

To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

UPDATE -- LD 440, An Act To Support Community Health Centers through Tax Credits for Dentists and Primary Care Professionals Practicing in Underserved Areas

Bill Summary: This bill extends the existing dental care access tax credit and creates a similar credit for primary care professionals practicing in underserved areas. It requires the Department of Health and Human Services (DHHS) to certify up to 5 eligible dentists and 5 eligible primary care professionals who have unpaid student loans and practice full time for at least 5 years in an underserved area as qualifying for the dental care access credit and primary care access credits, respectively. These eligible dentists and primary care professionals may claim a credit, not to exceed \$12,000, for up to 5 years or until their student loans are paid in full, whichever comes first. The credit is nonrefundable.

Last Work Session: Committee discussed several ideas and requested additional information. They tabled the bill to allow interested parties to meet and to provide time for more information gathering.

- Need to better understand definitions (Health Professional Shortage Area, Medically Underserved Areas and Medically, Underserved Populations), designation process and location.
- Should the credit target populations or geographic areas that need it most, or both?
- Is a definition of “rural” for the new credit needed?
- How to enforce 5 year commitment? Recapture? Incentives?
- Should there be a ranking system or slots designated for HPSA, MUAs, MUPs?
- Regarding the dental access credit, overall seems to be working well; repeal of sunset? keep program as is?

Meeting of interested parties: On March 12th, the analyst and the following representatives of interested parties met to discuss the bill.

Present: Matthew Chandler, DHHS Rural Health and Primary Care Program; Judith Feinstein, DHHS Oral Health Program; Pam Cahill and John Bastey representing the Maine Dental Association; Gordan Smith representing Maine Medical Association and Vanessa Santarelli representing Maine Primary Care Association.

Discussion and options

- General agreement to keep the dental access credit as is; discussed whether to keep the sunset repeal or just remove all of section 1 from the bill; the Maine Dental Association expressed preference for the latter.
- General consensus for using the HPSA, MUA and MUP designations and for designating slots; DHHS may look into other ways to define rural.
- Define student loan as debt owed to institution for qualified health care education.
- Suggested 3 slots for HPSAs/MUAs & 2 for MUPs; should make sure health care professionals can get credit in MUP if no HPSA or MUA available.
- Concern that a recapture provision would detract from goal; is the 5 year commitment needed? Is there another way to incentivize length of stay?