House Health Care Committee
FY27 Budget Hearing, 2/1/2026
AHEC Testimony by Anne Morris, MD

AHEC Asks:

- Remove the statutory sunset date of 6/30/2027 for the VT AHEC Scholars Medical Student Incentive Scholarship/Loan Forgiveness Program

- Re-instate AHEC funding eliminated in the proposed FY27 budget via three longitudinal VHD grants
    - $500,000 AHEC Support Grant supporting infrastructure and early pipeline health careers programing across Vermont
    - $667,111 Vermont Educational Loan Repayment (ELR) Program for Health Care Professionals, state-based loan repayment program for primary care physicians (MD, DO, or NDs), APRNs, certified nurse midwives, PAs, nurses, and dentists
    - $50,000 MD Placement Grant for Physician Placement services

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Good morning Chairwoman Black, Committee members, and Guests. Thank you for allowing me to be here today to speak on behalf of the Vermont AHEC Network. I am Anne Morris, Associate Dean for Primary Care and AHEC at the UVM Larner College of Medicine.

Some of you may already know me from previous advocacy efforts around reducing administrative burdens for primary care providers including testimony on prior authorizations and step-therapy. Two weeks ago, while testifying on S.197 before the Senate Health and Welfare Committee, I urged this legislature to invest, really invest, in primary care knowing that to some it may feel paradoxical to dedicate more money into a system that seems to have exponentially growing costs. But, similar to adding oil to your car to make the engine run more smoothly, investing in a primary care system that values preventative services, continuity of care, and the flexibility to provide comprehensive care through interprofessional teams built to meet the needs of individual communities will not only decrease the total cost of care but will also improve health care outcomes for all Vermonters.

The purpose of my testimony today is not to convince you that primary care is important but rather to acknowledge the complexity of managing a primary care delivery system in its entirety and to ask you not to lose sight that, in addition to building the system to provide care, we, in parallel, need to have a system that develops, trains, and supports our rural primary care workforce.

We know that, nationally, fewer people are choosing careers in primary care than other health care specialties. We know that lack of salary parity, high education debt, and administrative burdens contribute to the reticence to choose primary care specialties. We know this is compounded in rural locations by having a small pool from which to entice students to enter into health care fields.
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To address the primary care workforce shortage a variety of methods are used to increase the chances that a health provider will choose to practice in a rural location. These include early exposure to health careers exploration during primary education as well as rural training experiences in both medical school and residency programs. Evidence shows that residency training at teaching health centers (THCGME), such as the now funded Maple Mountain Consortium, significantly increases the likelihood that physicians will practice in a rural area post-residency, very often within 100 miles of their training site. We also know that scholarships and loan forgiveness such as the Vermont Educational Loan Repayment Program and the AHEC Scholars Medical Student Incentive Scholarhsip benefit provider recruitment and retention in rural areas.

To help states address this workforce dilemma, HRSA (Health Resources Service Administration) developed Area Health Education Centers (AHEC) to address healthcare professions shortages especially in rural and underserved areas. AHECs in 44 states strive to provide programs that address health careers recruitment and retention, health professions training, health professions support (meaning continuing education). In 1996, with encouragement from the Vermont Legislature, UVM Larner College of Medicine created the Office of Primary Care to show its commitment to primary care in Vermont which led to the establishment of the Vermont AHEC Network. Today, this network consists of the program office and administrator of the HRSA grant at UVM AHEC and two centers, Northern Vermont AHEC and Southern Vermont AHEC. It is funded by HRSA, the State through AHS/VDH, and our 14 hospitals. As a network we strive to provide statewide healthcare professional development programs to ensure that all Vermonters have access to high-quality primary care.

Our early pipeline programs are how we grow our own health work force. In the last five years we have hosted activities in 46 schools and other venues leading to nearly 20,000 student interactions, 76% of which have occurred in rural counties. [For scale, Illinois AHEC which has 9 centers reaches about 2000 students per year.] This includes career exploration workshops in schools, afterschool career pathway planning, near-peering mentoring programs between high school or college students and medical students, and summer immersive and residential health career enrichment programs. These programs have led to technical certifications such as CPR, Stop the Bleed, and Vermont EMS First Responders. In the last few years, we have certified 95 new Vermont EMS First Responders (VEFR). Further, of the 52 alumni from the Governor's Institute of Vermont Health and Medicine Institute who achieved a post-secondary degree, 28 graduated from a Vermont college and 36 earned a health-related degree.

While in medical school, the AHEC Scholars program reaches 79% of LCOM students. The AHEC Scholars program is a voluntary, enhanced curriculum that allows students to increase knowledge, strength leadership skills, and gain competencies with the goal learning about community medicine, social drivers of health, and how to provide whole-person care. 39% of enrolled students complete the 2-year commitment and graduate with the distinction of being a national AHEC Scholar. Further, our data reveals that from 2022-2025, LCOM graduates who

completed the AHEC Scholars Program were 2x more likely to enter a primary care specialty compared to their peers.

Further, the VT AHEC Scholars Medical Student Incentive Scholarship/Loan Forgiveness Program was created by statute as a $1.4million dollar grant to be provide up to 10 in-state tuition reimbursement awards per year to 3rd and 4th year medical students who are entering primary care and agree to a year of service in a rural Vermont location post-residency training. We have currently granted 25 awards with the first class just entering into their service agreements. We have seen an average of 3-4 awards per year, though this current cycle, which closes today, has at least six (maybe eight) applicants. I anticipate that interest and commitment to this program will increase as changes in federal student loan caps and Public Service Loan Forgiveness (PSLF) come down the pike. By statue, this program will end June 30, 2027 and I would like to ask this committee to remove that end date and continue the program in perpetuity.

The Vermont Educational Loan Repayment (ELR) Program for Health Care Professionals supports primary care physicians, dentists, and nurses to receive loan repayment in return for a 1-2 year service obligation to a rural primary care practice. In 28 years of this program, we have distributed $29.5 million dollars in 3,364 awards. During this time 37% of the state dollars distributed to awardees have been matched with worksite dollars. This program works. More than 60% of recipients stay at that worksite after completing their service obligations.

And finally, our Physician Placement Service is a non-biased resource to medical students, residents, fellows, and physicians who are seeking employment in Vermont. Over the past five years, this program has contributed to 62 physician placements, 71% of which have been in primary care practices and 55% of which have been in rural counties. Testimonials from Vermont practices and hospitals have been robust that this service benefits them and saves them individually on the order of $15-40,000 per recruitment or an estimated savings of over $1 million dollars in recruiter fees for Vermont practices.

For the brevity and the purposes of this budget proposal, I will not review continuing education services available at no change to all primary care providers but will comment that continuing education services not only support our primary care workforce needs but also improves access to medical care in rural areas by helping to increase the scope and comprehensiveness of the care provided to them in their medical home.

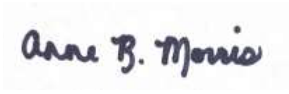
I therefore would like to ask this committee to:

1. Remove the statutory sunset date for the VT AHEC Scholars Medical Student Incentive Scholarship/Loan Forgiveness Program
2. Provide level funding to three longitudinal programs through the VT Department of Health that have been removed from the Governor's FY27 Budget:

- $500,000 for the AHEC Support grant which helps to fund health career pipeline develop programs. This has been level funded since FY06 and is divided equally between all three AHEC sites ($166,667 to UVM AHEC, NVTAHEC, and SVTAHEC) despite repeatedly meeting and exceeding our HRSA and VDH work metrics and outcomes.
- $667,000 for the Vermont Educational Loan Repayment Program which has provided $29 million in loan repayments to Vermont's primary health care workforce over the last 29 years and has a proven track record of retaining award recipients long after their 1-2yr service obligations.
- $50,000 for the MD Placement Grant which helps support AHEC's Physician Placement Services providing unbiased career support to physicians seeking to practice medicine in Vermont. A service that has assisted in 62 physician placements over the last 5 years and which, by estimates, has saved Vermont practices and hospitals over $1,000,000 in recruiter fees.

These funds are crucial to support the ongoing work of the Vermont AHEC Network in growing and supporting our own primary care pipeline. They are unlikely to be replaced by Rural Health Transformation dollars given restrictions on using RHTP funds to supplant current programs and exclusions on using the monies for loan repayments. There is no one-size-fits-all solution to our workforce woes, but lack of providers worsens primary care access, leads to increased utilization of emergency services, and increases cost of the overall health system. We cannot reform our primary care delivery system without simultaneously investing in our primary care workforce.

Thank you for your consideration.



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