



Oregon Office of Rural Health

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Testimony in Favor of SB 325
Senate Health Care & Human Services Committee
March 11, 2013
Scott Ekblad, Director, Oregon Office of Rural Health

Chair Monnes Anderson, Vice-Chair Kruse, Members of the Committee:

The Rural Practitioner Tax Credit is administered by the Oregon Office of Rural Health. It was created by the Oregon Legislature in 1989, the same year our office was moved from the State Health Division to Oregon Health & Science University. The first credits were granted for tax year 1990, to physicians, physician assistants and nurse practitioners. Certified Registered Nurse Anesthetists (CRNAs), podiatrists, dentists and optometrists were added in later sessions, all with different sets of eligibility criteria.

Just over 2,000 providers qualified for the tax credit in tax year 2011, representing \$8.5 million. The fiscal impact for the biennium will be approximately \$17 million.

I was not working in the field when the program was created in 1989. However, it is safe to assume that the intent of the program was to increase the availability of providers in rural Oregon. Since 1991 the number of physicians receiving the credit has increased from 538 to 1,245. The number of nurse practitioners and physician assistants increased from 115 to 665.

I believe that if this credit is allowed to sunset we would see a decline in the number of providers available to rural Oregonians. I believe that trend would continue over time, as current recipients see this program as even more important as a retention tool as it is a recruitment incentive.

This past summer the Oregon Rural Health Association and the Oregon Office of Rural Health jointly administered a survey of Rural Practitioner Tax Credit recipients. I will lead you through some of the information we gathered, and the resulting program revisions we propose in the -5 amendments before you today.



Background

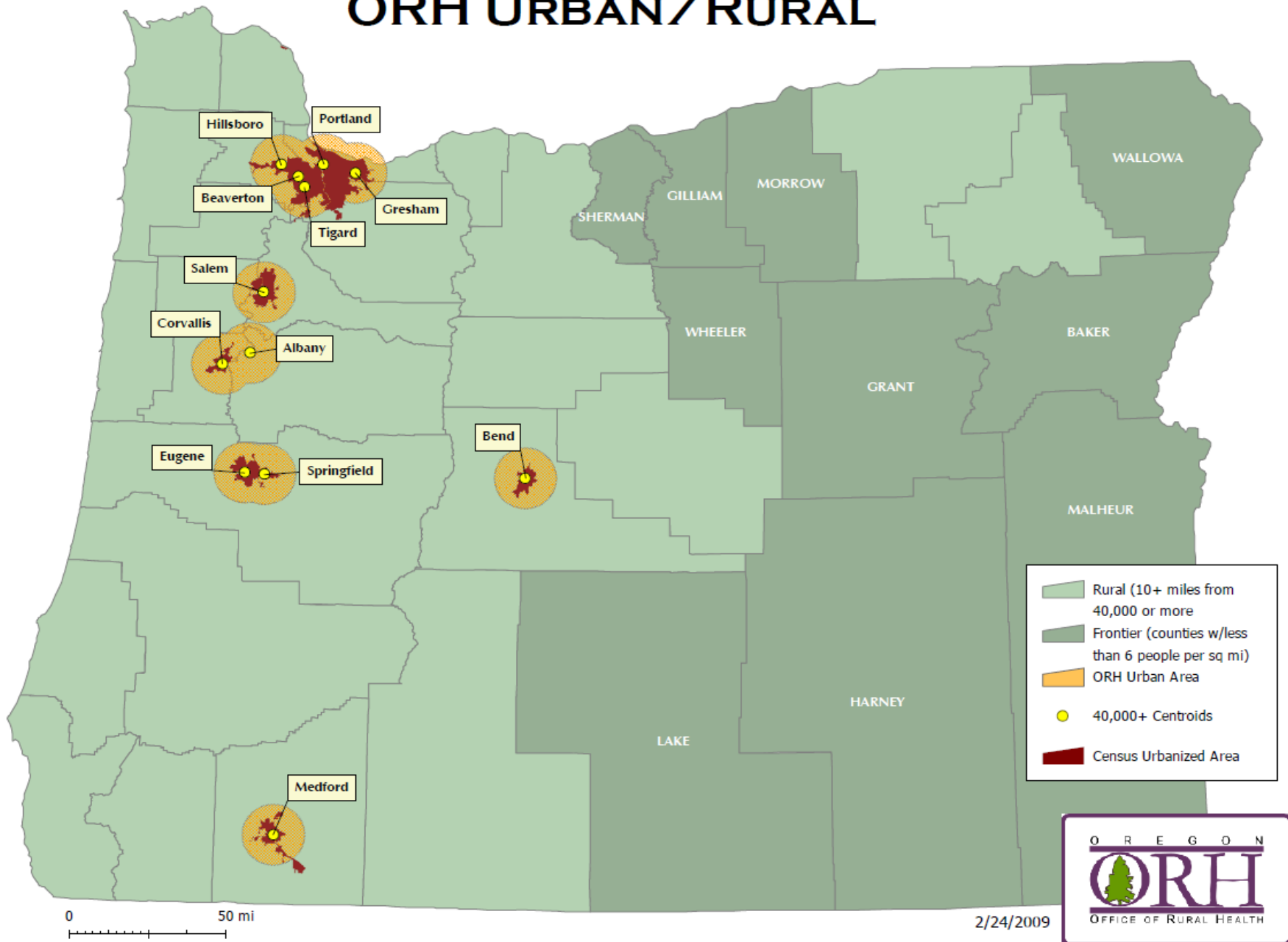
- The Rural Provider Tax Credit was authorized in 1989 and began with tax year 1990.
- Eligible professions are physicians, physician assistants, nurse practitioners, certified registered nurse anesthetists, podiatrists and dentists.
- Prior to 1999 there was a 10-yr limit on the credit; the limit was removed by the Legislature in 1999.



Background (cont'd)

- Requirements for eligibility vary by type of provider.
- For all providers, at least 60% of the provider's practice must be spent in a qualifying rural area.
- Rural means any area at least 10 miles from a population center of 40,000 or more.

ORH URBAN/RURAL



Recipients 1990 - 2011



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
MD/DO	409	538	575	575	594	617	635	671	704	754	775	1010	1047	1076	1129	1157	1174	1184	1193	1214	1237	1245
PA	33	37	39	41	44	49	58	61	62	77	76	87	94	109	126	132	151	170	190	203	219	221
NP	61	78	98	122	145	179	204	214	225	249	273	287	299	309	326	353	377	410	420	405	426	444
DDS/DMD*	0	0	0	0	0	35	43	48	54	52	52	51	52	55	56	56	51	58	58	60	62	59
CRNA***	0	41	43	43	47	45	44	47	47	48	50	58	63	66	68	67	65	68	76	69	67	69
OD**	0	0	0	0	0	0	0	9	5	14	18	18	20	19	19	19	19	20	21	20	20	20
DPM*	0	0	0	0	0	8	8	8	8	10	12	18	19	19	20	20	19	19	22	22	23	24
Totals	503	694	755	781	830	933	992	1058	1105	1204	1256	1529	1594	1653	1744	1804	1856	1929	1980	1993	2054	2082

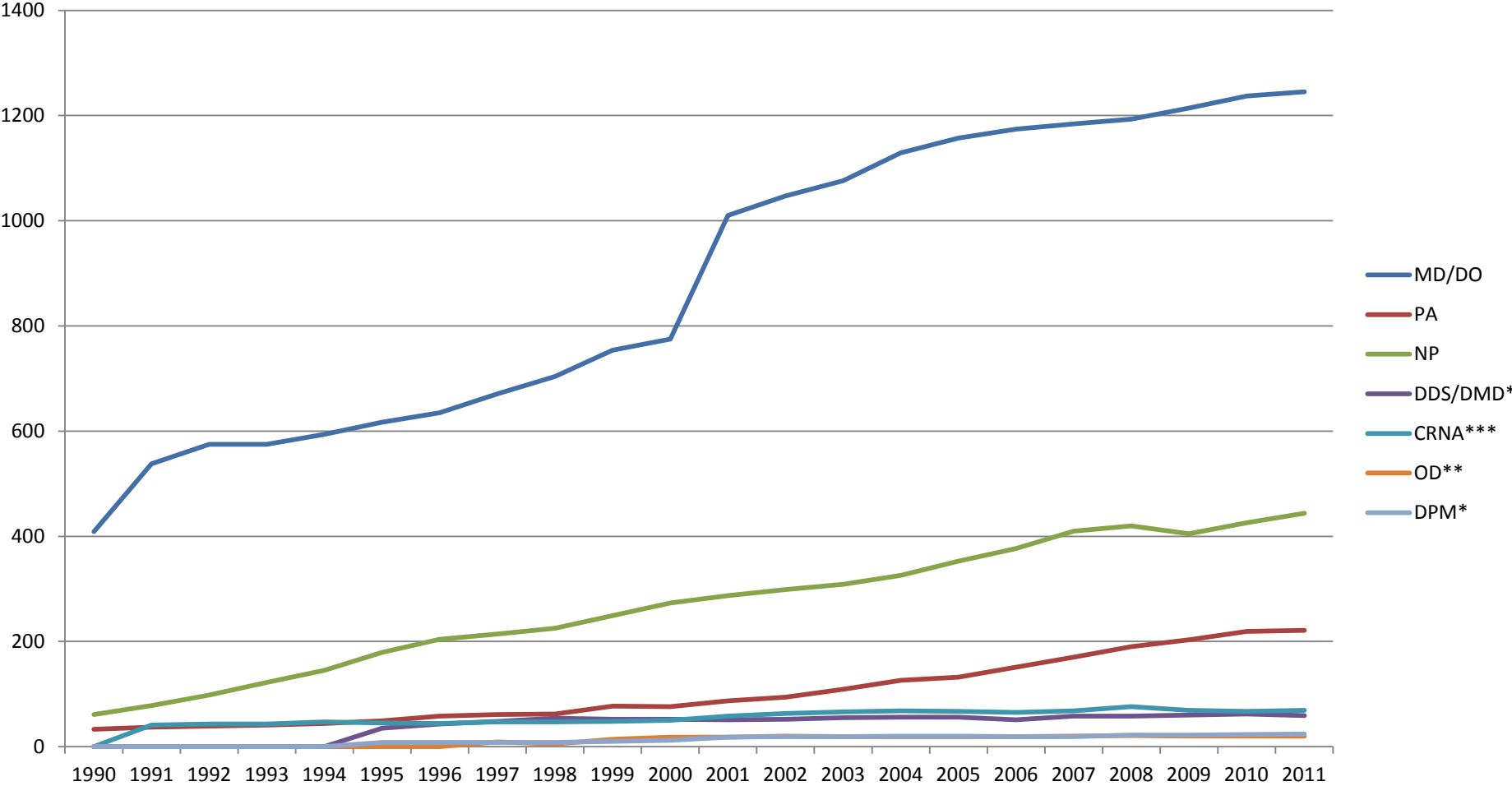
*eligible effective 1995

**eligible effective 1997

***eligible effective 1991



Recipients 1990 - 2011



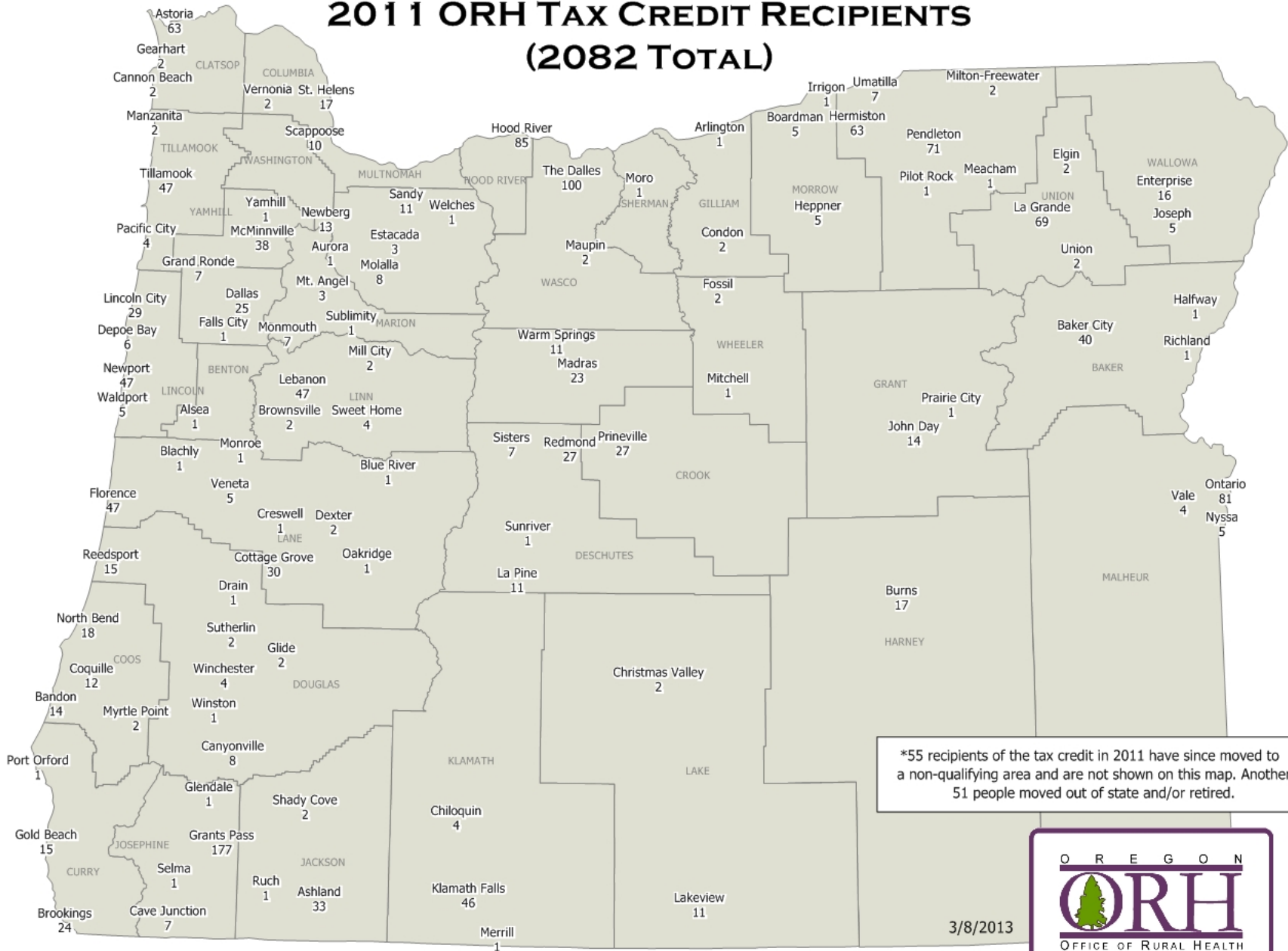


2011 Recipients

2,082 providers received the credit for 2011:

- 1,245 physicians
- 444 nurse practitioners
- 221 physician assistants
- 69 nurse anesthetists
- 59 dentists
- 20 optometrists
- 24 podiatrists

COUNT AND CURRENT LOCATION OF 2011 ORH TAX CREDIT RECIPIENTS (2082 TOTAL)



*55 recipients of the tax credit in 2011 have since moved to a non-qualifying area and are not shown on this map. Another 51 people moved out of state and/or retired.



3/8/2013

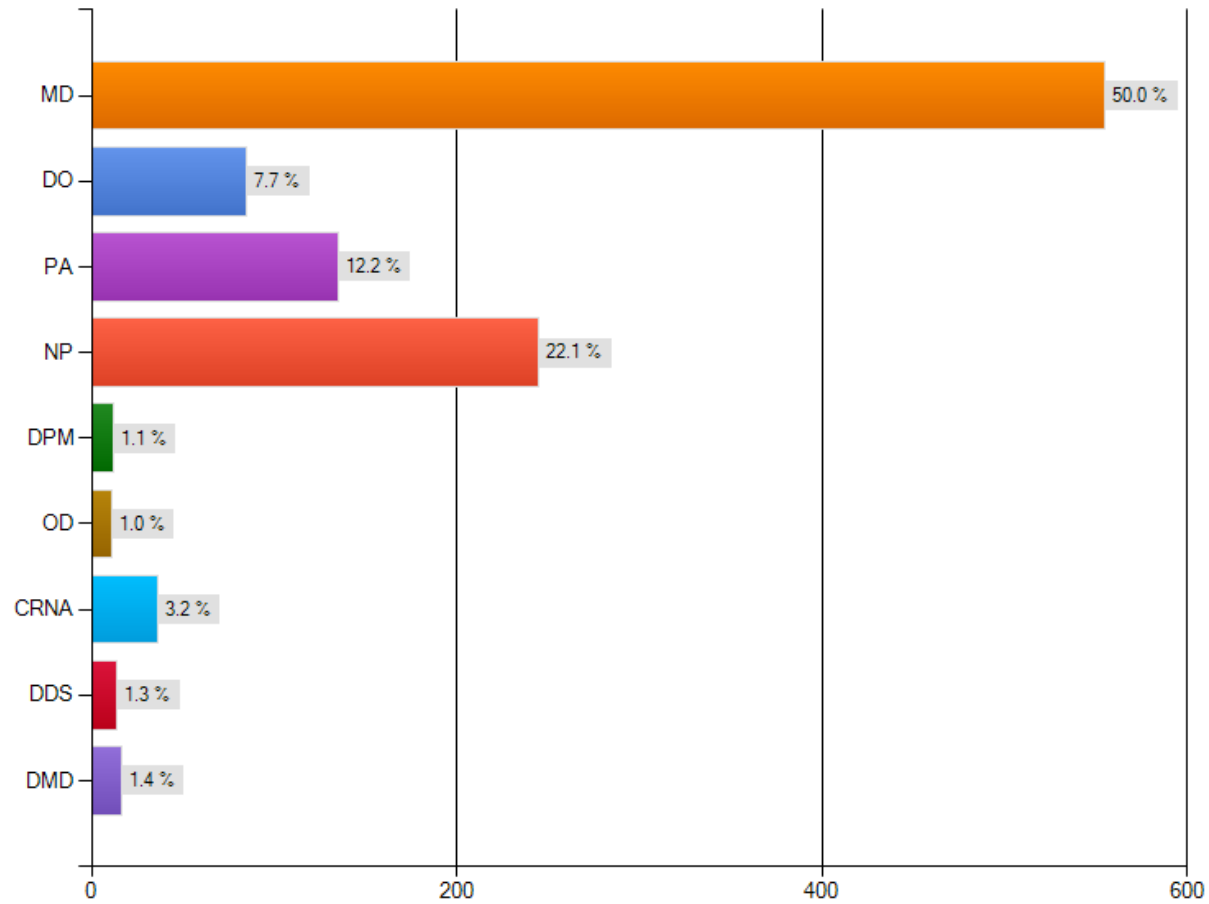
2012 Rural Provider Tax Credit Survey



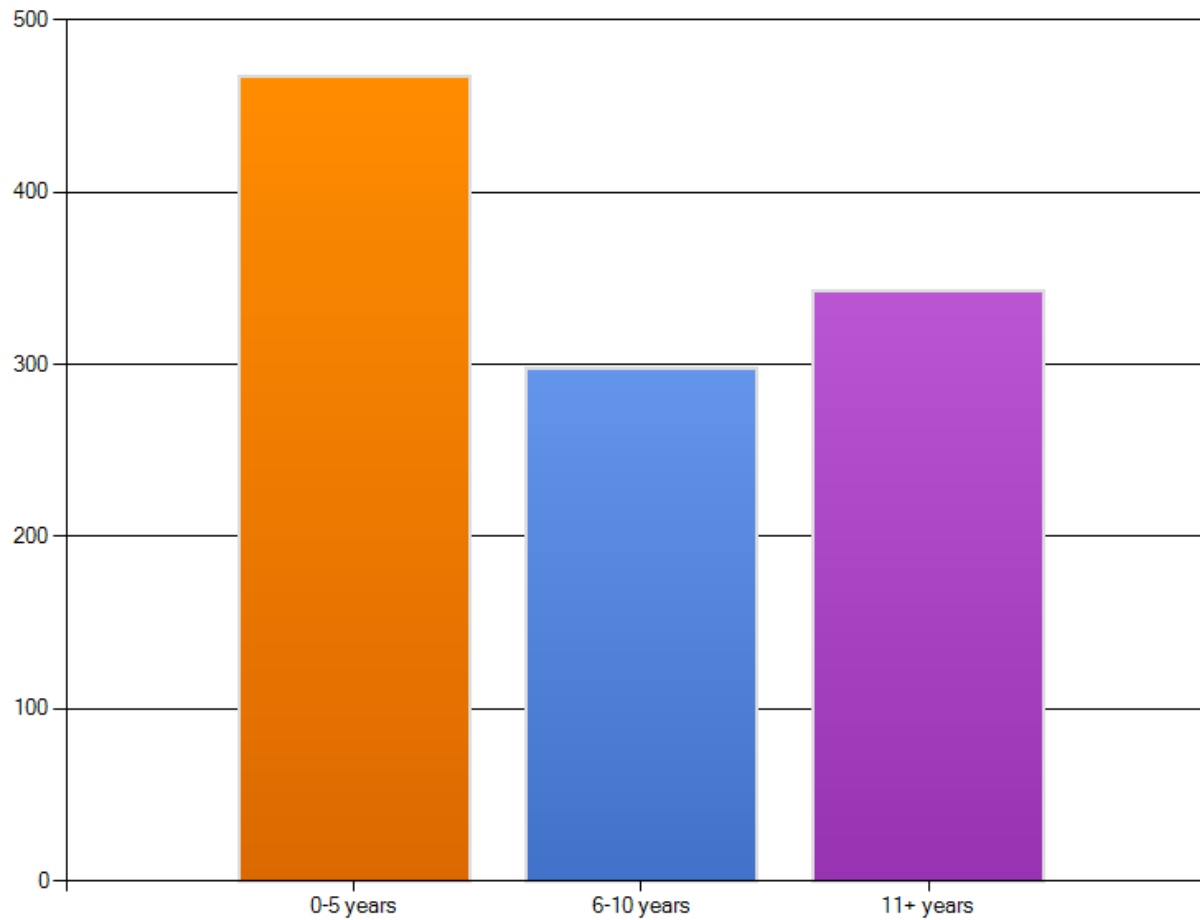
The Oregon Rural Health Association and the Oregon Office of Rural Health surveyed current tax credit recipients.

- The survey was sent to 2,067 recipients on Monday, August 20, 2012.
- 1,074 responded, a ***52% rate of return.***

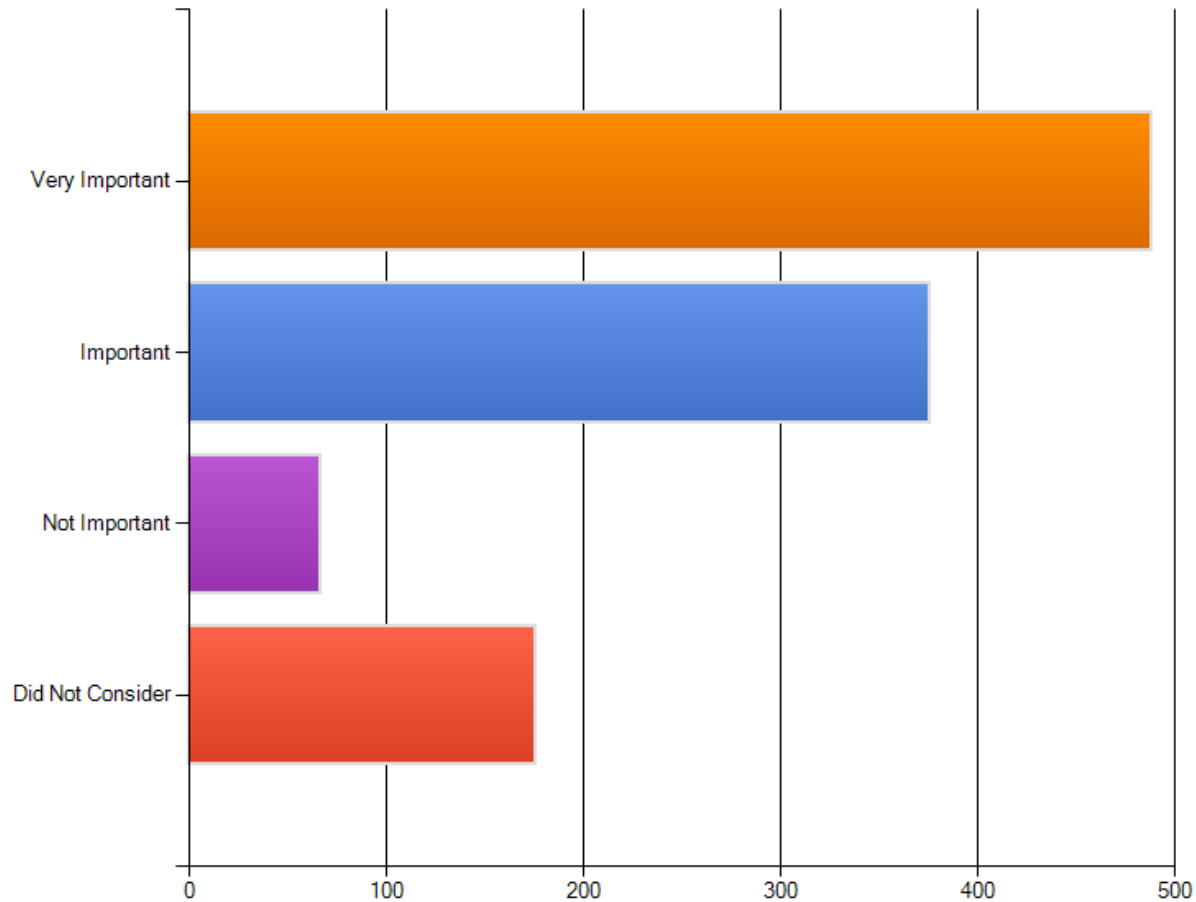
Licensure



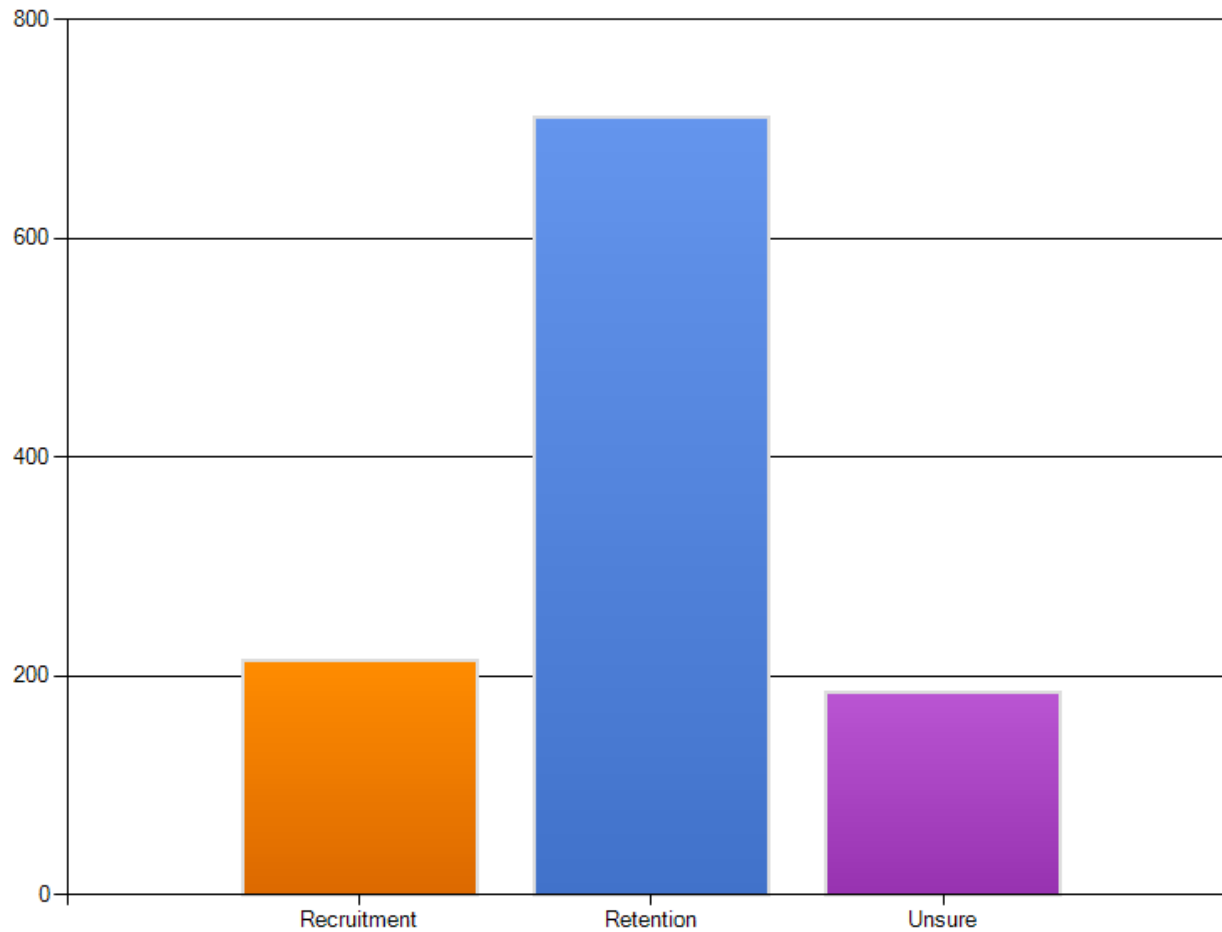
Years receiving the tax credit



How significant was the tax credit in your decision to practice in rural Oregon?



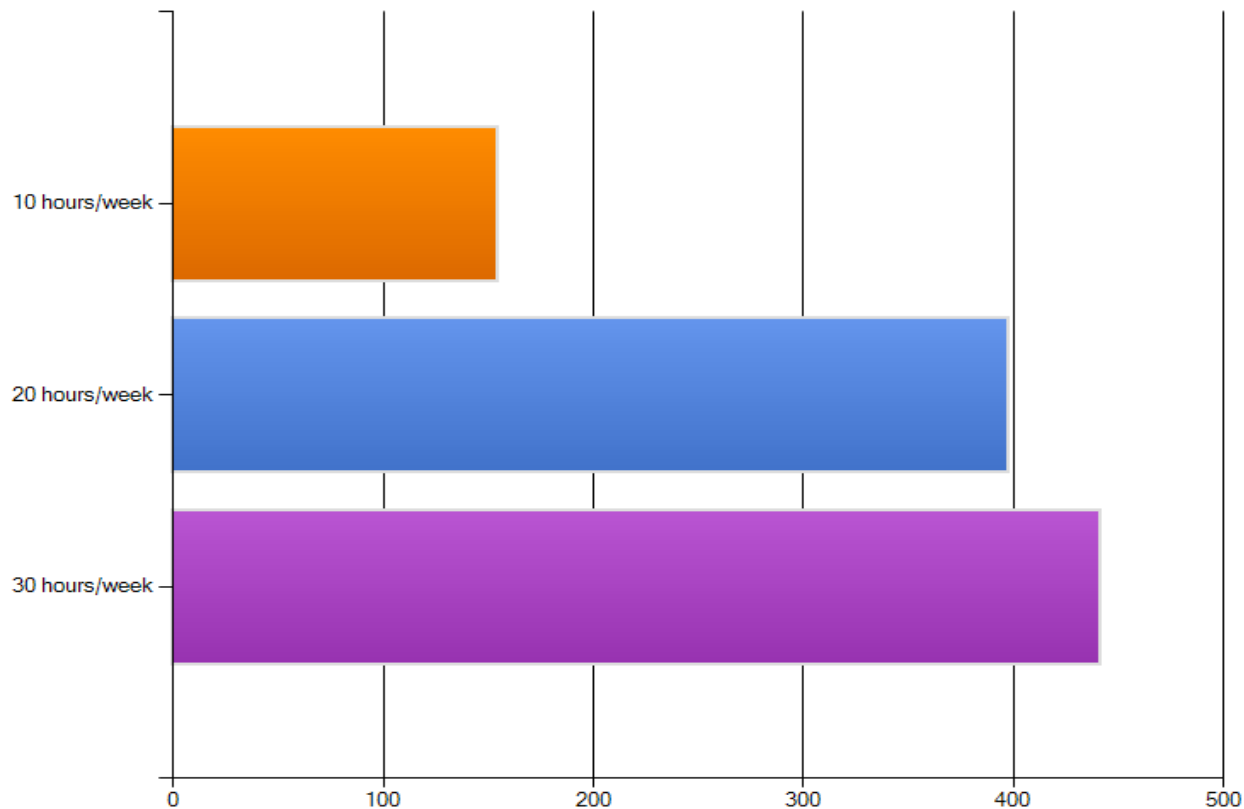
Has the tax credit been more valuable as a recruitment tool or a retention incentive?



Would you continue to practice in rural Oregon if recipients of the credit were required to...



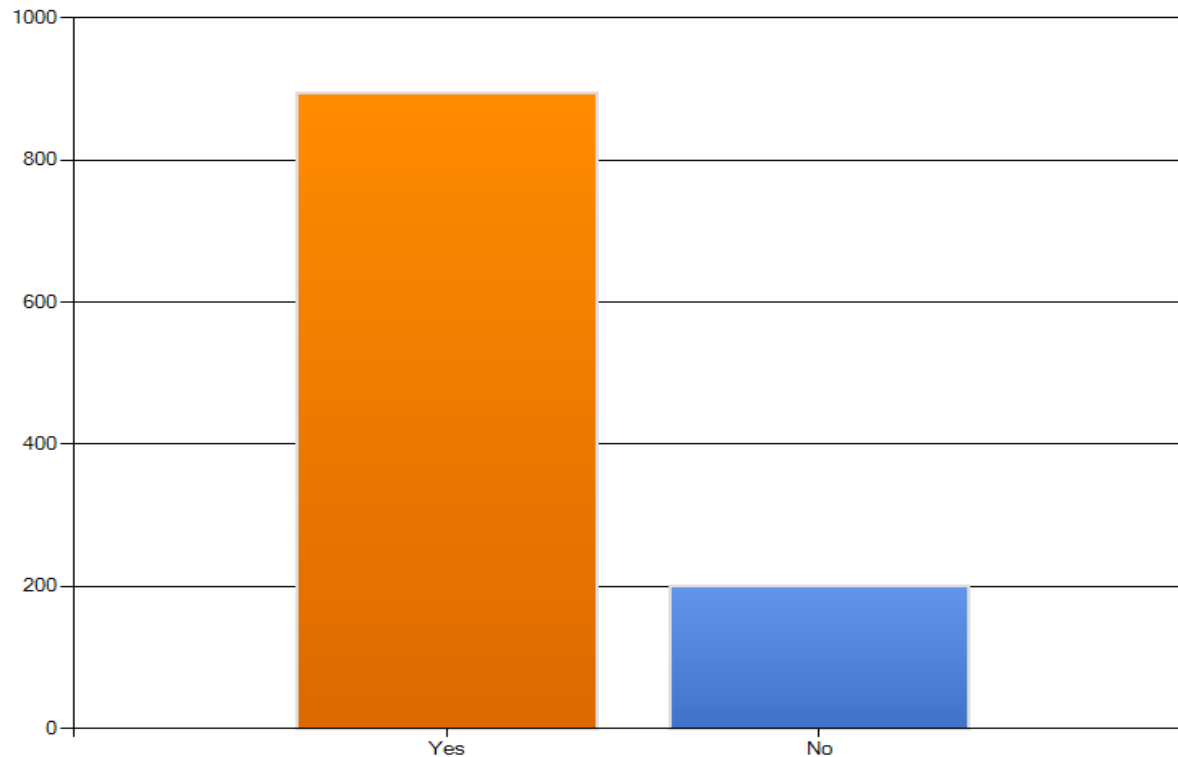
...practice a minimum number of hours in rural?



Would you continue to practice in rural Oregon if recipients of the credit were required to...



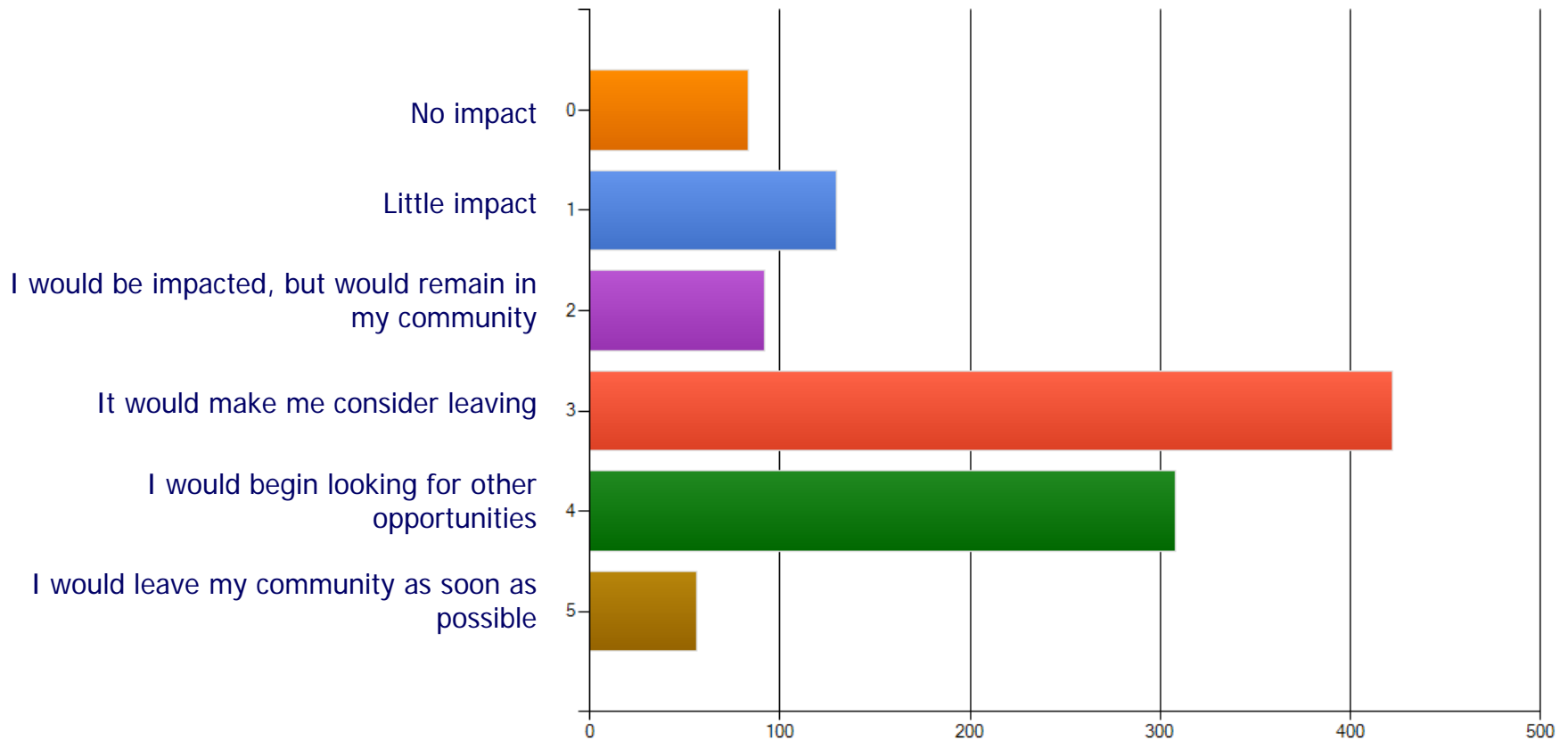
...accept Medicare and Medicaid patients in the same proportion as in your county?



What would the impact be on your decision to continue practicing in rural Oregon if...



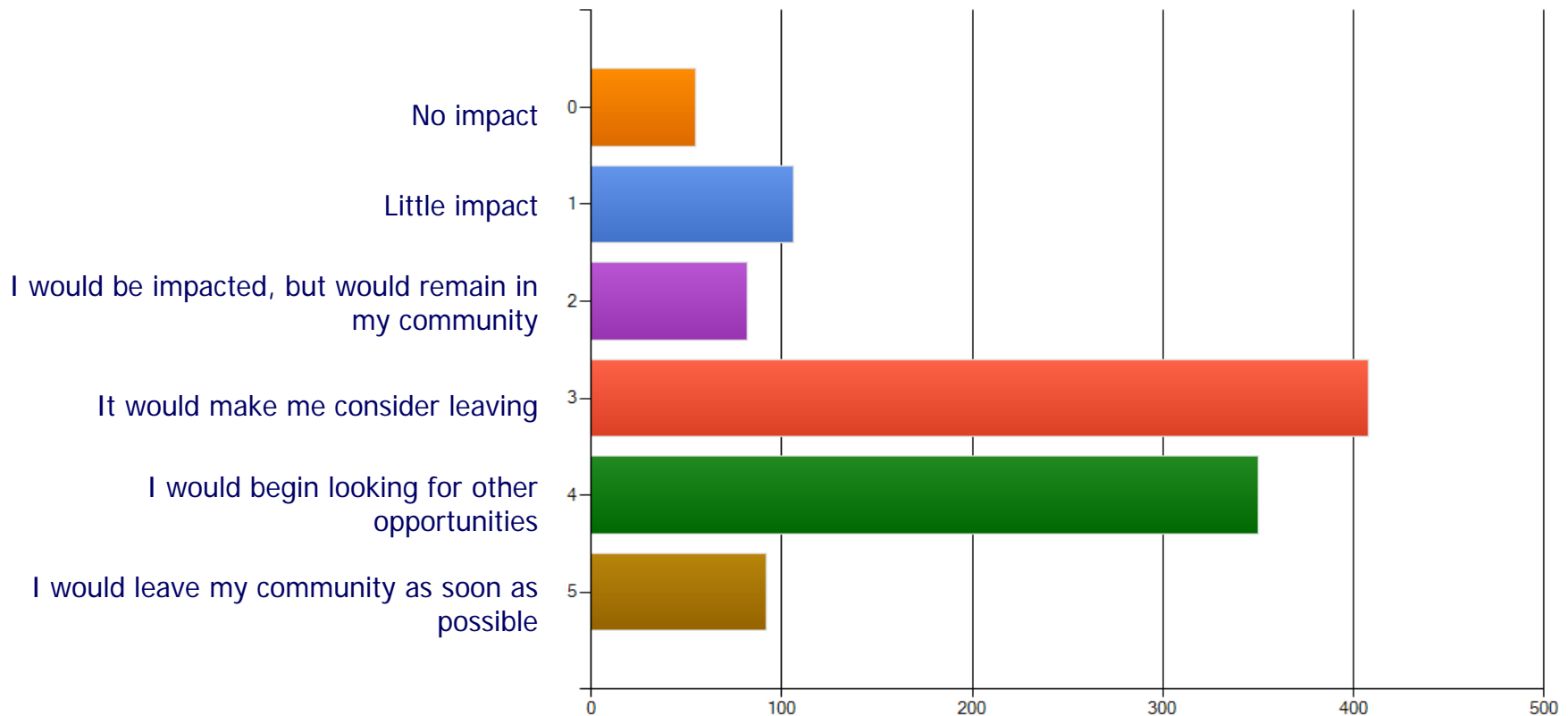
...the credit were limited to 10 years?



What would the impact be on your decision to continue practicing in rural Oregon if...



...the credit were eliminated?





Other feedback

- The final question was open-ended, offering an opportunity to provide feedback on the tax credit.
- Of over 1,000 respondents, 371 provided feedback.
 - So far the overwhelming majority reiterate the value of the credit in recruiting and/or retaining providers in rural Oregon.
 - Many mention that it lessens an urban/rural pay differential.