BACKGROUND:
Georgia faces a critical shortage of health care professionals, particularly those in primary care. Physicians, advanced practice registered nurses (APRN) and physician assistants (PA) are considered to be the core disciplines in primary care. To combat this shortage, the state has invested significant resources in expanding medical school class sizes, and the number and sizes of programs in advanced practice registered nursing and physician assistant education.

Each of these three disciplines (medicine, APRN, and PA) require significant clinical training to be provided in community based settings by community based faculty preceptors who are not employed by the educational institutions. These community based faculty preceptors are not compensated for their time teaching students but do so as part of their personal commitment to the health care system.

As each discipline has expanded its class sizes, the demand for community based faculty preceptors has grown exponentially. Georgia programs—public and private—are challenged to find enough community based faculty to deliver the necessary clinical training in sites around the state. This is compounded by out of state and off shore educational programs who offer Georgia community based faculty preceptors cash to take students from their programs.

In order for Georgia to provide the community based education demanded by these critical health disciplines (physician, APRN, and PA) they must be able to compete with the out of state / off shore programs who are willing to pay Georgia community based faculty to take their students. Two choices are available: pay the preceptors or create a benefit of value to preceptors that would sway them to take students from Georgia programs. To pay preceptors, most of the Georgia programs would have to raise tuition and/or request state funds to utilize to pay preceptors. It is more desirable to find another solution that creates a valuable benefit to Georgia community based faculty preceptors who take students from Georgia programs.

The current PTIP program was implemented in July 2014 and offers up to a $10,000 deduction for precepting medical/osteopathic, APRN, or PA students. Eligible recipients are licensed physicians in the state of Georgia.

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**TALKING POINTS:**

**Who can receive the proposed Preceptor Tax Credit?**
Physicians, Advanced Practice Nurses, or Physician Assistants licensed in the state of Georgia, who receive no financial compensation from any source for the teaching of medical/osteopathic, APRN, or PA students.

**Does the student’s program of study impact the credit?**
Yes. Community based faculty preceptors only earn credits for providing training to medical/osteopathic, APRN and PA students from Georgia schools (public or private); credits cannot be earned for providing training to these types of students from out of state or off shore schools.

**Has any other state tried using tax incentives to recognize and reward community based faculty preceptors?**
Georgia is the first state to utilize this strategy, which began as a deduction in 2014. Maryland and Colorado have since passed versions of the program while 11 other states have pending or proposed legislation to create similar programs.

**Why are we providing tax credits for a group of professionals who have such healthy incomes?**
The tax credit is a strategy to support the educational needs of the medical, osteopathic, advanced practice nursing, and physician assistant academic programs, who rely on volunteer community based faculty preceptors to conduct vital parts of their educational curriculum. So while the tax credit is certainly of personal value to the preceptor, it is a collateral benefit but not the target of the program.

**What if a preceptor receives money for a student from out of state? Would they still be eligible to earn tax credits on the teaching they provide for instate students?**
No. An eligible preceptor cannot receive ANY payments from ANY source to precept medical/osteopathic, APRN, or PA students. The tax credit is a unique benefit offered by Georgia to support the education and training of its own students matriculating in programs located in the state.

**How is a credit earned?**
A credit is earned each time a preceptor provides 160 hours of training to eligible students (medical/osteopathic, APRN, or PA students) from Georgia programs. The 160 hours does NOT have to be tied to a single student rotation, but is accrued across all students’ precepted. This is important because some student rotations are one day a week for 4 months, while others may be completed in 4-6 week blocks. Using hours to determine a credit levels the field so that all credits were earned based on 160 hours of teaching. In simple terms:

For physicians: 1 credit = 160 hours of training provided = $500 each for rotations 1-3 rotations, and $1,000 each for rotations 4-10
For APRN and PA’s: 1 credit = 160 hours of training provided = $350 each for rotations 1-3 and $750 each for rotations 4-10.

Can preceptors earn credits from teaching students from multiple programs?
Yes. Preceptors choose which educational programs they wish to work with and are not limited to working with just one. They can also precept students from different disciplines (e.g. medicine and APRN students). These choices are entirely up to the preceptor and the Georgia based educational programs who credential him/her.

Why do APRN and PA preceptors earn less per credit than physicians?
Because of the average income differentials between the professions it is appropriate to provide a more pro-rated credit for the APRN and PA preceptors.

Do physician preceptors earn less credit for taking APRN or PA students than they do for medical / osteopathic students?
No. Physicians receive $1000 credit per 160 hours of precepting provided. It does not matter if the student is a medical/osteopathic, APRN, or PA student. This is done deliberately to prevent physicians from only taking medical / osteopathic students and discontinuing their current willingness to take APRN and PA students as well.

How does this program help with alleviating the state’s primary care workforce shortages?
To create the workforce needed, we must first produce graduates from our educational programs in the state. If we cannot meet the clinical training needs required of these programs, then we cannot produce graduates. While this program does not specifically create more primary care providers, it does insure that students in the educational pipelines can complete their general training and then potentially pursue primary care practice.

How much will this program cost the state?
It will depend on how many eligible preceptors register for the program and how many hours of training they actually provide. An otherwise eligible preceptor must complete 3 rotations (480 hours) to be eligible for each year’s credits. After the 480 hours are complete, the credit is retroactive. This is to encourage preceptors to consistently participate in community based clinical training, which will increase the quality of the training provided. Sporadic precepting does not hone skills of these clinicians and does not create a healthy teaching environment for students. It is estimated that the maximum costs to the state would be under $4 million IF every possible preceptor is deemed eligible and registers to receive the credits earned. A fiscal note has been requested.

How will hours be accrued and certified?
The Georgia Statewide AHEC Program Office at Augusta University is responsible for registering preceptors, and receiving certified rotation information from each
eligible education program in the state. As information from programs is obtained, it is credited to registered preceptors and then a final summary is tallied and reported. Thus Dr. Smith might have earned 80 hours from precepting an APRN student from Augusta University, 800 hours from precepting 5 medical students from Emory, and 80 hours from precepting a PA student from Mercer University. The Statewide AHEC would then issue a letter confirming that a total of 960 hours of community based clinical training had been certified by Georgia educational programs for a total of 9 credits valued at $9,000 for that tax year.

How many deductions were certified and used in 2016?
A total of 298 2016 Tax letters have been issued to date, certifying $1,969,000 in possible tax deductions. However, we do NOT have data on how many physicians actually utilized these deductions. When the tax deduction letters are sent, they have an attestation segment that requires a preceptor to sign the statement attesting that they (personally) meet all levels of eligibility before they can submit it with their tax returns. **We cannot know if they receive payments from other sources, so the attestation is important because it lays that responsibility on the preceptor to attest they are indeed eligible.** So while we sent letters certifying $1,969,000 in potential deductions, **we are not able to tell you who actually utilized them.** The Department of Revenue may be able to determine this. The cost to the state in lost tax collections, if all of these deductions are actually applied, is approximately 6% of the total, or $118,140.