Maryland's Healthcare Preceptor Tax Credit: A Call to Action

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Introduction

In 2016, Maryland became one of the first states to implement a Healthcare Preceptor Tax Credit. The aim of this legislation was to help alleviate healthcare workforce shortages in the State, and it provided a tax incentive to nurse practitioner student preceptors. In 2022, legislation was passed to expand this benefit to registered nurses (RN) and licensed practical nurse (LPN) student preceptors. Identified supporters for the 2022 expansion included the Maryland Nurses Association, Maryland Hospital Association, and Maryland Board of Nursing. Through nurse advocacy, this incentive was implemented as a benefit eligible to nurse preceptors, however, the fight is not over. Maryland nurses will need to unite once more to keep this valuable preceptor incentive alive.

Background

In 2019, over 80,000 qualified applicants were denied entry into nursing academic programs due to preceptor shortages and other factors (NAPNAP, 2023). As a result of the preceptor shortages, nursing schools nationwide are experiencing supply and demand issues related to securing clinical placements. The impact of preceptor shortages can cause delays in graduation timeline for students which negatively impacts the pipeline of nurses entering the workforce (Carelli, et al., 2019). These shortages hinder the public's ability to receive safely staffed access to care. Although nursing preceptors are largely uncompensated for their work, more preceptors are stating their desire for compensation (Boyce, et al., 2022). Nurse preceptors are a vital component in training nursing students for workforce entry, and providing a Healthcare Preceptor Tax Credit can help alleviate workforce shortages.

Hurdles

Despite the noble intentions behind the Healthcare Preceptor Tax Credit, its implementation has faced several hurdles. One glaring issue is the limited eligibility criteria, which fails to align with the realities of nursing education and academia. In tax year 2022, only one RN preceptor was eligible to receive the benefit. Nurse preceptors must complete at least three rotations of at least 100 hours each during a calendar year to be eligible to receive the tax incentive. However, in academia, one clinical credit hour equates to 45 clinical hours. This criterion requires nurses to precept nursing students registered in clinical practicum courses of three credits or greater, yet nursing schools may lack these opportunities in their programming.

Additionally, this tax credit has two funding sources, one for nurse practitioners and one for RN/LPNs. Although the nurse practitioner fund receives self-sustainable funding through nurse practitioner licensure fees, the RN/LPN funds do not come from a sustainable source. Current legislation states the funding source is derived from federal coronavirus aid relief funding and money appropriated to the State budget for the fund. The Maryland General Assembly is required to pass an annual budget which could impact the funding received. At the end of 2024, the deadline for the expiration of the Healthcare Preceptor Tax Credit looms. There is an urgent need for action, and unless something is done, nurses will lose a valuable benefit.

Taking Action

With a workforce of over four million, nurses have the power to influence government legislation and healthcare policy, yet nursing representation and engagement in these fields are significantly lacking (American Nurses Association, n.d.; Rasheed et al, 2020). Barriers to engagement include lack of knowledge related to political processes, minimal time to participate, and decreased awareness related to current issues (Rasheed, et al., 2020). One way to overcome these barriers is to join a professional nursing organization. Nursing organizations connect and empower nursing professionals by providing a platform for policy advocacy. These organizations can be found at the national level, such as the American Nurses Association, or at the state level, such as the Maryland Nurses Association. Professional state and national nursing

organizations have lobbyists and legislative committees, and members can connect with these resources to get involved and stay informed about pending and current legislation that impacts nurses.

Recognizing this imperative for the future of the next generation of nurses, as a Doctor of Nursing practice student, I am working with a delegate in the Maryland General Assembly to increase access to the Healthcare Preceptor Tax Credit benefit among nurse preceptors by amending the current Healthcare Preceptor Tax Credit legislation. The focus is to address the identified challenges with viable solutions. An audit of nursing school practicum offerings is scheduled to take place, and it will provide valuable information as to how to better align eligibility criteria to Maryland nursing school programs. Investigation into sustainable funding for the RN/LPN fund is underway. Additionally, an extension of this benefit will be included.

During the early stages of this process, I have involved academic stakeholders, clinical site stakeholders, and professional nursing organizations to collaborate and become a voice for the nursing profession.

I welcome more nurses to join me in this initiative and advocate for changes needed to incentivize preceptors in the development of our workforce future. We need nurses to attend Nurses' Legislative Night in Annapolis, write letters to their legislators, and provide testimony in support of bill revisions. Legislation is expected to be submitted in Session 2025, and stakeholders will be notified once legislation is introduced. This is a call to action for nurses across Maryland to unite and champion for the policies that strengthen and reward our profession, which ultimately enhance patient care. Stay tuned and be ready. n

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