Commonwealth Policy Papers

Volume 2 | Issue 2023 Article 3

2023

Congressional Briefing: A Geographically Targeted Approach for a Preceptor Tax Incentive Using Primary Care Health Professional Shortage Areas

Julia Mattingly
julia.mattingly@louisville.edu

Sarah Belcher
sarah.belcher@louisville.edu

Follow this and additional works at: https://ir.library.louisville.edu/cpp

Part of the Law and Economics Commons, Legal Writing and Research Commons, Legislation Commons, and the Public Affairs, Public Policy and Public Administration Commons

Recommended Citation

Mattingly, Julia and Belcher, Sarah (2023) "Congressional Briefing: A Geographically Targeted Approach for a Preceptor Tax Incentive Using Primary Care Health Professional Shortage Areas," *Commonwealth Policy Papers*: Vol. 2: Iss. 2023, Article 3.
Available at: https://ir.library.louisville.edu/cpp/vol2/iss2023/3

This Short Policy Brief is brought to you for free and open access by ThinkIR: The University of Louisville's Institutional Repository. It has been accepted for inclusion in Commonwealth Policy Papers by an authorized editor of ThinkIR: The University of Louisville's Institutional Repository. For more information, please contact thinkir@louisville.edu.

Commonwealth Policy Institute 2023 Congressional Summit

Center for Health Disparities

A Geographically Targeted Approach for a Preceptor Tax Incentive Using Primary Care Health Professional Shortage Areas

By Julia Mattingly, Senior Fellow; Sarah Belcher, Fellow

Commonwealth Policy Institute

Summit Background

This policy brief recommending federal legislation is derived from the 2022 and 2023 Congressional Summit meetings of the Commonwealth Policy Institute think tank, and meetings with elected state government officials immediately prior. The Commonwealth Policy Institute (CPI) is nonpartisan, evidence-based policy think tank, founded with its first chapter at the University of Louisville, and is acknowledged as resource for tailored policymaking in Kentucky under bicameral resolutions of the KY General Assembly. Under its stream of work conducted as public service, CPI forms policy centers combining university level research of faculty and university community members with input of stakeholder groups, businesses, and policymakers to create tailored policy solutions to needs faced across the Commonwealth of Kentucky. As many issues we address are common to other states, and as discussion across the states at a federal level may incubate new ideas which may be tailorable to Kentucky, each year CPI conducts an annual Congressional Summit for the purpose of leveraging the federal system for policy diffusion -- rapidly “trickling up” ideas from our state-level policy design into a federal context, or, “trickling down” new policy approaches that may be re-designed for implementation in the Commonwealth.

This briefing is the result of “trickling up” a state-level preceptor tax incentive and recommends a national preceptor tax incentive policy to the federal government.

Introduction

How do policymakers encourage more clinicians to choose rural settings to deliver health services? This has been a long-running and vexing policy question for decades now. The federal government has designed many programs with the intent of exposing clinicians to life in rural areas, but few can point to sustained long-term success within program outcomes. Rural clinicians who are recruited to rural areas via loan repayment programs or other short-lived incentives often leave after only a few years.[1] It has been shown, though, that where medical students do their clinical rotations influences where they ultimately decide to practice.[2]

Preceptors are experienced medical practitioners who voluntarily supervise medical students during their clinical rotations. In most states, primary care preceptors are not compensated for training these medical students [3] Because preceptorship is unpaid and medical school enrollment continues to increase, there is a shortage of primary care preceptors in the U.S., specifically in rural communities where their few medical practitioners see such a high volume of patients that precepting students can be a burden. This only exacerbates the primary care shortage in rural areas, as many medical students are not exposed to the unique work environment of rural practice and thus do not choose to practice there upon graduating. Thus, Congress must implement a geographically targeted approach to a Primary Care Preceptor Tax Incentive program using Primary Care Health Professional Shortage Areas.

Recommendations

A proposal to create a five-year pilot program for a nonrefundable federal income tax credit to be claimed by any non-compensated, state-licensed primary care Physician, Advanced Practice Registered Nurse, or Physician Assistant that practices in one of the nation's HRSA-designated Primary Care Health Professional Shortage Areas (HPSAs) and precepts a minimum of 3 clinical rotations (160 hours of community-based teaching) that year. No preceptor will receive credits for more than 10 certified rotations. The student's educational institution must certify these rotations as complete by reporting to their Statewide Area Health Education Center (AHEC) Program Office.

To encourage preceptors to participate at the highest level, this policy includes the following incentive structure:

---

[1] https://pubmed.ncbi.nlm.nih.gov/21070088/

[2] https://pubmed.ncbi.nlm.nih.gov/21169781/

[3] https://www.sciencedirect.com/science/article/abs/pii/S8755722323001606?dgcid=rss_sd_all

- For medical/osteopathic preceptors, the first 3 rotations will be provided credits worth $500 each; subsequent credits will be awarded credits at $1000 each for rotations number 4-10. $8,500 is the maximum amount of annual credit per physician.
  - For advanced practice nursing and physician assistant preceptors, tax credits of $375 will be provided for rotations 1-3; credits will increase to $750 per rotation for rotations 4-10. $5,625 is the maximum amount of annual credit that can be awarded per APRN or PA.

** Note: These differences reflect income-earning differences among the professions.*

Other Considerations:

- Utilize a "Glide it" approach; e.g. allow a maximum of 500 preceptors to register in the program the first year of implementation, 750 the second year, 900 the third year, and so on.
- Create a preceptor cap for each profession; e.g. could accept more APRN and PA preceptors than medical/osteopathic preceptors due to credit differences.
- The unused tax credit would not carry over to another tax year.
- A partial credit shall not be permitted if the student does not complete the core clinical rotation