations, in cooperation with the University of Oklahoma
21 College of Medicine, University of Oklahoma College of Medicine -
22 Tulsa, and the Oklahoma State University College of Osteopathic
23 Medicine ~~and Surgery~~ for approved hospital physician training
24 programs for interns and residents and to recommend to the Governor

1 and the ~~Oklahoma~~ Legislature the total funds needed to carry out the
2 purpose of this program;

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

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

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

1 training programs that the colleges have established with the
2 approved hospitals and clinical situations which programs are
3 designed to provide primary health care services to the rural and
4 medically underserved parts of the state;

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

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

4 a. to certify preceptorship rotations for allopathic
5 medicine, osteopathic medicine, advanced practice
6 registered nursing, and physician assistant training
7 programs in this state and to register faculty
8 preceptors who provide certified training,

9 b. to charge administrative expenses to the State Board
10 of Medical Licensure and Supervision, the State Board
11 of Osteopathic Examiners, and the Oklahoma Board of
12 Nursing pursuant to Sections 2 through 5 of this act,
13 and

14 c. to promulgate any additional rules necessary for the
15 implementation of this act.

16 SECTION 7. This act shall become effective July 1, 2024.

17 SECTION 8. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

1 Passed the Senate the 11th day of March, 2024.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2024.

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8 _____
9 Presiding Officer of the House
10 of Representatives