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**Report to  
The Vermont Legislature**

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**Nursing Workforce Shortage and  
Primary Care Physician Scholarship Update**  
In Accordance with  
**Act 155 of 2020: An act relating to increasing the supply of nurses and  
primary care providers in Vermont**

**Submitted to:** The House Committees on Appropriations  
and on Health Care and the Senate Committees on  
Appropriations and on Health and Welfare

**Submitted by:** Michael K. Smith, Secretary, Agency of Human Services

**Prepared by:** Ena Backus, Director of Health Care Reform, Agency of  
Human Services

**Report Date:** March 1, 2021



Act 155 of 2020 requires the Director of Health Care Reform in the Agency of Human Services to consult with the Department of Health and the Agency of Commerce and Community Development, and the advisory group established in 18 V.S.A § 9491(b), to identify the primary causes of Vermont's nursing workforce shortage and to propose solutions to address those causes on or before March 1, 2021. Section 4 of the Act requires the Secretary of the Agency of Human Services to report to the House Committees on Appropriations and on Health Care and the Senate Committees on Appropriations and on Health and Welfare the funding sources identified for the ongoing State match for the primary care physician scholarship program.

This report serves to meet each of the above-named charges. After consultation with the presumptive members of the health care workforce advisory group and the Agency of Commerce and Community Development, the Director of Health Reform recommends that the Vermont State Legislature further implement and build upon specific recommendations of the recently convened Rural Health Services Task Force (RHSTF), taking into consideration its published findings about the primary causes of Vermont's nursing workforce shortage. See the full Rural Health Services Report at: [Rural Health Services Report- Workforce White Paper FINAL 1.23.20.pdf \(vermont.gov\)](https://www.vermont.gov/files/health/1.23.20.pdf)

Near-term priority recommendations include:

1. Support tax incentives for nurse recruitment and retention.
2. Pass the Interstate Nurse Compact.
3. Work with the Vermont State Legislature to assess scholarship programs created in Act 155 and identify ongoing funding.
4. Extend the timeframe for submission of an updated health care workforce strategic plan from July 1, 2021 to October 15, 2021, with submission to legislative committees of jurisdiction by December 1, 2021.

The Agency of Human Services (AHS) has not identified an ongoing revenue source for the state match for the scholarship program. However, AHS will review federal funds to determine if there is a potential opportunity. Given the continuing federal relief, there may be future federal funds to support this purpose.

In addition, similar to recent events, if additional surplus state funds become available, they could potentially be allocated for the scholarship program if it meets the needs of the Governor and Legislature.

Due to the public health emergency created by COVID-19, the availability of advisory group members to regularly convene in service of the legislative charge listed above is extremely limited compared with usual time constraints outside of the pandemic. Nevertheless, the likely members of the health care workforce advisory group are deeply invested in health care workforce development and have recognized the further impact of COVID-19 on practice in Vermont. To this end, we request additional time to convene the health care workforce advisory group and to thoughtfully prepare and update the health care workforce strategic plan, a component of which will be focused on the nursing workforce shortage.

Over the coming months, the health care workforce advisory group will review the work of the RHSTF, identify gaps and update the strategic plan and make recommendations to the Vermont State Legislature in accordance with Act 155. For example, the RHSTF recommended increasing the Earned Income Tax Credit (EITC) for eligible health care workers as an incentive to entry into these jobs. The Biden Administration has recently proposed to expand the EITC which may impact further consideration of this issue.

Identifying strategies to increase the pipeline of entry level health care workers, as well as nurses, primary care practitioners, mental health and substance use dependency clinicians, and dental providers is critically important. Continued work with partners in higher education and licensing entities to identify areas for collaboration, simplification, and innovation will similarly be a priority. Any plan must take into consideration Vermont's overall demographic characteristics, and addressing current demographic challenges, as they relate both to demand for health care services for older Vermonters as well as the number of younger people who choose to live and work in Vermont.