



2013 SENATE BILL 366

October 24, 2013 - Introduced by Senators OLSEN, PETROWSKI, CARPENTER, SHILLING, LASEE, HARRIS, LEHMAN, WIRCH, HANSEN, SCHULTZ and DARLING, cosponsored by Representatives PETERSEN, NERISON, PETRYK, SEVERSON, JAGLER, TITTL, SANFELIPPO, STEINEKE, BIES, MURPHY, STRACHOTA, SWEARINGEN, KOLSTE, WILLIAMS, CZAJA, TAUCHEN, BERCEAU, MURSAU, JOHNSON, PASCH, KAUFERT, BROOKS, TRANEL, HEBL, A. OTT, WACHS, BERNIER, WRIGHT, RIEMER, LEMAHIEU, DANOU, BILLINGS, BEWLEY, GENRICH and HULSEY. Referred to Committee on Health and Human Services.

1 **AN ACT to create** 20.235 (1) (fp), 39.385 and 71.05 (6) (b) 51. of the statutes;
2 **relating to:** creation of a primary care and psychiatry shortage grant program,
3 exempting from taxation amounts received from such a grant program,
4 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) administers various student financial aid programs, including programs to assist students preparing for certain health care professions, such as nursing and dentistry.

This bill establishes, under the administration of HEAB, a primary care and psychiatry shortage grant program (grant program) to encourage primary care physicians and psychiatrists to practice primary care medicine or psychiatry in underserved areas in this state. A physician or psychiatrist is eligible to participate in the grant program if he or she meets all of the following requirements:

1. He or she practices primary care medicine or psychiatry, including child psychiatry (psychiatry), in an underserved area in this state. The bill defines “primary care medicine” as any of the following medical specialties: 1) family practice; 2) internal medicine; 3) pediatrics; or 4) general surgery. The bill defines an “underserved area” as a health professional shortage area certified by DHHS, a health service shortage area designated by the governor and certified by the secretary of health and human services, or a medically underserved area, as defined in regulations promulgated by DHHS.

SENATE BILL 366

2. He or she graduated from a school of medicine located in this state and from a graduate medical education training program in this state with an emphasis on primary care medicine or psychiatry (GME training program).

The bill appropriates \$1,500,000 in fiscal year 2014-15 as a continuing appropriation for the grant program and requires HEAB to allocate not more than \$750,000 of that amount for financial assistance to physicians and not more than \$750,000 of that amount for financial assistance to psychiatrists. The bill permits HEAB to grant financial assistance under the grant program to no more than 12 physicians and no more than 12 psychiatrists in a fiscal year and provides that, if more than 12 physicians or more than 12 psychiatrists apply for participation in the grant program in a fiscal year, HEAB must consider the order in which those applications are received and the health professional shortage area score, as determined by the Health Resources and Services Administration of DHHS, of the underserved area in which the applicant is practicing primary care medicine or psychiatry in selecting participants in the grant program. In addition, the bill: 1) provides that an individual physician or psychiatrist may receive financial assistance under the grant program in no more than three fiscal years; and 2) prohibits HEAB from requesting continued funding for the grant program in its 2015-17 biennial budget request.

To participate in the grant program, a physician or psychiatrist may apply to HEAB while he or she is participating in a GME training program, but must apply to HEAB no later than the date on which he or she accepts employment or any other affiliation as a primary care physician or psychiatrist in an underserved area in this state.

To receive a payment of financial assistance under the grant program, a physician or psychiatrist who has been accepted for participation in the grant program must submit a claim to HEAB that includes: 1) the signature of the physician or psychiatrist and of a representative of the practice in which the physician or psychiatrist is employed or otherwise affiliated certifying that during the period for which financial assistance is claimed the physician or psychiatrist practiced primary care medicine or psychiatry in an underserved area in this state; and 2) such other information as HEAB may require by rule to verify the eligibility of the physician or psychiatrist for financial assistance.

Under the bill, any amount of financial assistance received under the grant program by a physician or psychiatrist is exempt from taxation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SENATE BILL 366

1 (c) "Health professional shortage area" has the meaning given in s. 36.60 (1)
2 (aj).

3 (d) "Health service shortage area" means an area designated by the governor
4 and certified by the federal secretary of health and human services under 42 USC
5 1395x as an area with a shortage of personal health services.

6 (e) "Medically underserved area" has the meaning given in 42 CFR Part 51c,
7 section 102 (e).

8 (f) "Primary care medicine" means any of the following medical specialties:

- 9 1. Family practice.
- 10 2. Internal medicine.
- 11 3. Pediatrics.
- 12 4. General surgery.

13 (g) "Psychiatry" includes child psychiatry.

14 (h) "Underserved area" means a health professional shortage area, a health
15 service shortage area, or a medically underserved area.

16 **(2) ESTABLISHMENT OF PROGRAM.** There is established, to be administered by the
17 board, a primary care and psychiatry shortage grant program to encourage primary
18 care physicians and psychiatrists who meet the eligibility requirements specified in
19 sub. (3) to practice primary care medicine and psychiatry in underserved areas in
20 this state by providing grants of financial assistance to those physicians and
21 psychiatrists as provided in sub. (4).

22 **(3) ELIGIBILITY.** A physician or psychiatrist is eligible for financial assistance
23 as provided under sub. (4) if the physician or psychiatrist meets all of the following
24 requirements:

SENATE BILL 366

1 (a) He or she practices primary care medicine or psychiatry in an underserved
2 area in this state.

3 (b) He or she graduated from a school of medicine located in this state and from
4 a graduate medical education training program in this state with an emphasis on
5 primary care medicine or psychiatry.

6 (c) He or she does not appear on the statewide support lien docket under s.
7 49.854 (2) (b), unless the physician provides to the board a payment agreement that
8 has been approved by the county child support agency under s. 59.53 (5) and that is
9 consistent with rules promulgated under s. 49.858 (2) (a).

10 **(4) FINANCIAL ASSISTANCE.** (a) 1. From the appropriation account under s.
11 20.235 (1) (fp), the board shall grant financial assistance to physicians and
12 psychiatrists who meet the eligibility requirements specified in sub. (3), who apply
13 for participation in the grant program as provided in par. (b), and who submit claims
14 for that financial assistance as provided in par. (c). From s. 20.235 (1) (fp), the board
15 shall allocate not more than \$750,000 for financial assistance under the grant
16 program to physicians and not more than \$750,000 for financial assistance under the
17 grant program to psychiatrists.

18 2. The board may grant financial assistance under the grant program to no
19 more than 12 physicians and no more than 12 psychiatrists in a fiscal year. If more
20 than 12 physicians or more than 12 psychiatrists apply for participation in the grant
21 program in a fiscal year, the board shall consider the order in which those
22 applications are received and the health professional shortage area score, as
23 determined by the health resources and services administration of the federal
24 department of health and human services, of the underserved area in which the

SENATE BILL 366

1 applicant is practicing primary care medicine or psychiatry in selecting participants
2 in the grant program.

3 3. An individual physician or psychiatrist may receive financial assistance
4 under the grant program in no more than 3 fiscal years.

5 (b) A physician or psychiatrist may apply for participation in the grant program
6 by submitting an application to the board in a form prescribed by the board. A
7 physician or psychiatrist may submit that application while the physician or
8 psychiatrist is participating in a graduate medical education training program
9 described in sub. (3) (b), but must submit that application before accepting
10 employment or any other affiliation as a primary care physician or psychiatrist in
11 an underserved area in this state. The application shall include such information
12 as the board may require to establish that the physician or psychiatrist meets the
13 eligibility requirements specified in sub. (3) for participation in the grant program
14 and any other information the board may require by rule promulgated under sub. (5).

15 (c) After each year in which a physician or psychiatrist who has been accepted
16 for participation in the grant program practices primary care medicine or psychiatry
17 in an underserved area in this state, the physician or psychiatrist may submit to the
18 board a claim for financial assistance. The claim shall include the signature of the
19 physician or psychiatrist and of a representative of the practice in which the
20 physician or psychiatrist is employed or otherwise affiliated certifying that during
21 the period for which financial assistance is claimed the physician or psychiatrist
22 practiced primary care medicine or psychiatry in an underserved area in this state
23 and such other information as the board may require by rule promulgated under sub.
24 (5) to verify the physician's or psychiatrist's eligibility for tuition assistance.

SENATE BILL 366

1 (d) If the board determines that a physician or psychiatrist who submits a claim
2 for financial assistance under par. (c) is eligible to receive that assistance, the board
3 shall provide that assistance, subject to the amounts available in the appropriation
4 account under s. 20.235 (1) (fp).

5 **(5) RULES.** The board shall promulgate rules to implement and administer this
6 section. Those rules shall include rules specifying the information a physician or
7 psychiatrist must include in an application for participation in the grant program
8 under sub. (4) (b) and in a claim for financial assistance under sub (4) (c).

9 **SECTION 4.** 71.05 (6) (b) 51. of the statutes is created to read:

10 71.05 **(6)** (b) 51. For taxable years beginning after December 31, 2013, any
11 amount received by a physician or psychiatrist, in the taxable year to which the
12 subtraction relates, from the primary care and psychiatry shortage grant program
13 under s. 39.385.

14 **SECTION 5. Nonstatutory provisions.**

15 (1) PRIMARY CARE AND PSYCHIATRY SHORTAGE GRANT PROGRAM. Notwithstanding
16 section 16.42 (1) (e) of the statutes, in submitting information under section 16.42
17 of the statutes for purposes of the 2015-17 biennial budget bill, the higher
18 educational aids board shall submit information concerning the appropriation under
19 section 20.235 (1) (fp) of the statutes, as created by this act, as though that
20 appropriation had not been made.

21 **SECTION 6. Initial applicability.**

22 (1) PRIMARY CARE AND PSYCHIATRY SHORTAGE GRANT PROGRAM. This act first
23 applies to a physician or psychiatrist who graduates from a graduate medical

SENATE BILL 366

1 education training program in this state with an emphasis on primary care medicine
2 or psychiatry in 2014.

3 (END)