

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 SENATE BILL 1446

By: Rader

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5
6 AS INTRODUCED

7 An Act relating to income tax credit; defining terms;
8 providing income tax credit for certain individuals
9 who conduct a preceptorship rotation; providing
10 amount of and basis for credit; providing limitations
11 on credits allowed; requiring certification with
12 specified agency; requiring certifications by
13 specified agency; establishing requirements for
14 individuals claiming credit; establishing certain
15 requirements related to the Health Care Workforce
16 Training Commission; requiring evaluation by
17 Incentive Evaluation Commission; amending 70 O.S.
18 2021, Section 697.5, as amended by Section 19,
19 Chapter 407, O.S.L. 2022 (70 O.S. Supp. 2023, Section
20 697.5), which relates to the Health Care Workforce
21 Training Commission; providing additional duties;
22 updating statutory language; providing for
23 codification; and providing an effective date.
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18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

22 A. As used in this section:

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

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

9 a. is licensed in this state, and

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

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

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

19 5. "Physician assistant student" means an individual
20 participating in a state-supported training program in this state
21 that is approved by the State Board of Medical Licensure and
22 Supervision for the training of individuals to become physician
23 assistants as defined in Section 519.2 of Title 59 of the Oklahoma
24 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 the osteopathic school or college and demonstration of
23 successful completion of the curriculum and
24 recommendation for graduation.

1 B. 1. For tax years 2025 through 2034, there shall be allowed
2 a credit against the tax imposed pursuant to Section 2355 of Title
3 68 of the Oklahoma Statutes for a faculty preceptor who conducts a
4 preceptorship rotation.

5 2. The credit shall be allowed for no greater than ten (10)
6 preceptorship rotations completed in a calendar year, and shall be
7 equal to the following amounts:

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

13 b. for a licensed Advanced Practice Registered Nurse or a
14 physician assistant, Three Hundred Seventy-five
15 Dollars (\$375.00) each for the first, second, or third
16 preceptorship rotations and Seven Hundred Fifty
17 Dollars (\$750.00) each for up to seven (7) subsequent
18 rotations.

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

21 D. To the extent not used, the credits authorized by this
22 section may be carried over, in order, to each of the five (5)
23 subsequent tax years.
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1 E. 1. For tax year 2027 and any subsequent tax year during
2 which the credit is allowed, the total amount of credits authorized
3 by subsection B of this section used to offset tax shall be adjusted
4 annually to limit the annual amount of credits to Two Million Two
5 Hundred Thousand Dollars (\$2,200,000.00). The Oklahoma Tax
6 Commission shall annually calculate and publish a percentage by
7 which the credits authorized by subsection B of this section shall
8 be reduced so the total amount of credits used to offset tax does
9 not exceed Two Million Two Hundred Thousand Dollars (\$2,200,000.00)
10 per year. The formula to be used for the percentage adjustment
11 shall be Two Million Two Hundred Thousand Dollars (\$2,200,000.00)
12 divided by the credits claimed in the second preceding tax year.

13 2. Pursuant to paragraph 1 of this subsection, in the event the
14 total tax credits authorized by subsection B of this section exceed
15 Two Million Two Hundred Thousand Dollars (\$2,200,000.00) in any tax
16 year, the Tax Commission shall permit any excess over Two Million
17 Two Hundred Thousand Dollars (\$2,200,000.00), but shall factor such
18 excess into the percentage adjustment formula for subsequent years.

19 F. A faculty preceptor shall not be eligible for the credit
20 created under this section if he or she is not certified by the
21 Health Care Workforce Training Commission as provided by Section
22 697.5 of Title 70 of the Oklahoma Statutes.

23 G. The Health Care Workforce Training Commission shall certify
24 preceptorship rotations on behalf of all eligible public and private
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1 training programs for medicine, osteopathic medicine, advanced
2 practice registered nursing, and physician assistants at
3 institutions in this state for the purpose of determining
4 eligibility for the income tax credit created under this section and
5 shall provide to the taxpayer the information as may be required
6 pursuant to subsection I of this section.

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

9 1. Claim the credit for the tax year in which the preceptorship
10 rotation was completed;

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

13 3. Supply supporting documentation as may be required by the
14 Tax Commission.

15 I. The credit provided by this section shall be evaluated by
16 the Incentive Evaluation Commission at least once in every four-year
17 period, as provided in Section 7004 of Title 62 of the Oklahoma
18 Statutes. In addition to any other data, the evaluation shall
19 include data on the annual:

20 1. Number of faculty preceptors claiming the credit;

21 2. Total number of preceptorship rotations completed;

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

1 4. The total amount of credits allowed pursuant to this
2 section.

3 SECTION 2. AMENDATORY 70 O.S. 2021, Section 697.5, as
4 amended by Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp. 2023,
5 Section 697.5), is amended to read as follows:

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

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

17 2. To review data and information on accredited physician
18 internship and residency programs currently operated by Oklahoma
19 hospitals and other approved clinical situations, in order to
20 ascertain the number and distribution by physician specialty
21 training and by geographic location of available internship and
22 residency positions and to evaluate the impact of internship and
23 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 care workforce placement services throughout the State of
5 Oklahoma. Placement services shall be made available to
6 communities, hospitals, health care facilities, physician and health
7 professional training institutions, health professional associations
8 and organizations, individual physicians, health professionals,
9 students in physician and health professional training institutions
10 and schools, and other interested parties in such a way so as to
11 further the purposes of improving the distribution of physicians and
12 health professionals practicing or available for practice in the
13 state and improving in the availability of health care services to
14 the people of the state. ~~Said~~ The placement service shall include
15 but not be limited to assisting communities in matching with,
16 contacting and recruiting physicians and health professionals to
17 practice in communities in the state. The Commission shall develop
18 criteria and procedures for the conduct and performance of placement
19 services and employ any staff, contract for services with any
20 private agency, nonprofit corporation, or institution to facilitate
21 the performance 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, advance 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 November 1, 2024.

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