

HEALTH ENTERPRISE ZONES WORKFORCE INCENTIVES

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MCHRC

Maryland Community
Health Resources
Commission



HEZ Tax Credits and Loan Repayment Assistance Purpose

Tax credits and loan repayment assistance are **some** of the incentives provided in the state's Health Enterprise Zones to help attract new practitioners to underserved areas.

*Maryland Annotated Code, Miscellaneous Health Professions, Subtitle 14: Health Enterprise Zones, §20-1401 to §20-1407



HEZ Incentives

Two types of incentives are available to the state's Health Enterprise Zones (HEZs) to attract new practitioners to expand services in underserved areas and to address persistent health disparities in Maryland.

TAX CREDITS

- Health Care Practitioner Personal Tax Credit
- Hiring Tax Credit for Employers

LOAN REPAYMENT Assistance

- Student Loan Repayment Program (SLRP)
- Maryland Loan Assistance Repayment Program (MLARP)
- Janet L. Hoffman Loan Assistance Repayment Program





HEZ Incentives: Tax Credits

HEALTH CARE PRACTITIONER PERSONAL INCOME TAX CREDIT:

As of April 28, 2014, eligible health care providers may apply for a tax credit in an amount equal to 100% of the amount of State income tax.

EMPLOYER HIRING TAX CREDIT:

Eligible employers participating in the HEZ initiative that hire health care practitioners, community health workers, or interpreters may receive \$5,000 per year over a two-year period per employee.



Health Care Practitioner Income Tax Credit

Qualifications:

- Be a health care practitioner who is licensed or certified under the health occupations article and who provides either:
 - (1) primary care, including obstetrics, gynecological services, pediatric services, or geriatric services;
 - (2) behavioral health services, including mental health or alcohol and substance abuse services; or
 - (3) dental services.
- Accept Medicaid recipients and uninsured patients as demonstrated by attestation;
- Demonstrate cultural, linguistic, and health literacy competency as shown on application; and
- Obtain a Letter of Support from the Health Enterprise Zone.



Employer Hiring Tax Credit

- Enables employers to receive \$5,000 per year over a two-year period per qualified employee.
- Employers that hire health care practitioners, community health workers, or interpreters and receive a letter of support from the HEZ where they practice are eligible to apply.
- Qualified employees must be working in the HEZ for 12 months before the employer can apply for the Employer Hiring Tax Credit.
- Employer Hiring Tax Credits will be made available Winter 2015.



Tax Credit- Letter of Support

- Each HEZ is responsible for determining who receives a letter of support (LOS) based on HEZ goals and outcomes.
- The HEZ may develop a criteria for determining who receives a letter of support.
- DHMH will verify all other eligibility requirements when applications are received.





HEZ Incentives: Loan Repayment

STATE LOAN REPAYMENT PROGRAM (SLRP)

MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM (MLARP)

- Eligible physicians and physicians assistants in the fields of family practice, internal medicine, pediatrics, obstetrics and gynecology, and general psychiatry.
- Awards are up to \$25,000 per year for a two-year commitment.
- Applications are accepted in the Spring (March 1- April 15) and in the Fall (September 1- October 15).
- Health Enterprise Zone Practitioners Receive Priority

More information is available at:

<http://hsia.maryland.gov/opa/opa.asp?opca/SitePages/pco-lars.aspx>



HEZ Incentives: Loan Repayment

JANET L. HOFFMAN LOAN ASSISTANCE REPAYMENT PROGRAM

- Eligible physician assistants, social workers, nurses, and nurse practitioners.
- Awards can be up to \$10,000 a year for a three-year commitment.
- Applications are accepted from July 1- September 30
- Applicants apply through the Maryland Higher Education Commission

More information is available at:

https://www.mhec.state.md.us/financialaid/ProgramDescriptions/prog_larp.asp



Utilization of Incentives

Tax Credits

- To date, 6 applicants have applied for tax credits.
- All applicants have been from West Baltimore.
- Five practitioners have finalized all paperwork and received tax credit certification.

Loan Repayment

- To date, 7 providers have applied for loan repayment.
- 5 of the 7 providers were eligible for loan payment.
- 4 providers accepted loan repayment awards.



Strategies to Improve Utilization of Incentives

- Increased Marketing of Incentives (social media, marketing materials, one on one's, etc.)
- Ensuring that Providers know that incentives are available and understand them (i.e. presentations and webinars)
- Utilization of the correct incentives
- Clarity around tax credits (letters of support)



Additional HEZ Incentives

- HEZ funds can be used to support incentive payments (hiring bonuses)
- Payments can be supported by re-allocating existing budget (via a grant modification request) or request in future HEZ budgets (years three and four)
- Grant modification must be approved by CHRC
- HEZ Practitioners will be held to statutory requirements (i.e. Cultural competency, must accept Medicare/Medicaid etc.)



Next Steps

- DHMH and CHRC are happy to facilitate a technical assistance call with each zone to understand incentive usage and concerns.
- Do the HEZ's have any new innovative ways to recruit and retain providers?
- DHMH and CHRC are open to potential new ideas!



QUESTIONS?

*For more information, please visit the HEZ
incentive webpage:*

<http://dhmh.maryland.gov/healthenterprisezones/SitePages/INCENTIVES%20AND%20RESOURCES.aspx>

