

Modify Income Tax Credit Health Care Preceptors

HB19-1088

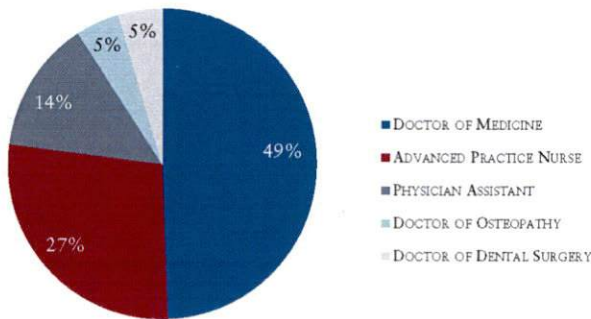
This bill makes modifications to the existing Rural & Frontier Preceptor Tax Credit, clarifying the definition of "preceptorship" and extending the sunset date.

The Rural & Frontier Preceptor Tax Credit provides incentive for healthcare professionals in rural Colorado who provide uncompensated personalized instruction, training and supervision to medical students interested in working rural Colorado. The credit has been shown in survey data and a report from the State Auditor's Office to be effective in providing an incentive to healthcare providers, with the long-term goal of increasing the primary care workforce in rural Colorado.

The literature on rural healthcare workforce states primary care providers are likely to practice and stay in rural areas if training occurs outside of urban locations. Due to various circumstances, there are an inadequate number of rural primary care providers able to precept. The number of students interested in rural practice far outweighs the number of preceptors needed for rural clinical rotations.

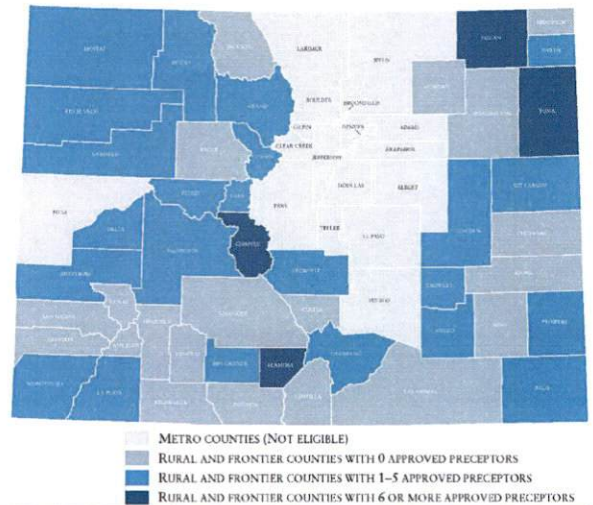
THE RURAL & FRONTIER PRECEPTOR TAX CREDIT IMPACT

PRECEPTORS APPROVED FOR THE PRECEPTOR CREDIT BY PROVIDER TYPE TAX YEAR 2017



SOURCE: Office of the State Auditor analysis of Department of Revenue taxpayer data.

PRECEPTORS ELIGIBLE AND APPROVED FOR THE CREDIT IN 2017 BY COUNTY

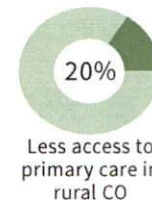
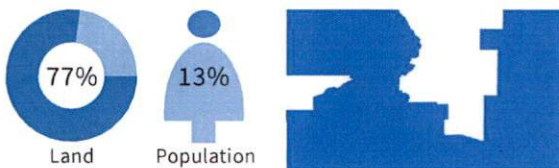


SOURCE: Office of the State Auditor Analysis of U.S. Census Bureau data, Colorado Department of Revenue taxpayer data, and Section 39-22-538, C.R.S.

74 credits claimed in tax year 2017

ACCESS TO CARE IN RURAL COLORADO

Rural Colorado is Colorado



\$889,000 annually and 23 additional jobs enter a rural community with the hiring of a single physician

HB19-1088: Modify Rural Healthcare Preceptor Tax Credit Datasheet

Overview: Primary care providers are more likely to practice and stay in rural areas if training occurs in rural settings. Sustaining and growing the number of rural preceptors is essential to ensuring access to healthcare. Providing a financial incentive in the form of a tax credit is a proactive approach to incentivizing and recognizing the invaluable effort that is invested into training health professionals in rural Colorado. In light of a workforce shortage **crisis** in rural areas around the country, Colorado is proving that our state is a leader in finding effective solutions to this crisis and making an investment in the rural residents of our state.

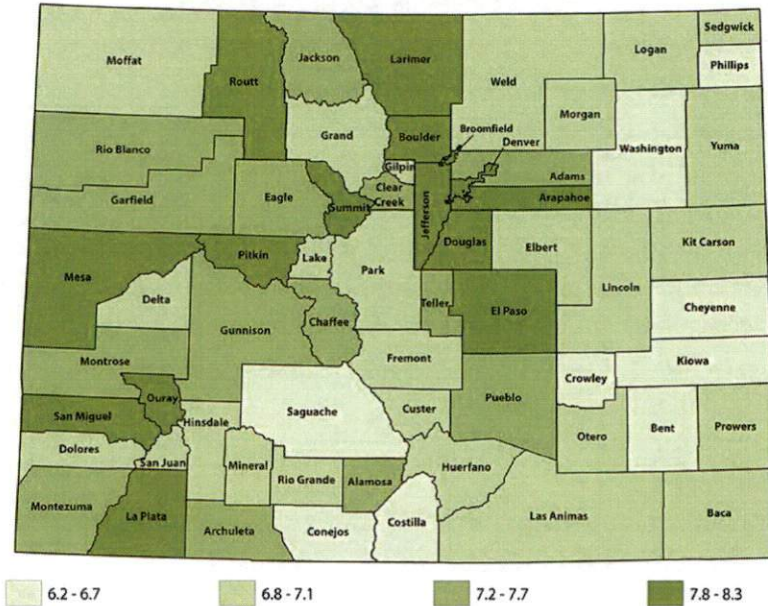
Sections in this datasheet include:

- 1) Disparity in Care for rural Patients,**
- 2) Workforce Shortages,**
- 3) Growth in Preceptor Opportunities and Georgia Tax Incentive Data,**
- 4) Demonstrated need for student placements in Rural CO**

Disparity in Care for Rural Patients

- **Access to Care:** Colorado Health Institute (CHI) Publications
 - Rural residents have less access to care than urban counterparts. The state's lowest access to care scores are found in the southern part of the state, often in the San Luis Valley. Saguache County has a score of 6.2, Costilla County, 6.3; Crowley County, 6.4; and Conejos County, 6.5. (See Map 1.)
 - In general, urban Front Range counties have better access to health care than rural areas. Counties in the Denver metro area score the highest, with Boulder and Douglas counties at 8.3 and Denver a close third at 8.2.
 - The index includes factors such as provider-patient ratios and measures of realized care such as dental visits, breast and cervical cancer screening, appropriate asthma prescriptions, and timely prenatal care
 - By way of example, 24% of patients in Lake, Cahffee, Fremont and Custer county reported being unable to get a doctors appointment as soon as was needed, compared to 15.7% for Colorado as a whole

Map 1. Access to Care Index Score, by County, 2017



- [Download/Use This](#)

- However, all is not equal across Colorado.

Five Highest Overall Access to Care Scores

County	Score
1. Boulder	8.3
2. Douglas	8.3
3. Denver	8.2
4. Ouray	8.2
5. Jefferson	8.2

Five Lowest Overall Access to Care Scores

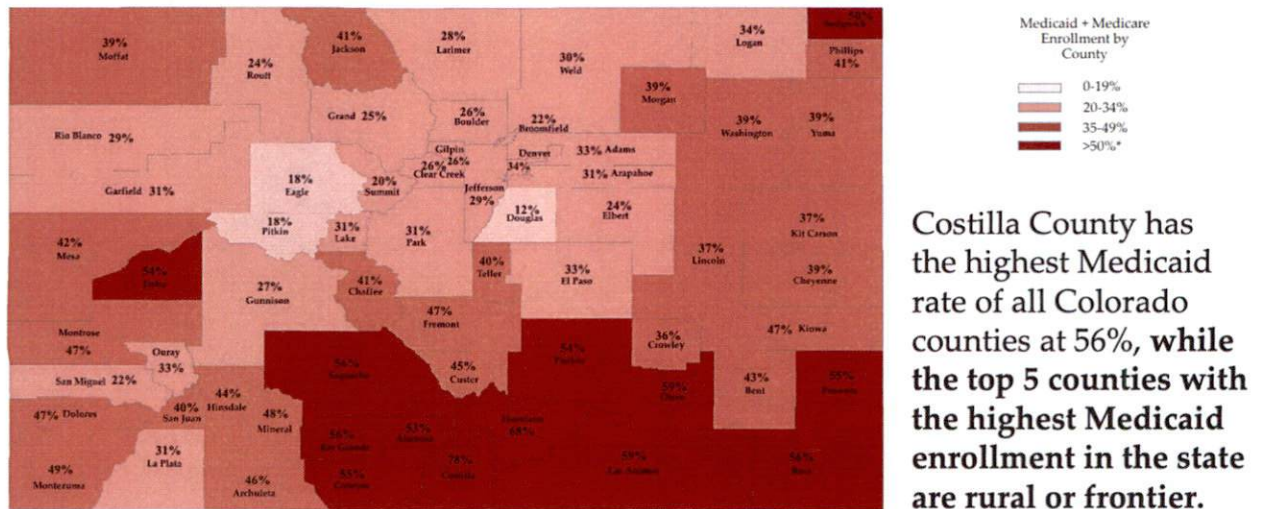
County	Score
1. Saguache	6.2
2. Costilla	6.3
3. Crowley	6.4
4. Conejos	6.5
5. Bent	6.5

- Source: <https://www.coloradohealthinstitute.org/research/2017-access-care-index>
- Colorado Rural Health Center Data:
 - 13% of all Coloradans live in rural counties in Colorado, yet only 10% of the licensed dentists and 9% of the licensed physicians are practicing in rural areas of Colorado.
 - In 2016, The rate of adult tooth loss due to decay for rural adults is 46.6% versus 35.4% for urban adults.

<https://www.colorado.gov/pacific/sites/default/files/11%20-%20Colorado%20Rural%20Health%20Center%20-%202016%20Snapshot.pdf>

- Rural counties have relatively higher proportions of residents on Medicaid and Medicare (See map below)

Combined Medicaid (2016) and Medicare (2015) Enrollment by County



- Source: <http://coruralhealth.wpengine.netdna-cdn.com/wp-content/uploads/2013/10/2018-Snapshot-FINAL-February-2018.pdf>

Workforce Shortages

- It takes 12-18 months to place for family physicians in a rural area, and 6-8 months to place for PA/NPs (CO Rural Health Center Data)
- In a rural region consisting of Cheyenne, Elbert, Kit Carson and Lincoln counties, there are 5,636 residents for each full-time primary care physician – or more than four times as many. Compare that to Denver County that has 1,348 residents for each full-time practicing primary care physician.
- A CHI study of rural physicians found that more than a third (35 percent) are 55 or older, with plans to retire in the coming decade. This is particularly concerning since rural areas face the biggest challenges in recruiting physicians.
- Many providers choose to work near where they grew up or where they trained, recruiters say. Graduates of rural residency programs are three times more likely to practice in rural areas than graduates of urban residencies, according to a 2010 University of Washington study.
- CHI: [https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/Colorado's Primary Care Workforce1.pdf](https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/Colorado's_Primary_Care_Workforce1.pdf)

Additional Resources regarding Workforce:

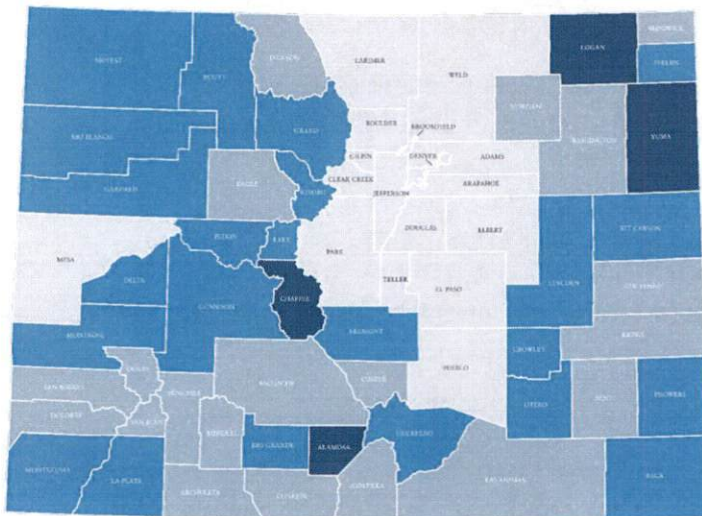
- Denver Foundation, CO Health Access Fund:
<http://www.denverfoundation.org/Portals/0/Uploads/Documents/2017%20CHA%20Fund%20Evaluation%20Report%20May%202018.pdf>
- Colorado Primary Care Office, CDPHE: Health Professional Shortage Area, Primary Care map:
https://www.colorado.gov/pacific/sites/default/files/PCO_HPSA-primary-care-map.pdf

Growth in Preceptorship Opportunities

Data Limitations: 3 year sunset combined with timing of tax years and data availability limited what data is currently available in Colorado

- Colorado State Auditor's Report:
 - 74 credits utilized in 2017. 2018 data not yet available.
 - https://leg.colorado.gov/sites/default/files/images/01_rural_frontier_healthcare_preceptor_credit.pdf
 - Counties that have providers who have utilized a credit (See map below):

**EXHIBIT 1.4.
PRECEPTORS ELIGIBLE AND APPROVED FOR
THE CREDIT IN 2017 BY COUNTY**



- METRO COUNTIES (NOT ELIGIBLE)
- RURAL AND FRONTIER COUNTIES WITH 0 APPROVED PRECEPTORS
- RURAL AND FRONTIER COUNTIES WITH 1-5 APPROVED PRECEPTORS
- RURAL AND FRONTIER COUNTIES WITH 6 OR MORE APPROVED PRECEPTORS

- Georgia Tax Incentive Program – See accompanying factsheet
 - The number of providers taking the Georgia tax deduction increased overall over 4 years from 313 to 348 taxpayers.
 - Total reported preceptor hours rose from 438,000 in 2014 (the first year), to 906,00 in 2017. Hours precepted by Year:

2014	2015	2016	2017
438,612	895,552	808,606	906,714

- After speaking with Georgia's program coordinator, they anticipate a full evaluation report will be completed by the end of 2019.

Demonstrated Need for Placements in Rural Areas

School	Discipline	Current Available Rural Preceptors	Current Students precepting in rural	Current Rotation Yield per year from available rural preceptors	Additional Student rotation need per Academic Year
CU	CHA/PA	10		20	40
CU	Family Medicine	61	75	108	14
Red Rocks		30		50-60	30
Regis		8	18		26
UNC	FNP/AGA CNP	12	10	10	10
Rocky Vista	Family Medicine/ER	40	30	80	20

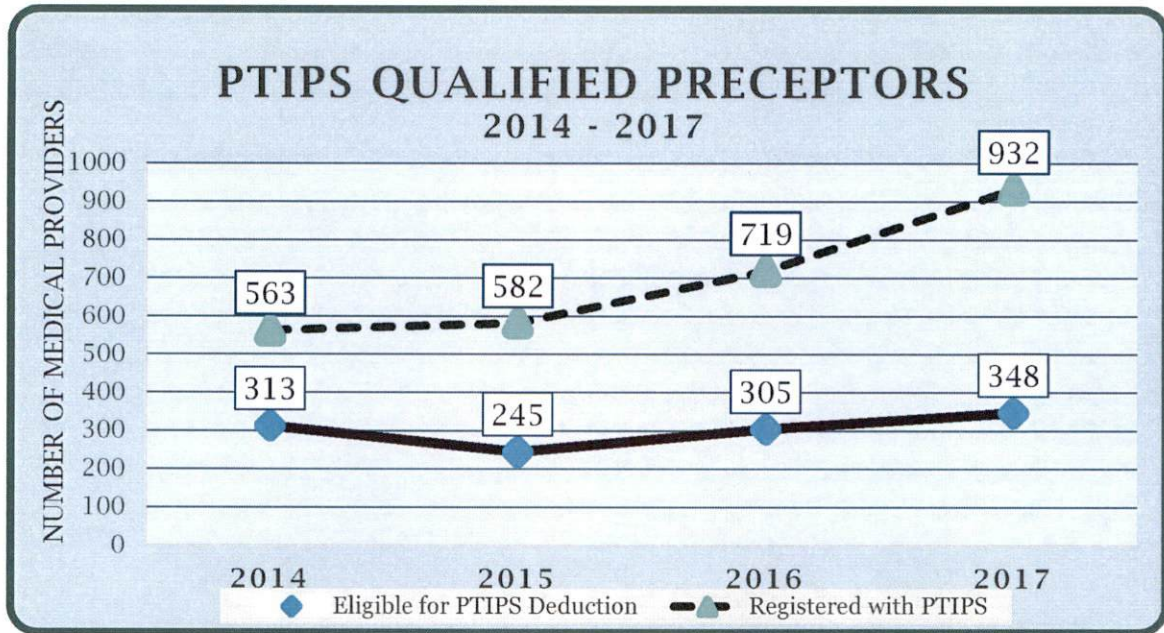
161 current available preceptors

140 additional preceptors/rural rotations needed per academic year

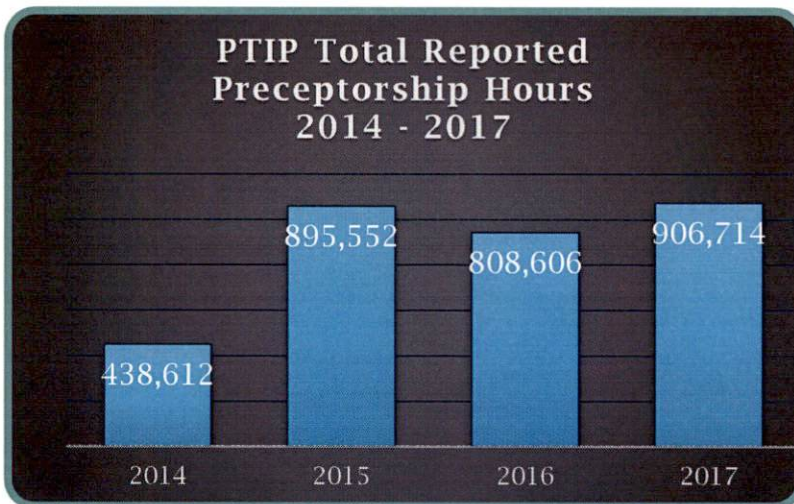
301 current and needed preceptors to fill statewide need

Georgia Preceptor Tax Incentive Program (PTIP) Evaluation Data

Georgia plans to produce a full evaluation by the end of 2019. However, the results below are from individual year tracking



The number of medical professionals who expressed interest in a preceptor tax deduction by registering with PTIP increased from 563 in 2014 up to 932 in 2017. The overall trend of those meeting criteria for the credit also increased from 313 to 348.



The number of hours precepted has risen since the beginning of PTIP.

It appears that medical professionals are responding positively to the PTIP incentive program, as eligible deduction amounts have steadily grown over the four fiscal years.

