

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2503 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Charles McCall \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2503

By: McCall

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; defining  
9 terms; establishing tax credit for certain  
10 individuals who conduct a preceptorship rotation;  
11 providing amount of and basis for credit; providing  
12 limitations on credits allowed; requiring  
13 certification with specified agency; requiring  
14 certifications by specified agency; establishing  
15 requirements for individuals claiming credit;  
16 establishing certain requirements related to the  
17 Physician Manpower Training Commission; requiring  
18 evaluation by Incentive Evaluation Commission;  
19 amending 70 O.S. 2011, Section 697.5, which relates  
20 to the Physician Manpower Training Commission;  
21 modifying duties; updating statutory language;  
22 providing for codification; and providing an  
23 effective date.

24 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

A. As used in this section:

1        1. "Advanced Practice Registered Nurse student" means an  
2 individual participating in a training program in this state that is  
3 accredited by a nationally recognized accrediting body for advanced  
4 practice registered nursing programs for the training of individuals  
5 to become Advanced Practice Registered Nurses as defined in Section  
6 567.3a of Title 59 of the Oklahoma Statutes;

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

10            a. is licensed in this state, and

11            b. practices in a location not less than forty (40) miles  
12                 from the city center of a city with a population of  
13                 not less than two hundred fifty thousand (250,000);

14        3. "Medical school" means a legally chartered allopathic  
15 medical school recognized by the Oklahoma State Regents for Higher  
16 Education;

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

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

1       6. "Preceptorship rotation" means a period of preceptorship  
2 training of one or more medical students, residents, physician  
3 assistant students, or Advanced Practice Registered Nurse students  
4 that in aggregate totals One Hundred Sixty (160) hours;

5       7. "Preceptorship training" means uncompensated training of a  
6 medical student, resident, Advanced Practice Registered Nurse  
7 student, or physician assistant student enrolled in a training  
8 program in Oklahoma;

9       8. "Resident" means a medical doctor or doctor of osteopathy  
10 pursuing post-graduate medical education at a program supported by a  
11 state-supported school, a medical school or a school or college of  
12 osteopathic medicine in this state; and

13       9. "School or college of osteopathic medicine" means a legally  
14 chartered and accredited school or college of osteopathic medicine  
15 requiring:

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

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

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

- 9 a. for a licensed medical doctor or doctor of osteopathy,  
10 Five Hundred Dollars (\$500.00) each for the first,  
11 second or third preceptorship rotations and One  
12 Thousand Dollars (\$1,000.00) each for up to seven  
13 subsequent rotations, and
- 14 b. for a licensed Advanced Practice Registered Nurse or a  
15 physician assistant, Three Hundred Seventy-five  
16 Dollars (\$375.00) each for the first, second or third  
17 preceptorship rotations and Seven Hundred Fifty  
18 Dollars (\$750.00) each for up to seven subsequent  
19 rotations.

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

22 D. A faculty preceptor shall not be eligible for the credit  
23 created under this section if he or she is not certified by the  
24

1 Physician Manpower Training Commission as provided by Section 697.5  
2 of Title 70 of the Oklahoma Statutes.

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

11 F. In order to receive the credit provided pursuant to this  
12 section, a faculty preceptor shall:

13 1. Claim the credit for the tax year in which the preceptorship  
14 rotation was completed;

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

17 3. Supply such supporting documentation as may be required by  
18 the Oklahoma Tax Commission.

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

24 1. Number of faculty preceptors claiming the credit;

1 2. Total number of preceptorship rotations completed;

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

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

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

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

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

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

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 College of Medicine, Oklahoma City and Tulsa campuses,  
16 and the Oklahoma College of Osteopathic Medicine and Surgery, and  
17 subject to accreditation by official and appropriate accrediting  
18 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 College of Medicine, College of Medicine - Tulsa or College of



1 Osteopathic Medicine and Surgery in order to determine the share for  
2 the state in supporting the salary, benefits, training and program  
3 administration costs incurred by hospitals in supporting of the  
4 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:

- 1           a. to certify preceptorship rotations for allopathic  
2           medicine, osteopathic medicine, advanced practice  
3           registered nursing and physician assistant training  
4           programs in this state and to register faculty  
5           preceptors who provide certified training, and  
6           b. to promulgate any additional rules necessary for the  
7           implementation of this act.

8           SECTION 3. This act shall become effective January 1, 2021.

9  
10           57-2-10850           MAH           02/03/20