

Representative Bob Herron

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House District 38
Kuskokwim & Johnson Rivers
Kuskokwim Bay & Nelson Island

House Bill 392 – Loan Repayment and Incentives for Certain Medical Providers

Version 26-LS1528\C

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House Bill 392 establishes a loan repayment and direct incentive program in the Department of Health and Social Services (DHSS), for certain health care professionals employed in the state of Alaska. The goals of the program are to increase the quality and quantity of medical services in underserved regions using a combination of loan repayment and direct monetary incentives to recruit and retain experienced health care professionals. Loan repayment would apply only to loans made by the state for greater administrative efficiency.

Alaska has long faced a health care provider shortage that is expected to worsen. The lack of health care providers is apparent not only in urban regions but also in rural communities where it is especially difficult to recruit health care practitioners. The intent of HB 392 is to create a competent and sustainable workforce that has the experience necessary to serve our citizens.

HB 392 is one of the only programs that would allow incentives to mid-career professionals and thus will be a powerful recruitment tool. Forty-four states have "support-for-service programs" and Alaska cannot compete with these states when attempting to recruit health care professionals. HB 392 is a much-needed solution to our shortage of health care professionals because the bill will allow for the employment of up to 90 participants in any given year.

DHSS would run the program and serve as the fiscal agent making quarterly loan payments directly to eligible lenders and incentive payments directly to practitioners from 10 different health care occupations.

The amount of loan repayment and/or direct incentive payment would depend on the location of the position and the category of health care provided. There are two tiers of practitioners: Tier-1 includes dentists, pharmacists, physicians (MD and DO); and Tier-2 includes dental hygienists, nurse practitioners, nurses (RN), physical therapists, physician assistants, psychologists, and social workers (LCSW).

A provider in Tier-1 who serves in a designated "very hard-to-fill" position could receive up to an extra \$47,000 and in a "regular" position an extra \$35,000 per year for up to three years. A provider in Tier-2 who serves in a designated "very hard-to-fill" position could receive up to an extra \$27,000 and in a "regular" position an extra \$20,000 per year for up to three years.

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To address the shortage of health care providers in rural areas 30 of the 90 slots would be reserved for "very-hard-to-fill" positions, which are designated by the Commissioner based upon a needs assessment and employment statistics for Tier-1 and Tier-2 health care professionals in that location.

Once HB 392 goes into effect, it will immediately begin to remedy the shortage of health care professionals within the state of Alaska. In combination with current programs aimed at students, e.g. WWAMI, we can greatly enhance the availability of medical services in our underserved areas, getting this important population the access to health care that they deserve.