

Testimony
Health Services Committee
Wednesday, July 30, 2014
North Dakota Department of Health

Good morning, Madam Chair and members of the Health Services Committee. My name is Mary Amundson, representing the North Dakota Department of Health (NDDoH) as Director of the Primary Care Office. I am here today to provide a presentation on the dental loan repayment program in North Dakota. More specifically, I will address the current limits on the number of dentists funded and the potential for expanding the dental loan repayment program.

At the request of Sheila Sandness, I have provided you information that was presented at the Health Care Reform Committee last week, including the following documents: the testimony regarding the loan repayment programs; state medical and dental loan repayment programs at a glance; the federal State Loan Repayment Program (SLRP), the federal National Health Service Corps (NHSC) at a glance loan repayment program; a loan repayment budget sheet; and the Health Professional Shortage Area maps.

Three dental loan repayment programs are administered by the NDDoH. These include the State Loan Repayment Program, the Public Health and Nonprofit Dental Loan Repayment Program and the federal SLRP Program. We discussed the programs in detail at the January meeting, so the document that I will focus on today will provide suggestions on ways to improve the dental loan repayment programs. I have provided you a handout labeled “North Dakota State Dental Loan Repayment Program – Challenges/Barriers” for my discussion.

There are two separate programs outlined under the *Program Type* criteria. The state dental loan repayment program is broader in focus and more inclusive, while the public health nonprofit program focuses on clinics that offer a sliding fee schedule for patient billing in a specific practice setting. Additionally, the programs have different *service commitments*; a four-year commitment for the state program, and a three-year commitment for the public health/nonprofit program. The two programs also vary in *where dentists serve*: the criteria for the state program is population size or areas of greatest need; the criteria for the public health nonprofit program is clinics that utilize a sliding fee schedule.

When examining the *application requirements/provider selection criteria*, one identified barrier is the provision in the Century Code that “the applicant may not have practiced dentistry full time in this state during the three years immediately

preceding the application.” Two of our applicants that were considered for loan repayment this past April were ineligible under this criteria. One applicant moved her practice from an urban to a rural location, but because of her years of practice, she was ineligible for the program. The other applicant, who had also been practicing in an urban area for several years, was approached by a rural area to re-establish a dental practice in their community. This individual was willing to give up his urban practice, but needed the loan repayment program to help with his educational debt in order to start this rural practice. These two promising rural providers were not eligible for the program. If the language in the legislation changed, they may be eligible to re-apply next year.

As we examine *financial benefits/issues and challenges*, dental loan repayment is lower for dentists that choose to serve in the public health/nonprofit clinics than for the dentists participating in the state program. Additionally, when reviewing surveys from our Multi-State Retention Study, dentists commented on the need for extending the loan repayment program beyond the contract period. Another issue in this category is that of tuition. The University of Minnesota School of Dentistry previously allowed North Dakota students to pay in-state tuition. Slots are held for our students, but it is our understanding students now pay out-of-state tuition.

New dentists find it very challenging to establish a new practice or take over and upgrade an existing practice with high loan repayment commitments. The committee might consider resuming the New Practice Grant Program to help offset these costs and encourage dentists to practice in rural areas. If funds are not utilized, consider allowing these funds to convert to loan repayment awards.

In regard to *payment disbursements*, some dentists have voiced concerns about the payment schedule. Under the state program, first and final payments are provided at the end of the first year of service and the end of the contract. This gap in when payments are received can cause a burden for the participants. Consideration could be given for paying participants six months after their start date, or offering a lump sum payment 90 days after the contract start date. This latter payment schedule is offered through the NHSC program.

A question asked at the Health Care Reform Committee meeting was whether all the state programs could be combined into one loan repayment program. The National Health Service Corps program has a set of policies that apply to all disciplines participating in the program, with separate eligibility criteria for each of the disciplines. This program might provide a model for how North Dakota could structure a comprehensive loan repayment program.

Combining the dental loan programs into one program with standardized requirements and policies, as well as combining sources of funding, would be a feasible alternative to the current program. If we consider ALL medical/dental/veterinary loan programs together, it may be feasible to standardize requirements and policies across all disciplines, but it would probably not be feasible or advisable to combine sources of funding, as they involve different constituencies with potentially different objectives. Some of the areas that could benefit from standardization include the required community match, the award amounts, service commitments, timing of payments and penalties for defaults.

The chart below provides information on the number and location of participants in the dental loan repayment program since 2008.

Year	Number of Applicants	Number of Funded Applicants	Location
2008	7	2	Wishek, Grand Forks
2009	4	3	Fargo, Jamestown, Bismarck
2010	14	3	Larimore, Valley City, Williston
2011	8	2	Langdon, Bismarck
2012	7	2	Hazen, Bowman
2013	13	10	Watford City (2) Grand Forks (2), New Rockford, Fargo (2), Carrington, Williston, Cavalier
2014	7	4	Watford City, Minot, Bismarck, Fargo

If the dental loan repayment programs were expanded, each additional slot for the state program would cost \$40,000, if approved by the Health Council, in the first year of the biennium. Each additional slot approved by the Health Council in the second year of the biennium would cost another \$20,000 per slot. The North Dakota Century Code would require amendment, since currently only three slots per year can be approved. For the Public Health Nonprofit Program each additional slot would cost \$60,000 per biennium.

This concludes my presentation. I am happy to answer any questions you may have.

North Dakota State Dental Loan Repayment Program – Challenges/Barriers

The North Dakota Loan Repayment Programs are state financed and administered programs designed to increase the number of dentists practicing in areas of need by providing financial incentives		
Program Details	Program Requirements	Challenges/Barriers
Program Type	Dental State Loan Repayment Program and Public Health Nonprofit Dental Loan Repayment Program	<ol style="list-style-type: none"> 1) Having two separate dental programs may be confusing to applicants and communities or providers. 2) The two programs have different service commitments. 3) A question was raised in the Health Care Reform Committee meeting 7/23/2014 as to whether there should be one state program for all disciplines. <ul style="list-style-type: none"> • An example of this type of single system is the federal National Health Service Program http://nhsc.hrsa.gov/downloads/lrpapplicationguidance.pdf <p>Examples of points to resolve:</p> <ul style="list-style-type: none"> • Medical programs have a 1:1 match which is different from dental programs • Programs have different award amounts and service commitments
Service Commitment	<p><u>State Program:</u> Must enter into a four-year, full-time, nonrenewable contract with the North Dakota Department of Health.</p> <p><u>Public Health/Nonprofit Program:</u> Must practice full-time for three years</p>	<ul style="list-style-type: none"> • Consider the advisability of having two programs • Consider making all loan repayment programs the same service commitment
Eligible Disciplines	General dentistry or dental specialty and the extent to which such services are needed in a selected community	

North Dakota State Dental Loan Repayment Program – Challenges/Barriers

Program Details	Program Requirements	Challenges/Barriers
<p>Where Providers Serve</p>	<p>Dentists are encouraged to practice in areas of greatest need or in public health/nonprofit dental clinics</p> <ul style="list-style-type: none"> • Communities with populations under 2,500 have highest priority; populations of 2,500-10,000 have the next priority; and populations greater than 10,000 have lowest priority • Demonstrated need for dental services <ul style="list-style-type: none"> ○ Public Health Nonprofit use a sliding fee schedule for patient billing 	<p>Again, two programs with different criteria.</p>
<p>Application Requirements/ Provider Selection Criteria</p>	<ul style="list-style-type: none"> • Must be enrolled in or have graduated from an accredited graduate specialty training program in dentistry during the year immediately preceding the application; or within one year after the date of the application • A dental license is not needed at the time of the application • Willingness to accept Medicare and Medicaid assignment • May not have practiced dentistry full time in this state during the three years immediately preceding the application <p><i>See Century code for dentists practicing in urban areas.</i> http://www.legis.nd.gov/cencode/t43.html</p>	<p>The legislation states that “the applicant may not have practiced dentistry full time in this state during the three years immediately preceding the application.” This language limits the type of applicants that are eligible to apply and has been deleted in the medical loan repayment legislation.</p>

North Dakota State Dental Loan Repayment Program – Challenges/Barriers

Program Details	Program Requirements	Challenges/Barriers
Financial Benefits/Issues	State Loan Program: <ul style="list-style-type: none"> ○ Receive up to \$80,000 to repay educational loans. Public Health and Nonprofit Program: <ul style="list-style-type: none"> ○ Receive up to \$60,000 over a two-year period 	On the applications received, dental student debt averages around \$350,000. <ol style="list-style-type: none"> 1) Consider an option for the participant to apply for award continuations in addition to the new awards. 2) Tuition: Minnesota, for example, holds slots for North Dakota students; however, they now pay out-of-state tuition. Previously, North Dakota students received reciprocity from Minnesota. 3) Consider resuming the New Practice Grant Program to help offset the cost of establishing a practice or purchasing needed upgrades for an already-existing clinic. <ul style="list-style-type: none"> ○ If funding is not used, allow funding to convert to loan repayment awards.
Payments	<ul style="list-style-type: none"> • 1st payment will be made at the end of the first year of service obligation, by June 30th. • 2nd payment will be made at the end of the second year of service obligation in accordance with applicable laws. 	Dentists have voiced concerns about the wait time before payment is received. <ul style="list-style-type: none"> ○ Consider making payments 6 months after the participant's start date. ○ Consider allowing lump sum payments issued 90 days after the contract start date as in the NHSC program.
Application Deadline	Applications are due March 15 th ~ State Health Council Reviews by April 30 ~ Contracts signed and returned June 30	
Penalties	If the dentist breaches the loan repayment contract, they are liable to repay the total amount of any loan repayment funds received.	
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