

An Act

ENROLLED HOUSE
BILL NO. 3351

By: McEntire, Deck, and Munson
of the House

and

Thompson (Kristen) of the
Senate

An Act relating to medical preceptorship training; defining terms; providing income tax credit for certain individuals who conduct a preceptorship rotation; providing amount of and basis for credit; providing limitations on credits allowed; authorizing the carry forward of credit; directing the Health Care Workforce Training Commission to award credit; limiting the amount of credit awarded to balance of certain revolving funds; authorizing allocation of partial credit; authorizing credits not allowed to be claimed in subsequent year; specifying eligibility for credit; directing the State Board of Medical Licensure and Supervision, the State Board of Osteopathic Examiners, and the Oklahoma Board of Nursing to deposit certain fees in revolving fund for certain purpose; requiring submission of information; authorizing promulgation of rules; creating the Physician Preceptor Tax Credit Revolving Fund, the Physician Assistant Preceptor Tax Credit Revolving Fund, the Osteopathic Physician Preceptor Tax Credit Revolving Fund, and the Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund; specifying sources of funds; providing for transfer of monies to Oklahoma Tax Commission; requiring apportionment of monies; authorizing payment of administrative expenditures; stating purpose; amending 70 O.S. 2021, Section 697.5, as amended by Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp. 2023, Section 697.5), which relates to the Health Care Workforce Training Commission; providing additional duties; updating statutory language;

providing for codification; and declaring an emergency.

SUBJECT: Medical preceptorship training

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

A. As used in this section:

1. "Advanced practice registered nursing student" means an individual participating in a state-supported training program in this state that is approved by the Oklahoma Board of Nursing for the training of individuals to become Advanced Practice Registered Nurses as defined in Section 567.3a of Title 59 of the Oklahoma Statutes;

2. "Faculty preceptor" means an allopathic physician, osteopathic physician, physician assistant, or Advanced Practice Registered Nurse licensed in this state and who provides primary care services;

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

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

5. "Physician assistant student" means an individual participating in a state-supported training program in this state that is approved by the State Board of Medical Licensure and Supervision for the training of individuals to become physician assistants as defined in Section 519.2 of Title 59 of the Oklahoma Statutes;

6. "Preceptorship rotation" means a period of preceptorship training of one or more medical students, residents, physician

assistant students, or advanced practice registered nursing students that in aggregate totals one hundred sixty (160) hours;

7. "Preceptorship training" means uncompensated training in primary care services of a medical student, resident, physician assistant student, or advanced practice registered nursing student enrolled in a training program in this state;

8. "Primary care services" means family medicine, geriatrics, general internal medicine, general pediatrics, or the substantial equivalent of such services when performed by a physician assistant or Advanced Practice Registered Nurse;

9. "Resident" means an allopathic physician or osteopathic physician pursuing postgraduate medical education at a program supported by a medical school or a school or college of osteopathic medicine in this state; and

10. "School or college of osteopathic medicine" shall have the same meaning as provided by Section 631 of Title 59 of the Oklahoma Statutes.

B. 1. For tax years 2026 through 2035, there shall be allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes for a faculty preceptor who conducts a preceptorship rotation.

2. Except as provided for by subsection F of this section, credit shall be allowed for no greater than ten preceptorship rotations completed in a calendar year, and shall be equal to the following amounts:

- a. for a medical student or resident, Two Hundred Ninety Dollars (\$290.00) each for the first, second, or third preceptorship rotations and Five Hundred Ninety Dollars (\$590.00) each for up to seven subsequent rotations, and
- b. for a physician assistant student or advanced practice registered nursing student, One Hundred Sixty-five Dollars (\$165.00) each for the first, second, or third preceptorship rotations and Three Hundred Forty Dollars (\$340.00) each for up to seven subsequent rotations.

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

D. To the extent not used, the credits authorized by this section may be carried over, in order, to each of the five (5) subsequent tax years.

E. The Health Care Workforce Training Commission shall award the credit authorized by subsection B of this section to faculty preceptors for preceptorship rotations of:

1. Medical students enrolled in a medical school in this state;
2. Residents who are allopathic physicians pursuing postgraduate medical education at a program supported by a medical school in this state;
3. Physician assistant students;
4. Medical students enrolled in a school or college of osteopathic medicine in this state;
5. Residents who are osteopathic physicians pursuing postgraduate medical education at a program supported by a school or college of osteopathic medicine in this state; and
6. Advanced practice registered nursing students.

F. 1. The credits awarded by the Health Care Workforce Training Commission under paragraphs 1 and 2 of subsection E of this section for the tax year shall not exceed the amount deposited to the Physician Preceptor Tax Credit Revolving Fund created in Section 2 of this act during the fiscal year ending on the June 30 date immediately preceding the date upon which the applicable income tax year begins.

2. The credits awarded by the Health Care Workforce Training Commission under paragraph 3 of subsection E of this section for the tax year shall not exceed the amount deposited to the Physician Assistant Preceptor Tax Credit Revolving Fund created in Section 3 of this act during the fiscal year ending on the June 30 date immediately preceding the date upon which the applicable income tax year begins.

3. The credits awarded by the Health Care Workforce Training Commission under paragraphs 4 and 5 of subsection E of this section for the tax year shall not exceed the amount deposited to the Osteopathic Physician Preceptor Tax Credit Revolving Fund created in Section 4 of this act during the preceding fiscal year ending on the June 30 date immediately preceding the date upon which the applicable income tax year begins.

4. The credits awarded by the Health Care Workforce Training Commission under paragraph 6 of subsection E of this section for the tax year shall not exceed the amount deposited to the Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund created in Section 5 of this act during the preceding fiscal year ending on the June 30 date immediately preceding the date upon which the applicable income tax year begins.

G. Partial claims for credit may be awarded. Credits earned but not allowed due to the application of the limitation provided in this section shall be considered suspended and authorized to be used in the subsequent tax year and applied to the next tax year's limitation.

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

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

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

3. Supply supporting documentation as may be required by the Health Care Workforce Training Commission.

I. 1. The State Board of Medical Licensure and Supervision shall reserve Seven Dollars (\$7.00) of every annual licensure fee received from allopathic physicians and shall deposit the sum to the Physician Preceptor Tax Credit Revolving Fund created in Section 2 of this act for the purpose of providing funding for the credit authorized by this section.

2. The State Board of Medical Licensure and Supervision shall reserve Four Dollars (\$4.00) of every annual licensure fee received from physician assistants and shall deposit the sum to the Physician Assistant Preceptor Tax Credit Revolving Fund created in Section 3

of this act for the purpose of providing funding for the credit authorized by this section.

3. The State Board of Osteopathic Examiners shall reserve Seven Dollars (\$7.00) of every annual licensure fee received from osteopathic physicians and shall deposit the sum to the Osteopathic Physician Preceptor Tax Credit Revolving Fund created in Section 4 of this act for the purpose of providing funding for the credit authorized by this section.

4. The Oklahoma Board of Nursing shall reserve Four Dollars (\$4.00) of every annual licensure fee received from Advanced Practice Registered Nurses and shall deposit the sum to the Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund created in Section 5 of this act for the purpose of providing funding for the credit authorized by this section.

J. 1. With respect to each tax year for which any tax credit authorized by this section is awarded, the Health Care Workforce Training Commission shall electronically submit information to the Oklahoma Tax Commission, which shall include the number and amount of tax credits awarded and the name of the taxpayers that were awarded credits.

2. With respect to each fiscal year the State Board of Medical Licensure and Supervision, the State Board of Osteopathic Examiners, and the Oklahoma Board of Nursing shall electronically submit to the Health Care Workforce Training Commission and the Oklahoma Tax Commission the amount deposited in the Physician Preceptor Tax Credit Revolving Fund created in Section 2 of this act, the Physician Assistant Preceptor Tax Credit Revolving Fund created in Section 3 of this act, the Osteopathic Physician Preceptor Tax Credit Revolving Fund created in Section 4 of this act, and the Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund created in Section 5 of this act.

K. The Oklahoma Tax Commission, the Health Care Workforce Training Commission, the State Board of Medical Licensure and Supervision, the State Board of Osteopathic Examiners, and the Oklahoma Board of Nursing may promulgate rules to effectuate the provisions of this act.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 495i of Title 59, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the State Board of Medical Licensure and Supervision to be designated the "Physician Preceptor Tax Credit Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the monies received by the Board from a portion of licensure fees received from allopathic physicians under subsection I of Section 1 of this act. All monies accruing to the credit of the fund are hereby appropriated and the fund shall be used to make a transfer payment to the Oklahoma Tax Commission in an amount equal to the amount of tax credits awarded pursuant to this act. The Oklahoma Tax Commission shall apportion monies transferred from the fund in the same manner as provided by Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the fund which are not required for payment of administrative expenses to the Health Care Workforce Training Commission, which shall not exceed five percent (5%) of monies apportioned to the fund, or which are not required to be transferred to the Oklahoma Tax Commission as otherwise required by this act to offset the revenue impacted by the use of the income tax credits awarded pursuant to Section 1 of this act may be used to implement programs required or authorized by law.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 519.8a of Title 59, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the State Board of Medical Licensure and Supervision to be designated the "Physician Assistant Preceptor Tax Credit Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the monies received by the Board from a portion of licensure fees received from physician assistants under subsection I of Section 1 of this act. All monies accruing to the credit of the fund are hereby appropriated and the fund shall be used to make a transfer payment to the Oklahoma Tax Commission in an amount equal to the amount of tax credits awarded pursuant to this act. The Oklahoma Tax Commission shall apportion monies transferred from the fund in the same manner as provided by Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the fund which are not required for payment of administrative expenses to the Health Care Workforce Training Commission, which shall not exceed five percent (5%) of monies apportioned to the fund, or which are not required to be transferred to the Oklahoma Tax Commission as otherwise required by this act to offset the revenue impacted by the

use of the income tax credits awarded pursuant to Section 1 of this act may be used to implement programs required or authorized by law.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 645.1 of Title 59, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the State Board of Osteopathic Examiners to be designated the "Osteopathic Physician Preceptor Tax Credit Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the monies received by the Board from a portion of licensure fees received from osteopathic physicians under subsection I of Section 1 of this act. All monies accruing to the credit of the fund are hereby appropriated and the fund shall be used to make a transfer payment to the Oklahoma Tax Commission in an amount equal to the amount of tax credits awarded pursuant to this act. The Oklahoma Tax Commission shall apportion monies transferred from the fund in the same manner as provided by Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the fund which are not required for payment of administrative expenses to the Health Care Workforce Training Commission, which shall not exceed five percent (5%) of monies apportioned to the fund, or which are not required to be transferred to the Oklahoma Tax Commission as otherwise required by this act to offset the revenue impacted by the use of the income tax credits awarded pursuant to Section 1 of this act may be used to implement programs required or authorized by law.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 567.31 of Title 59, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Board of Nursing to be designated the "Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the monies received by the Board from a portion of licensure fees received from Advanced Practice Registered Nurses under subsection I of Section 1 of this act. All monies accruing to the credit of the fund are hereby appropriated and the fund shall be used to make a transfer payment to the Oklahoma Tax Commission in an amount equal to the amount of tax credits awarded pursuant to this act. The Oklahoma Tax Commission shall apportion monies transferred from the fund in the same manner as provided by Section 2352 of Title 68 of the Oklahoma Statutes.

Monies in the fund which are not required for payment of administrative expenses to the Health Care Workforce Training Commission, which shall not exceed five percent (5%) of monies apportioned to the fund, or which are not required to be transferred to the Oklahoma Tax Commission as otherwise required by this act to offset the revenue impacted by the use of the income tax credits awarded pursuant to Section 1 of this act may be used to implement programs required or authorized by law.

SECTION 6. AMENDATORY 70 O.S. 2021, Section 697.5, as amended by Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp. 2023, Section 697.5), is amended to read as follows:

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

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

2. To review data and information on accredited physician internship and residency programs currently operated by Oklahoma hospitals and other approved clinical situations, in order to ascertain the number and distribution by physician specialty training and by geographic location of available internship and residency positions and to evaluate the impact of internship and residency placement on the establishment of practices by physicians in that geographic area or similar areas within the state where their services are urgently needed;

3. To serve as an agent to advise hospitals, clinics, and communities on setting up and planning internship and residency programs which emphasize the provision of additional primary care physicians to service the rural areas of Oklahoma with primary care specialties to be defined to include training in the area of internal medicine, obstetrics and gynecology, pediatrics, emergency trauma, and family practice;

4. To provide general counsel and advice in the development, operation and evaluation of physician internship and residency programs throughout ~~the State of Oklahoma~~ this state in cooperation with the efforts of the Oklahoma State Regents for Higher Education and the state's physician training institutions such as the ~~Oklahoma University~~ University of Oklahoma College of Medicine, Oklahoma City and Tulsa campuses, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~, and subject to accreditation by official and appropriate accrediting agencies;

5. To develop the criteria for determining the physician training cost component or associated clinical and hospital training costs which are or may be nonreimbursable by third-party payers in programs proposed by accredited hospitals, clinical situations, or hospital and clinical programs affiliated with and administered by the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, or Oklahoma State University College of Osteopathic Medicine and Surgery in order to determine the share for the state in supporting the salary, benefits, training and program administration costs incurred by hospitals in supporting of the interns and residents;

6. To develop the criteria and procedure by which state matching funds will be awarded to hospitals, accredited clinical situations, in cooperation with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~ which shall administer programs in hospital and clinical situations in the state to be used to underwrite the salaries, benefits and associated training and administration costs provided for the physician interns and residents during their period of training in such a way as to create an incentive for the development and establishment of residency and internship positions by hospitals, clinical establishments or by affiliation agreement with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~ by providing funds to cover and to supplement the nonreimbursable or additional costs incurred in hospitals for training activities or for delivery of service in outreach and ambulatory clinical situations which are outside but associated with the hospitals and clinical establishments participating in the program;

7. To review and to approve for inclusion in the programs funded the applications for funds submitted by accredited hospitals

and clinical situations participating in physician training programs in cooperation with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~ for the costs of supplying residents and interns in programs which they administer by affiliation agreements with hospitals and clinical situations throughout the state in which the interns and residents are supervised and funded by the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~ and the hospitals and clinical establishments pay for the patient care services rendered in their institutions by these residents and interns during the period of training;

8. To determine the specific level of funding and the priorities used for granting state support to approved hospitals and clinical situations, in cooperation with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~ for approved hospital physician training programs for interns and residents and to recommend to the Governor and the ~~Oklahoma~~ Legislature the total funds needed to carry out the purpose of this program;

9. To employ a director and any staff personnel required to administer the funding of approved physician training programs and to contract with other state agencies and institutions to conduct and to perform specified services, functions and aspects in administering state funds on the specified cost-sharing basis determined by the Commission or for developing programs and community and institutional participation in these training programs;

10. To ensure that hospitals or clinical situations that can qualify in all sections of Oklahoma be utilized, and to take all steps necessary to assist such hospitals or clinics in obtaining necessary recognition or status, or in meeting standards for accreditation or affiliation so that they may participate in these physician training programs;

11. To ensure that in programs administered and operated by the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma State University College of Osteopathic Medicine ~~and Surgery~~ in hospitals and clinical situations throughout the state that funds allocated to the

colleges are paid by the hospitals and clinical situations in which the patient care services are rendered, the funds are expended for such purposes in funding residents and interns in the physician training programs that the colleges have established with the approved hospitals and clinical situations which programs are designed to provide primary health care services to the rural and medically underserved parts of the state;

12. To conduct and to administer a program of physician and health care workforce placement services throughout ~~the State of Oklahoma~~ this state. Placement services shall be made available to communities, hospitals, health care facilities, physician and health professional training institutions, health professional associations and organizations, individual physicians, health professionals, students in physician and health professional training institutions and schools, and other interested parties in such a way so as to further the purposes of improving the distribution of physicians and health professionals practicing or available for practice in the state and improving in the availability of health care services to the people of the state. ~~Said~~ The placement service shall include but not be limited to assisting communities in matching with, contacting and recruiting physicians and health professionals to practice in communities in the state. The Commission shall develop criteria and procedures for the conduct and performance of placement services and employ any staff, contract for services with any private agency, nonprofit corporation, or institution to facilitate the performance of placement services; and

13. For purposes of the income tax credit authorized pursuant to Section 1 of this act and in cooperation with the Oklahoma Tax Commission:

- a. to certify preceptorship rotations for allopathic medicine, osteopathic medicine, advanced practice registered nursing, and physician assistant training programs in this state and to register faculty preceptors who provide certified training,
- b. to charge administrative expenses to the State Board of Medical Licensure and Supervision, the State Board of Osteopathic Examiners, and the Oklahoma Board of Nursing pursuant to Sections 2 through 5 of this act, and

c. to promulgate any additional rules necessary for the implementation of this act.

SECTION 7. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 13th day of May, 2024.

Presiding Officer of the House
of Representatives

Passed the Senate the 23rd day of April, 2024.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____