

Testimony
Health Care Reform Committee
Wednesday, October 1, 2014
North Dakota Department of Health

Good afternoon Chairman Kaiser and members of the Health Care Reform Committee. My name is Mary Amundson, representing the North Dakota Department of Health as Director of the Office of Primary Care. I am here today in response to the committee's discussion during the July 23 meeting regarding potential changes to the state loan repayment programs offered to qualified health professionals in North Dakota. As you may recall, the state funds and administers four programs which were created as follows: the State Community Matching Physician Loan Repayment Program (Chapter 43-17.2) in 1991; the State Medical Personnel Loan Repayment Program (Chapter 43-12.24) in 1993; the Dentists' Loan Repayment Program (Chapter 43-28.1) in 2001; and the Dental Nonprofit Public Health Program (Chapter 43-28.1-01.1) in 2009. In addition, two federally-funded programs, the National Health Service Corps and the federally-funded State Loan Repayment Program (SLRP) offer financial incentives for providers to practice in rural and underserved areas.

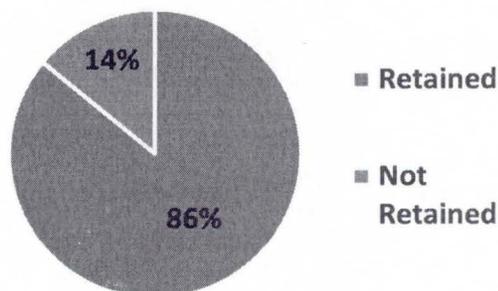
My presentation today will focus on providing information on the effectiveness of the current program, gaps and duplication in the loan repayment programs, standardization of the state-funded loan repayment programs and adequacy of funding for the programs.

Effectiveness of the Current Program: The information that is currently available pertains to retention of providers that have participated in the program. Through 2013, 59 of 98 clinicians have completed their service obligation and are included in this analysis.

Discipline	Total # Participating	Total # Completing Obligation
Physicians	49	36
Dentists	26	7
Nurse Practitioners	14	9
Physician Assistants	9	7
Total	98	59

Of the providers that completed their obligation, 86% (51/59) were retained; they continue to practice at their initial practice, are engaged in teaching or are practicing at other locations in the state.

State Loan Repayment Retention



The following chart shows the in-state retention by discipline.

Discipline	Retained In-State	Percent
Physicians	30/36	83%
Dentists	7/7	100%
Nurse Practitioners	7/9	78%
Physician Assistants	7/7	100%
Total	51/59	86%

Seventy-six percent (39/51) of the providers that stayed in North Dakota are currently retained at their original site.

Discipline	Retained at Original Site	Percent
Physicians	21/30	70%
Dentists	7/7	100%
Nurse Practitioners	5/7	71%
Physician Assistants	6/7	86%
Total	39/51	76%

Reasons providers were not retained in-state:

Physicians:

- Contract not renewed
- One provider left medicine and went into construction
- One provider went to rural Minnesota closer to family; one to Washington
- One provider moved to Wisconsin (North Dakota physician married to a Wisconsin native – moved to be close to spouses family)
- Two are now teaching

Physician Assistants:

- One retired

Nurse Practitioners:

- Two providers (husband and wife) left the practice; one is employed by a national locums firm the other is teaching

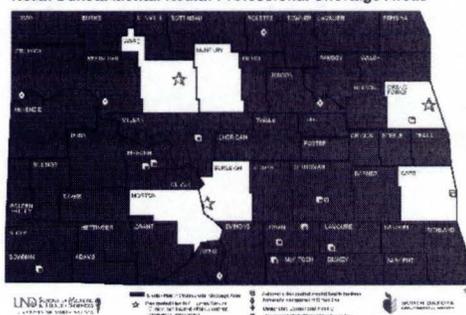
Dentists:

- All retained

Gaps and Duplication in Incentive Programs:

Currently, there are no state funded loan repayment programs for mental/behavioral health providers. The Mental Health Professional Shortage Area map shows that 94 percent of the state is designated as a shortage area for these providers. The applicants

North Dakota Mental Health Professional Shortage Areas



that can apply for loan repayment is currently limited by the professions identified in legislation.

I am not aware of other loan repayment programs in the private sector but am aware of a dental program offered by the Department of Human Services.

Standardize and/or Change To The Loan Repayment Programs: Attachment A is a schedule comparing the various requirements for each of the loan repayment programs the state offers. The varying requirements include the amount, years of service required, timing of payments, eligibility, matching requirements, number of awards, penalty and continuing appropriation authority.

Determine if the programs are adequately funded: In 2013, we developed a more standardized process for accepting applications to bring forward to the State Health Council. For the April, 2014 Council meeting, twenty-two applications were presented. Funding was available for the following applicants:

Discipline	Number Applicants	Funds Awarded
Physicians	12	7
Nurse Practitioners	3	3
Physician Assistants	1	1
Dentists	7	3

Note that two of the dental applicants were not eligible due to practicing in the state longer than what is allowed in statute and that the unfunded physicians were all specialists.

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

State Loan Repayment Program

Summary of North Dakota Loan Repayment Programs for Health Professionals						
	Physician (MD)	Nurse Practitioner/Physician Assistant/Certified Nurse Midwife (NP/PA/CNM)	Dentist (DDS)	Dentist New Business Grant	Dentists in Public Health and Nonprofit Dental Clinics	Veterinarian (DVM)
<i>Year program began</i>	1991	1993	2001	2007	2009	2007
<i>Max Amount of award per individual from State</i>	\$45,000	\$15,000	\$80,000	\$25,000	\$60,000	\$80,000
<i>Years of service Required</i>	2	2	4	5	3	4
<i>State Payment parameters</i>	1st pymt- after at least 6 mo. service; pymt can be no later than the end of the fiscal yr. of service - 22,500 / pymt	1st pymt- after at least 3 mo. service; pymt can be no later than the end of the fiscal yr. of service- 7,500 / pymt	1st pymt- after at least 6 mo. service; pymt can be no later than the end of the fiscal yr. of service - 20,000 / pymt	Distributed in equal amts over 5 yr. period	Payments must be made during the 1st two years of service.	1st pymt (15,000)- after 6 mo. service the 1st yr.; 2nd pymt (15,000) - upon completion of 2nd yr. of service; 3rd pymt (25,000) upon completion of 3yrs; 4th pymt (25,000) upon completion of 4 yrs.
<i>State / Community match</i>	50%/50%	50%/50%	None	50%/50%	None	None
<i>Number of awards/year</i>	As many as funding will support	As many as funding will support	3	2	3 per biennium	As many as funding will support - <i>see footnote 1</i>
<i>2013 - 2015 Biennial budget</i>	464,288	112,500	520,000	25,000	180,000	485,000
<i>General</i>	464,288	112,500	180,000	0	180,000	485,000
<i>CHTF</i>	0	0	340,000	25,000	0	0
<i>Century code</i>	43-17.2	43-12.2	43-28.1	43-28.1	43-28.1-.01.1	43-29.1
<i>Penalty if leave early</i>	Twice uncredited amount on prorated monthly basis	Twice uncredited amount on prorated monthly basis	Total amount received	Law is Silent	Law is silent	Prorated for amount of time served for the specific yr. service was not fulfilled
<i>Community Selection</i>	Priority - demonstrated need for primary care physician or trained in psychiatry or population not more than 15,000	Priority - demonstrated need for primary care or population not more than 15,000	Population under 2,500 given highest priority; 2nd priority 2,500 - 10,000; < 10,000 given lowest priority	Population not more than 7,500	Sites must be in a public health setting or nonprofit dental clinic utilizing a sliding fee scale	Population under 5,000 given highest priority; 2nd priority 5,000 - 10,000; < 10,000 given lowest priority
<i>Continuing Approp. Authority to grant additional awards if gifts, grants or donations are rec'd</i>	No	No	Yes	No	No	Yes

1 - 2011 Session Laws change requirement of funding of "no more than 3 veterinarians" to being limited to the number supported by moneys available.

Federal / State Loan Repayment Program

Federal State Loan Repayment Program (SLRP) *

	Physician (MD)	Nurse Practitioner/Physician Assistant/Certified Nurse Midwife (NP/PA/CNM)	Dentist (DDS)	Mental/Behavioral Health, Pharmacy, Registered Nurses	
<i>Year program began</i>	2012	2012	2012	2014	
<i>Max Amount of award per individual from State</i>	\$50,000	\$50,000	\$50,000	\$50,000	
<i>Years of Service Required</i>	2	2	2	2	
<i>Payment Parameters</i>	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	
<i>Match Requirements</i>	50% NonFederal Funds	50% NonFederal Funds	50% NonFederal Funds	50% NonFederal Funds	
<i>Number of awards</i>	6 total awards				
<i>Federal Award</i>	\$308,000 - 9/1/2014 - 8/31/2015				
<i>Century code</i>	43-17.2-02	43-12.2-02	43-28.1-02	N/A	
<i>Penalty</i>	Severe federal penalties, mandated by the Federal State Loan Repayment Program Office, are imposed on health care providers for default of the SLRP contractual agreement. Failure of the provider to meet any of the contractual service requirements will result in a provider penalty consisting of: 1) The payback of any SLRP funds received through the program, 2) A default penalty of \$7,500 per month multiplied by the number of months of the entire contract (if less than one year has been served) or \$7,500 multiplied by the number of months remaining in the contract (if the provider has served more than one year), and 3) An additional \$10,000 penalty if the defaulted contract is three or more years in length.				
<i>Continuing Approp. Authority to grant additional awards if gifts, grants or donations are rec'd</i>	No	No	No	N/A	

* - Must practice in a federally designated workforce shortage area