

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Wilson**

A Bill

SENATE BILL 422

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE TITLE 26, CHAPTER 51,
9 SUBCHAPTER 5 TO PROVIDE AN INCOME TAX CREDIT AS AN
10 INCENTIVE TO ENCOURAGE CERTAIN PHYSICIANS AND HEALTH
11 SERVICES PROVIDERS TO PARTICIPATE IN THE MEDICAID MANAGED
12 CARE PROGRAM; TO PROVIDE AN INCOME TAX CREDIT TO ENCOURAGE
13 CERTAIN PRIMARY CARE PHYSICIANS, OBSTETRICIANS, AND
14 CERTIFIED NURSE MIDWIVES TO PERFORM THE DELIVERY OF
15 MEDICAID BABIES; AND FOR OTHER PURPOSES."

Subtitle

18 "AN ACT TO PROVIDE TAX INCENTIVES TO CERTAIN PHYSICIANS,
19 HEALTH SERVICES PROVIDERS AND CERTIFIED NURSE MIDWIVES TO
20 PERFORM CERTAIN MEDICAID SERVICES."

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

24 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended
25 to add the following new section:

26 "26-51-507. (a) In the case of a qualified physician or a qualified
27 health services provider there shall be allowed a credit against the tax
28 imposed by the Arkansas Income Tax Act, as amended § 26-51-101 et seq., in an
29 amount as determined as follows:

30 (1) The amount of the credit allowed a qualified physician shall
31 be the number of months in the tax year during which the taxpayer qualified as
32 a qualified physician multiplied by one hundred dollars (\$100); and

33 (2) The amount of the credit allowed a qualified health services
34 provider shall be the number of months in the tax year during which the
35 taxpayer qualified as a qualified health services provider multiplied by

1 seventy five dollars (\$75.00).

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3 (b) (1) In addition to the income tax credit allowed in subsection (a),
4 there shall be allowed an income tax credit to a primary care physician, an
5 obstetrician, or a certified nurse midwives who deliver babies, for which the
6 Medicaid program is responsible for payment, and whose office is located in an
7 area in this state which is outside of Metropolitan Statistical Area, as
8 designated by the Bureau of Census, and which is either a municipality having
9 a population of 15,000 persons or less, according to the most recent decennial
10 census, or an unincorporated area to which the nearest municipality to the
11 area has a population of 15,000 persons or less.

12 (2) The credit under this subsection (b) shall be determined as
13 follows:

14 (A) A primary care physician who delivers an average of at
15 least one (1) baby, for which the Medicaid program is responsible for payment,
16 per month during the income year shall be allowed a credit of one hundred
17 dollars (\$100) per month;

18 (B) An obstetrician who delivers an average of at least
19 three (3) babies, for which the Medicaid program is responsible for payment,
20 per month during the income year shall be allowed a credit of one hundred
21 dollars (\$100) per month; and

22 (C) A certified nurse midwife who delivers an average of at
23 least one (1) baby, for which the Medicaid program is responsible for payment,
24 per month during the income year shall be allowed a credit of seventy-five
25 dollars (\$75.00) per month.

26 (c) The credits allowed by this section shall be in addition to any
27 other credit provided for by law.

28 (d) This section shall apply to income years beginning on or after
29 January 1, 1993.

30 (e) For the purposes of this section:

31 (1) Health professional shortage area means a Health
32 Professional Shortage Area as defined in Section 332(a) (1) (A) of the Public
33 Health Service Act.

34 (2) Medically under served area means a Medically Under Served
35 Area as defined in Sections 1302(7) and 330(b) (3) of the Public Health Service

1 Act.

2 (3) *_Rural area_* means an area in this state which is outside a
3 Metropolitan Statistical Area, as designated by the Bureau of Census, and
4 which is either a municipality having a population of 10,000 persons or less,
5 according to the most recent decennial census, or an unincorporated area to
6 which the nearest municipality to the area has a population of 10,000 persons
7 or less.

8 (4) *_Qualified health services provider_* means a physician's
9 trained assistant or a registered nurse practitioner whose full-time practice
10 as a primary care non-physician provider is located in a rural area and in
11 *either a health professional shortage area or a medically under served area*
12 *and who enters into a contract with the Department of Human Service to*
13 *participate in the Medicaid Managed Care Program.*

14 (5) *_Qualified physician_* means a doctor of medicine or osteopathy
15 legally authorized to practice medicine in the state of Arkansas who *enters*
16 *into a contract with the Department of Human Service to participate in the*
17 *Medicaid Managed Care Program and who is:*

18 (A) engaged in a full-time practice of general internal
19 medicine, general pediatrics, general practice or family practice and whose
20 office is located in a rural area and in either a health professional shortage
21 area or medically *under served area*; or

22 (B) a part-time teacher of family medicine whose primary
23 practice is located in a rural area and in either a health professional
24 shortage area or medically *under served area*.

25 (f) All provisions of federal law or regulation referred to by this
26 section are the provisions as they exist on January 1, 1993."

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28 SECTION 2. All provisions of this act of a general and permanent
29 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
30 Code Revision Commission shall incorporate the same in the Code.

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32 SECTION 3. If any provision of this act or the application thereof to
33 any person or circumstance is held invalid, such invalidity shall not affect
34 other provisions or applications of the act which can be given effect without
35 the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

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3 SECTION 4. All laws and parts of laws in conflict with this act are
4 hereby repealed.

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/s/ Senator Wilson

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