

# HB 114 Medical Provider Incentives/Loan Repayment

PRESENTATION TO THE 31<sup>ST</sup> LEGISLATURE

APRIL 2019

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Alaska Division of Public Health



# HB 114

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- Establishes a Health Care Professionals Workforce Enhancement Program to address shortage of health care workforce.
- Health care professionals agree to work for three years in underserved areas in exchange for repayment of student loans or direct incentives.
- Employers fully fund the program. No unrestricted general funds are involved.
- Replaces the existing program in AS 18.29 scheduled for sunset June 30, 2019.

# Challenges in health care access

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- Alaska needs a more optimal distribution of health care professionals, across regions, across disciplines and across populations served.
- Many citizens, especially in rural and frontier areas, continue to experience challenges with accessing health care.
- One reason access to care is limited, particularly in rural Alaska, is due to shortages of healthcare professionals.
- Health care sites struggle with recruiting and retaining health care professionals.
- Health care professionals have challenges with large student loan debt, high cost of living in rural and remote locations, and resulting financial pressures.

# SHARP-2



- Operated 2013 – 2018
- No new contracts after 2015 due to GF budget reductions
- 83 contracts: 39 Tier 1 and 44 Tier 2
- 47-53% positions very hard-to-fill
- \$25,560 average payment per contract per year
- 10-30% employer match
- 31 employers distributed across 25 communities
- Primarily non-profit and hospital associated
- Similar numbers of tribal and non-tribal affiliated organizations

|                      |                |               |
|----------------------|----------------|---------------|
| Anchorage/Mat-Su 18% | Statewide 12%  | Southeast 28% |
| Interior/Northern 3% | Gulf Coast 12% | Southwest 27% |

# An innovative solution

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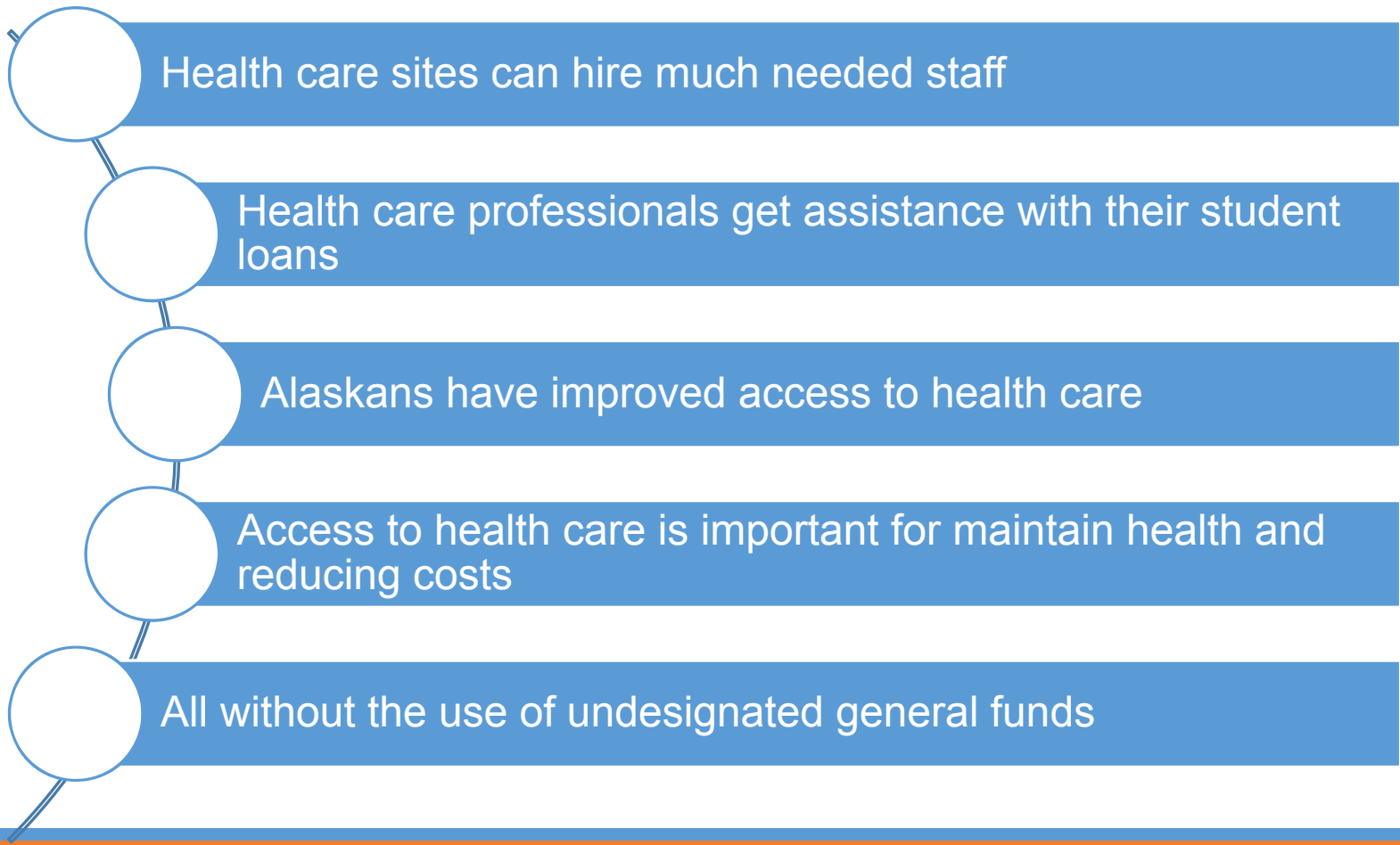
**A public-private partnership that ensures access to health care by expanding the distribution of health care professionals all Alaskans at no cost to the state.**

- SHARP-3 builds on the success of SHARP-1 and SHARP-2 with new practice settings, new occupations, new employers, new locations, and new roles.
- Benefit will not be limited to rural areas or primary care; there is also room for specialists and urban health care professionals.
- Takes advantage of a federal law that exempts loan repayment from federal income tax if awarded through a state-run program.
- Public-private partnerships increases the number of providers while minimizing the use of state funds.

Supporting Health Access (through loan) Repayment Program or SHARP

# Benefits

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# SHARP-3



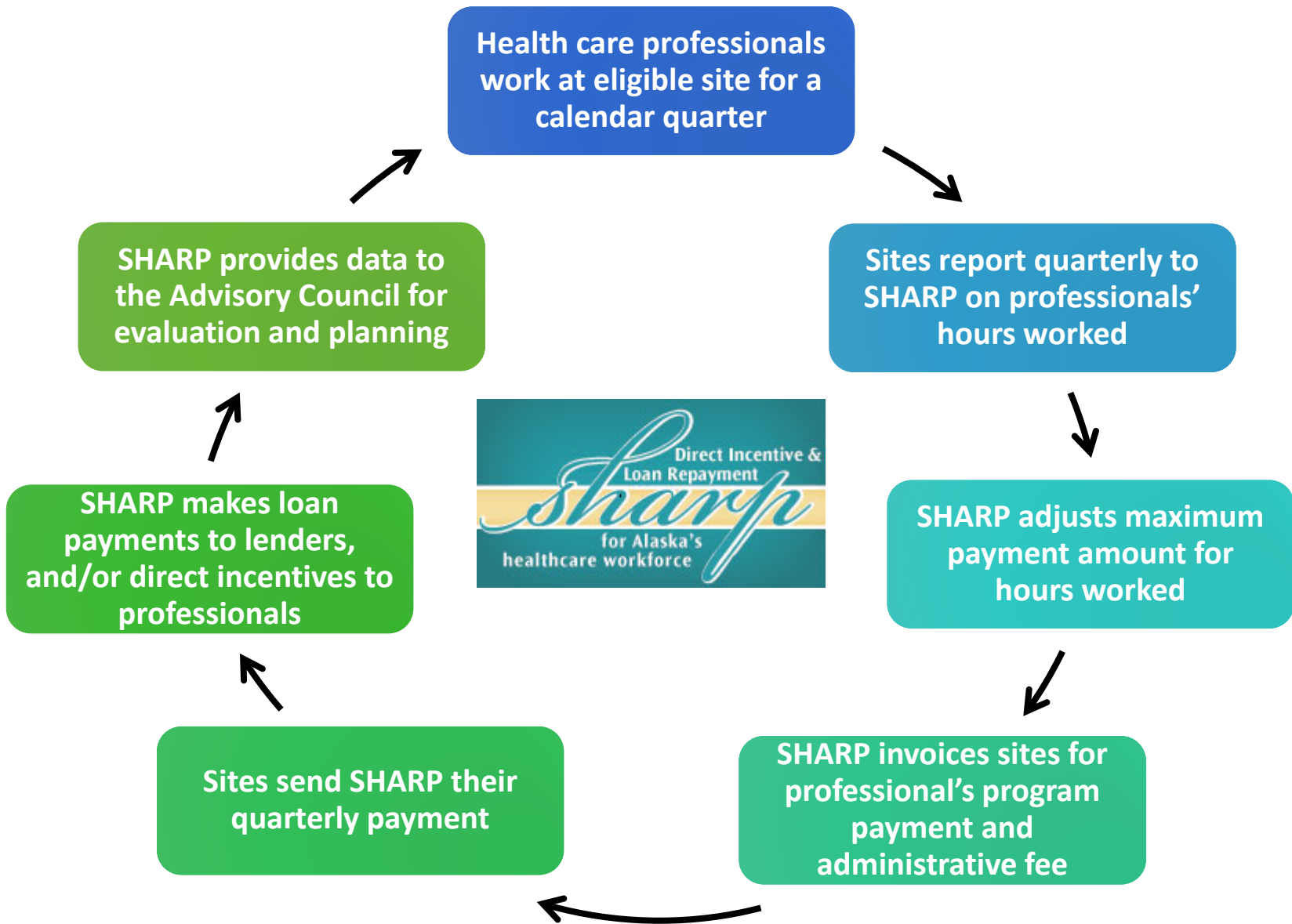
- Health care professionals receive student loan repayment and/or direct incentives for working in underserved areas.
- Employer sites provide health care services in underserved or health care professional shortage areas.
- 3 year contract with renewals; 12 year lifetime limit.
- Employer payments fully cover cost of the professional's program payment and an administrative fee.
- An advisory council recommends eligibility criteria, prioritization of sites and professionals for participation, and contract awards.

# SHARP-3



- **Tier 1:** dentist, pharmacist, physician
  - \$35,000/year regular or \$47,250 very hard-to-fill
- **Tier 2:** dental hygienist, registered nurse, advanced practice registered nurse, physician assistant, physical therapist, clinical psychologist, counseling psychologist, professional counselor, board certified behavior analyst, marital and family therapist, or clinical social worker
  - \$20,000/year regular or \$27,000 very hard-to-fill
- **Tier 3:** not otherwise eligible under Tier 1 or Tier 2
  - \$15,000/year regular or \$20,250 very hard-to-fill





# In closing...



## HB 114

- Keeps health care professionals in rural communities
- Promotes health and economic community stability
- Ensuring a healthier future for all Alaskans
- At the lowest possible cost.



# Thank You

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Jill Lewis  
Deputy Director  
Department of Health and Social Services  
Division of Public Health  
907-465-8617  
[jill.lewis@alaska.gov](mailto:jill.lewis@alaska.gov)



Alaska's SHARP Program:  
<http://dhss.alaska.gov/dph/HealthPlanning/Pages/sharp/default.aspx>