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Memo

To: Dr. Doolittle, Executive Committee Chair

From: Delisa Culpepper, Chief Operating Officer

Date: July 2, 2010

Re: **Change of Intent :** 1. Carryover of \$45, 853 FY 10 Loan Repayment Funds
2. Change of fund source from Authority Grant to MHTAAR for \$165,000 of FY 10 Workforce Development Loan Repayment funds.

Request: Change of Intent for the Workforce Development Loan Repayment funds for FY 10.

1. Carryover of \$45,853 of FY 10 MHTAAR Loan Repayment funds to FY 11; and
2. Change of fund source from Authority Grant to MHTAAR for \$165,000 of FY 10 Loan Repayment funds.

History See attached memo's from the Department of Health and Social Services.

Alaska SHARP Program

Section of Health Planning & Systems Development

Division of Health Care Services

Brief overview of the SHARP project:

The Alaska State Loan Repayment Program (SHARP) is a HRSA-sponsored effort to help encourage selected healthcare practitioners to work in Alaska. This is done by making loan repayments (LRPs) on behalf of practitioners while they provide healthcare services in high-need areas. The budget for these practitioner LRPs is \$1,200,000, with 50% from HRSA, and the other 50% from “non-federal match,” the later heretofore composed of \$400,000 from AMHTA, and \$200,000 from other sources. The entire \$1,200,000, including the above stated non-federal match, is for practitioner loan repayments. Neither HRSA nor AMHTA provide admin funding.

What does the SHARP project do?

Considerable nationwide evidence indicates that healthcare practitioners are finishing their training programs with substantial & increasing educational debt. Further, many of these providers are quite willing to work in high-need areas &/or with high-need populations in exchange for help in relief-of-debt. Nationally, this workforce “support-for-service” strategy does increase practitioner recruitment and retention. Alaska’s SHARP program is in the process of fielding at least 23 practitioners, across a broad spectrum of primary care occupations, with each practitioner working on a two-year service contract commitment.

Why are added matching-funds being requested?

The main reason is that two expected sources of non-federal matching funds have, in fact, not materialized. While due diligence was exerted in the revenue-commitment stage of planning for the SHARP (FFY’09) grant, changes in the availability of other federal options adversely affected the readiness of those two sources (agencies) to contribute. On balance, this means that the SHARP program requires \$210,854 in added match-funding in order to fully use the currently available \$600,000 from our in-hand HRSA grant funds.

What will this match-funding accomplish?

Overall, we plan that at least 23 practitioner-slots will be filled, and thus that all federal and non-federal LRP funds will be spent over years. Thus far, SHARP has fielded 14 program clinicians (during SFY’10). This requested SFY’11 match-funding is crucial. All totaled, the difference-in-impact that this leveraged match will make is between 7 and 12 additional primary care clinicians, across the spectrum of medical, behavioral health, and dental practitioners. This will allow the Alaska SHARP program to fully use the HRSA-provided federal funds, and to actually field the fully compliment of clinicians for their 2-year service commitments.

STATE OF ALASKA

Department of Health & Social Services

Division of Health Care Services
Health Planning & Systems Development

SEAN PARNELL, GOVERNOR

PO Box 110660
Juneau, Alaska 99811-0660

Telephone: (907)465-3091
Fax: (907)465-6861

MEMORANDUM

DATE: 06/28/2010

TO: William Hogan, Commissioner

THRU: Paloma Harbour, Budget Analyst IV

FROM: Alison Elgee, Assistant Commissioner

SUBJECT: SHARP - Request to carry AMHTA SFY'10 match funds into SFY'11

This is to request the carry-forward to SFY'11 of \$45,853 of AMHTA-provided SFY'10 matching funds (CoLo #06214079) for the SHARP loan repayment program.

For SFY'10, the Trust committed \$200,000, and of that an earlier carry-forward request has already been submitted for \$150,000. This HRSA-sponsored program is just getting started, and there have been numerous processes to install. However, for our initial cohort of 14 practitioners, all of the required two-year contracts (MOAs) have now been offered & signed, with 9 of 14 practitioners starting in June, and the remainder starting in early SFY'11 (Q1). Of this first cohort, the initial group of 9 practitioners will garner a total LRP cost of \$8,293 for June'10, with 50% (i.e. \$4,147) of that expensed to Trust funds.

The Trust, through Delisa Culpepper, will similarly pose this request to AMHTA Trustees, when that group meets on July 7th. Ms. Culpepper indicates that DHCS will similarly need to submit a "revised program" document to Legislative Budget Audit (LBA) when it meets (late July or early August).

CC: Michelle Lisper
Bobby Miles
Kevin Casperson

Alaska SHARP Program

Section of Health Planning & Systems Development

Division of Health Care Services

Brief overview of the SHARP project:

The Alaska State Loan Repayment Program (SHARP) is a HRSA-sponsored effort to help encourage selected healthcare practitioners to work in Alaska. This is done by making loan repayments (LRPs) on behalf of practitioners while they provide healthcare services in high-need areas. The budget for these practitioner LRPs is \$1,200,000, with 50% from HRSA, and the other 50% from “non-federal match,” the latter composed of \$400,000 from AMHTA, and \$200,000 from other sources. The entire \$1,200,000, including the above stated non-federal match, is for practitioner loan repayments. Neither HRSA nor AMHTA provide admin funding.

What does the SHARP project do?

Considerable nationwide evidence indicates that healthcare practitioners are finishing their training programs with substantial & increasing educational debt. Further, many of these providers are quite willing to work in high-need areas &/or with high-need populations in exchange for help in relief-of-debt. Nationally, this workforce “support-for-service” strategy does increase practitioner recruitment and retention. Alaska’s SHARP program is in the process of fielding 23 practitioners, across a broad spectrum of primary care occupations, with each practitioner working on a two-year service contract.

Why is carry-over funding being requested?

DHSS received approval for a September 2009 start-up, well into SFY 2010. Further, the program start-up proved complex with numerous processes to install, much as was anticipated. For SFY’10, the Trust committed \$200,000, and of that an earlier carry-forward request has already been submitted for \$150,000. Nonetheless, for our initial cohort of 14 practitioners, two-year contracts (MOAs) have now been offered & signed, with 9 of 14 practitioners having started in June, and the remainder starting in early SFY’11 (Q1). Of this first cohort, the initial group of 9 practitioners will garner a total LRP cost of \$8,293 for June’10, with 50% (i.e. \$4,147) of that expensed to Trust funds. Therefore, this is to request a carry-forward of \$45,853 of AMHTA-provided SFY’10 matching funds (#06214079) for the SHARP program into SFY 2011.

What will carry-over funding accomplish?

We plan that all 23 practitioner slots will be filled, and thus that all federal and non-federal LRP funds will be spent over years. We are aware that state funds and receipts typically cannot be encumbered (per se) in one fiscal year, for subsequent spending in the next. Therefore, approval of this request for the carry-forward of AMHTA funding in the added amount of \$45,853 into SFY 2011 will allow our Alaska SHARP program to fully use the HRSA-provided federal funds, and to actually place all 23 practitioners for their 2-year commitments.

STATE OF ALASKA

Department of Health & Social Services
Division of Health Care Services
Health Planning & Systems Development

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MEMORANDUM

DATE: 06/30/2010

TO: Delisa Culpepper, Chief Operating Officer, AMHTA
THRU: Patricia Carr, Section Chief, HPSD DHCS
FROM: Robert Sewell, Program Manager, SHARP Program

SUBJECT: SHARP - Request to AMHTA for other match funds in SFY'11

This is a request to AMHTA for provision of other matching funds during SFY'11 in the amount of \$165,000 for the SHARP loan repayment program.

The Alaska State Loan Repayment Program (SHARP) is a HRSA-sponsored effort to help encourage selected healthcare practitioners to work in Alaska. This is done by making loan repayments (LRPs) on behalf of practitioners while they provide healthcare services in high-need areas. The budget for these practitioner LRPs is \$1,200,000, with 50% from HRSA, and the other 50% from "non-federal match."

The main reason for this request is that two expected sources of non-federal matching funds have, in fact, not materialized. While due diligence was exercised during the revenue-commitment stage of planning the SHARP (FFY'09) grant, changes in the availability of other federal options adversely affected the readiness of those two sources (agencies) to contribute. On balance, this means that the SHARP program requires \$210,854 in added match-funding in order to (a) fully use the currently available \$600,000 from our in-hand HRSA grant funds, and (b) field the full cohort of at least 23 primary care clinicians.

The Trust, through Delisa Culpepper, is asked to pose this request to AMHTA Trustees, when that group meets on July 7th. Similarly, DHCS is considering submission of request for revised program document & receipt authority to Legislative Budget Audit (LBA) when it meets in late July or early August.

CC: Bobby Miles
Kevin Casperson
Alison Elgee
Lucas Lind

Attachments:

Trust letters, re: match (4/10/09) (5/24/10)
Statement of background & rationale
Budget analysis & scenarios