

UVM and AHEC collaborate with many partners around the state to improve access to primary care through a focus on healthcare workforce development. Educational loan repayment (ELR) is a recruitment and retention tool; it is used to strategically respond to state health care workforce needs. The ELR program has been administered since 1997 by UVM and AHEC; 100% of funds are used for awards in exchange for service commitments in Vermont.

Educational loan repayment for health care professionals is a critical and effective tool for recruiting and retaining primary care (family medicine, general internal medicine, ob-gyn, pediatrics, geriatrics, psychiatry) practitioners (physicians, nurse practitioners, and physician assistants), dentists, nurses, and nurse faculty to practice in Vermont. This program strengthens the primary care delivery system by responding to statewide workforce needs impacting access to care for all Vermonters.

- **The Governor's FY16 budget proposal eliminates funding for the educational loan repayment (ELR) program.**
- **Because the workforce is foundational to health care access and delivery of care when and where it's needed for all citizens, we are requesting that funding for ELR be restored.**
- Funding ELR at the FY14 level of \$870,000 would cost approximately \$400,000 in state General Funds, with the difference from federal Global Commitment match funds.
- The 2014 ELR program received 447 applications (130 awarded, 317 not awarded); total educational debt of applicants was \$31,782,424. % of 2014 allocation (\$870,000) to total debt of applicants: 2.74%.
- The average current educational debt (verified and documented) for dental applicants was \$224,236 (high of \$414,898) and \$131,976 (high of \$578,602) for primary care medical applicants. The average number of annual ELR awards over the past five years is 106 (primary care and dental).
- Nationwide, educational costs are increasing, corresponding educational debt is also increasing.
- The *VT Health Care Workforce Strategic Plan* (in accordance with Act 48, Section 12a) submitted to The General Assembly on January 15, 2013 by the Agency of Administration, states that the loan repayment program "should be expanded to include more resources and the flexibility to target a wider breadth of professionals." (page 29)
- Primary care and dental ELR program objectives/selection criteria rely on data to strategically respond to the most pressing health care workforce needs in the state. Priorities are those areas which are underserved with special consideration for Vermont's most underserved and undersupplied areas (see federally designated Health Professional Shortage Areas (HPSAs) at <http://hpsafind.hrsa.gov>).
- Each ELR primary care/dental recipient enters into a contractual service obligation in exchange for an award and are required to accept patients with coverage under Medicare, Medicaid, Vermont's Children's Health Insurance Program (Dr. Dynasaur), or other state-funded health care benefit programs. Medicaid targets and monitoring is done in consultation with DVHA, using data provided by DVHA.
- **Competing nationally:** As is true in other places in the country, Vermont's physician and dentist workforce is aging and will be retiring. We need to be actively and competitively recruiting to be successful in providing cost-effective and timely care.
- **Competing nationally:** Other states offer generous loan repayment packages (including New Hampshire--\$75,000 for 3 years, Massachusetts--\$25,000 per year, and New York--\$150,000 over 5 years). Practicing in Vermont is attractive to many people, but the quality of life opportunity does not offset the burden of heavy student loan debt that health care clinicians frequently have.
- **Competing nationally:** A study published by Pathman et al of the Sheps Center in NC showed 93 educational loan repayment programs nationwide in 2010, an increase from 87 in 2007. "The study shows that states recognize the importance of loan repayment and other incentives and were willing to create more programs even during the early, toughest years of the recent recession when states' budgets were stretched thin." All states except Florida, Hawaii, and Mississippi offered at least one program. Published: *JAMA November 13, 2013, Volume 310, Number 18*
- The AHEC physician placement program placed 57 new primary care physicians in Vermont over the past four years (FY11-14), 41 of these physicians received educational loan repayment/debt reduction assistance as an incentive, i.e., 72% of the placements. Working with candidates, practice and geographic location fit are consistently identified as the top two considerations, with compensation and loan repayment identified as additional key factors.
- As of February 2014, 58 primary care and psychiatry physician vacancies (and 66 other specialties, for a total of 124 physician openings) have been posted with AHEC by VT hospitals, federally qualified health centers,

and other practices. Educational loan repayment is a critical tool in recruiting and retaining physicians to practice in Vermont. Eliminating the loan repayment program will impact future placements.

- A new federal state loan repayment program “SLRP” grant secured in FY15 to fund 25 loan repayment awards (for primary care and dentist practicing at FQHCs and RHCs) statewide is a supplement to the existing ELR program. SLRP responds to additional unmet need and the need to expand and enhance the existing program; it, alone, is not an adequate replacement.

Contact Liz Cote at AHEC (802-656-0030) for details about the educational loan repayment program.