

H B

409

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/27/88

FURTHER REFERRALS:

Finance
(added 1/29)

DATE: 2-18-88

The Health, Education and Social Services Committee has considered HB 409

"An Act relating to forgiveness of student loans of certain health care providers."

RECOMMENDS:

- replace with CSHB 409 (HESS) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature] - No Rec
[Signature] - No Rec

[Signature]
 chairman's signature
[Signature]

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HHESS

2-4-88

8:30 a.m.

HHESS

2-18-88

8:30 a.m.

Position Paper

CSHB 409

For an Act entitled: "An Act relating to forgiveness of student loans of certain health care providers."

HB 409 would provide a student loan forgiveness program for health care professionals who provide services in areas designated by the United States Public Health Service as meeting professional shortage criteria. Loan forgiveness would be based on a yearly percentage of service in a designated area, up to five years, at which point the entire loan would be forgiven by the state.

Recruitment and retention of health care professionals for rural areas is often difficult and expensive. Agencies and communities providing services in these areas are faced with the ongoing problem of obtaining qualified individuals who will live in rural areas for an extended period of time. This chronic turnover results in substantial cost increases and service disruption due to vacancies.

Eligible professionals providing health services in designated areas would benefit economically from this program. This economic incentive will enhance the ability of communities and agencies to recruit and retain health care providers. In addition, rural Alaskans would be encouraged to obtain advanced education and return to practice in their communities.

Position

The Department of Health and Social Services, while deferring the cost analysis of this legislation to the Department of Education, supports the economic incentives in assisting rural areas to recruit and retain qualified health professionals.

Recommended by:

Elizabeth Ward
Elizabeth Ward, M.N.
Director
Division of Public Health

Date:

February 10, 1988

Approved by:

Myra M. Munson 2/10/88
Myra M. Munson
Commissioner
Department of Health and
Social Services

FISCAL NOTE

REQUEST:

Revision Date: 1/27/88
Title: An Act relating to forgive-
ness of student loans . . .
Sponsor: Ellis and Koponen
Requestor: _____

Agency Affected: Health & Social Services
BRU: State Health Services
Components: Public Health Adminis-
tration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The enactment of HB 409 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, Director Phone: 465-3090
Division: Public Health Date: 2-10-88

Approved by Commissioner: Mary Kaye McManis Date: 2-11-88
Agency: Department of Health & Social Services

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



Office of Regents' Affairs
(907) 474-7908

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99775-5080

November 23, 1987

FEB 4 1988

NOV 27 1987

Alaska Commission on
Postsecondary Education

Dr. Kerry D. Romesburg
Executive Director
Alaska Postsecondary Education Commission
P.O. Box FP
Juneau, Alaska 99811

Dear Dr. Romesburg:

Members of the University of Alaska Board of Regents requested that a copy of the following motion, adopted by the Board at its November 20, 1987 meeting in Anchorage, be forwarded to your attention:

PASSED:

"The Board of Regents directs its representatives on the Alaska Postsecondary Education Commission to forward to the commission a proposal for the development of a scholarship program for medical students from Alaska, similar to the Teacher Scholarship Loan Program, which would include forgiveness of payment if an individual practices medicine for a specified period of time in rural Alaska. This motion is effective November 20, 1987."

The above motion was made by Regent Susan Stitham, seconded by Regent Mark Helmericks, and passed unanimously by the Board of Regents.

Very truly yours,

Julie E. Chavez
Julie E. Chavez,
Regents' Affairs Officer

cc: Regents Stitham, Helmericks, and Rasmuson
President Donald O'Dowd
Dr. Donald Behrend

ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP



CO-CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE
SUBCOMMITTEE ON FOREIGN TRADE

REPRESENTATIVE JOHNNY ELLIS

M E M O R A N D U M

TO: House HESS Committee

FROM: Representative Johnny Ellis *J.E.*

SUBJECT: Proposed HESS CS HB 409 changes

DATE: February 10, 1988

The proposed HESS CS HB 409 would amend HB 409 as follows:

1. change "provider" to "professional"
in keeping with 42 U.S.C. 254(e)
2. line 13: add "in the borrower's profession"
to ensure that only those borrowers serving in designated
shortage areas IN THEIR PROFESSION may receive forgiveness
(so a podiatrist isn't receiving forgiveness in an area
where a nurse practitioner is needed)
3. line 15: add "or by the Department of Health and Social
Services under AS 44.29.020(b)"
to allow for designation of shortage areas not covered by
42 U.S.C. 254(e), such as nurses and nurse practitioners
4. line 21: change "over four" to "five" years
so that a person who serves four years and one day will
not be eligible for the final 30 percent forgiveness
5. add *Sec. 2. AS 44.29.020 is amended by adding a new
subsection to read:
(b) The department shall identify by profession those
geographic areas or institutions of the state that have a
health care professional shortage. The information
required to be obtained under this subsection shall be
provided to the Alaska Commission on Postsecondary
Education. In this subsection "health care professional"
has the meaning given in AS 14.45.020(s).

This gives Health and Social Services the authority to
designate health care professional areas AND provides
Postsecondary Education with necessary information for
granting forgiveness.

5-1583L
Ford
2/10/88

Original sponsors: Ellis, Koponen,
Menard and Donley

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 409 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to forgiveness of student loans of
7 certain health care professionals."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 14.43.120 is amended by adding a new subsection to
10 read:

11 (s) If a borrower meets the conditions provided in this section
12 and is employed as a health care professional in an area determined to
13 have a health care professional shortage for the borrower's profession
14 by the United States Public Health Service under 42 U.S.C. 254(e) or
15 by the Department of Health and Social Services under AS 44.29.020(b),
16 a portion of the loan shall be paid by the state equal to the follow-
17 ing percentages of the total loan received plus interest up to a total
18 of 100 percent of the total loan: (1) one year employment, 15 per-
19 cent; (2) two years employment, an additional 15 percent; (3) three
20 years employment, an additional 15 percent; (4) four years employment,
21 an additional 25 percent; (5) five years employment, an additional 30
22 percent. In this subsection, "health care professional" means a
23 person who is licensed, certified, or otherwise authorized by the
24 state to administer health care in the ordinary course of a business
25 or practice of a profession.

26 * Sec. 2. AS 44.29.020 is amended by adding a new subsection to
27 read:

28 (b) The department shall identify by profession those geographic
29 areas or institutions of the state that have a health care

1 professional shortage. The information required to be obtained under
2 this subsection shall be provided to the Alaska Commission on Postsec-
3 ondary Education. In this subsection "health care professional" has
4 the meaning given in AS 14.43.120(s).
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INDIAN HEALTH SERVICE VACANCIES

ANCHORAGE:

1 Radiologist
1 Urologist
1 Psychiatrist

BARROW:

4 Family Practitioners

BETHEL:

7 Family Practitioners
2 Psychiatrists
1 Pediatrician

JUNEAU:

2 Family Practitioners

KOTZEBUE:

2 Family Practitioners

SITKA--MT. EDGE CUMBE:

1 Family Practitioner
1 Psychiatrist
1 OBGYN
1 Pediatrician

KETCHIKAN:

1 Family Practitioner

FAIRBANKS:

1 Psychiatrist

TOTAL:

17 Family Practitioners
5 Psychiatrists
2 Pediatricians
1 Radiologist
1 Urologist
1 OBGYN

27 VACANCIES

SOURCE:

National Indian Health Service
Statistics February 1988
Services
IHS recruiter: Deryl Pratt

lmw

NURSING VACANCIES

Alaska-PHS, IHS

ANCHORAGE:

7 Supervisory
Clinical Nurses
24 Clinical Nurses

BARROW:

1 Assistant Admin
of Nursing
1 Outpatient Dept
Head Nurse
6 Clinical Nurses

BETHEL:

1 Night Supervisor
5 Clinical Nurses

KANAKANAK:

4 Clinical Nurses

KOTZEBUE:

1 Assistant Admin
of Nursing
4 Clinical Nurses

MT. EDGE CUMBE:

2 Mental Health
Nurses
3.5 Med-Surg Nurses

TOTAL:

43 Clinical Nurses
7 Supervisory
Clinical Nurses
3.5 Med-Surg Nurses
2 Mental Health
Nurses
2 Assistant Admin
of Nursing
1 Outpatient Dept
Head Nurse
1 Night Supervisor

59.5 VACANCIES

SOURCE:

Department of Health & Human
Services, Public Health
Service
AK Area Nursing Section
Dr. David Schraer

GENERAL PROCEDURES FOR DESIGNATION

Request for designation (or withdrawal of designation) of health manpower shortage areas should be sent to the Office of Data Analysis and Management at the following address:

Office of Data Analysis and Management
Attention: Distribution and Shortage
Analysis Branch
Parklawn Building, Room 8-57
5600 Fishers Lane
Rockville, Maryland 20857

All requests should contain information on the supply of health manpower available to serve the area's population, the availability of resources in contiguous areas, and the presence of any special needs of the population, using the measures specified in the criteria for shortage, as set forth in the November 17, 1980, issue of the Federal Register. Requests should also include a map showing the location of resources within the area and in contiguous areas. Data sources should be cited, and any adjustments to practitioner supply or area population figures should be explained. In addition, the rationale for the selection of a particular service area definition (in terms of travel times, composition of the population, etc.) should be provided, particularly for non-county service area and population groups.

Requests for designation may be submitted by any individual. Before any request is evaluated, however, the appropriate health systems agency, State health planning and development agency, and Governor will be provided 30 days to comment on the request. Copies of the request are also sent to the appropriate State medical, dental, or other professional association for comment. Requests for psychiatric designations are sent to the appropriate State mental health authority. In order to shorten the designation process, it is recommended that persons submitting a request solicit the assistance and/or endorsement of these parties, or at least provide them with a copy of the request simultaneously with its submission to us.

Once comments have been received or the comment period has expired, the request will be evaluated to see whether the criteria for designation have been satisfied. If the information in a request is inadequate, the applicant will be notified. Notification of final action taken on a designation request will be sent to the applicant and to the appropriate health systems agency, State health planning and development agency, Governor, and Public Health Service Regional Office. Efforts are made to act on each designation request within 60 days.



DEPARTMENT OF HEALTH & HUMAN SERVICES
PUBLIC HEALTH SERVICE
February 10, 1988

Refer to: A-NSS

Rep. Johnny Ellis
Co-chair HESS Committee
Pouch V
State Capitol
Juneau, AK 99811

Dear Rep. Ellis:

Response on behalf of Marion Bayless, Administrator, Alaska Area Nursing Services Section, in support of HB409 "An act relating to forgiveness of student loans of certain health care providers", we offer the following data and information:

The area, number, and type of nursing vacancies in Alaska-PHS, IHS are as follows:

Anchorage - ANMC

7 - Supervisory Clinical Nurses
24 - Clinical Nurses

	<u>Current</u>	<u>Anticipated</u>	
Med-Surg	6	3	
*OB	2	2	
***Peds Infant	5 (3 neonate, 2 older peds)		
ICU	2		
**OR	2		
OPD		1	
Specialty Cl.	1		
	<hr/> 18	<hr/> 6	= 24-26 running number vacancies for past 5 months.

Barrow

1 Assistant Administrator of Nursing
1 Outpatient Dept. Head Nurse
6 Clinical nurses

Bethel

1 Night Supervisor
5 Clinical Nurses

Kanakanak

4 Clinical Nurses

Kotzebue

1 Assistant Administrator of Nursing
4 Clinical Nurses

Mt. Edgecumbe

2 Mental Health Nurses
3.5 Med-Surg Nurses

Rep. Johnny Ellis
 February 10, 1988
 Page 2

* It currently takes ANMC 5-6 months to recruit qualified Obstetric Clinical Nurses due to the high skill requirement of this high risk patient population and the complexity of care, equipment, and procedures.

** It takes up to 12 months to recruit qualified OR nurses.

*** It takes 6-8 months to recruit qualified neonatal nurses.

Current literature and research on Recruitment and Retention reflects educational opportunity and advancement to be high priorities for nurses surveyed in the Lower 48 States.

A Federal Interagency Staff Nurse Recruitment and Retention Task Force has identified educational opportunity and advancement to be among the top three priorities for recruitment and retention.

Attraction of minority students unable to meet financial obligation to field of nursing.

Alaska PHS-IHS exit interviews consistently reflect a primary reason for a change of employment location being:

- a) Lack of educational opportunities or advancement in present position.
- b) Seeking continuing educational opportunities with another agency (often East Coast States).

* Financial Support/Loan Forgiveness: Among the most comprehensive approaches to the recruitment into nursing problem is the one undertaken by some hospital-based schools of nursing which have decided to underwrite the costs of tuition for nursing students. The students must be willing to commit themselves to a designated period of employment in their school's hospital which will qualify them for full tuition reimbursement. Some programs will advance the required tuition while others will reimburse after the fact. In making the mutual commitment to this relationship, the student nurse and the hospital are investing time and energy in each other. The hospital stands to gain a certain number of guaranteed staff nurses upon graduation, and the student is able to obtain a nursing education without becoming encumbered with loans. In many respects this arrangement has much in common with the U. S. military R.O.T.C. programs, which supports a student in collegiate nursing education in exchange for a commitment to a given number of years in military nursing service. Two hospital-based schools of nursing which have been notably successful in recruiting students with this strategy are: Framingham Union Hospital, 115 Lincoln St., Framingham, MA 01701, Jane Woodward, Associate Administrator; and Crouse-Irving Memorial Hospital School of Nursing, 736 Irving Avenue, Syracuse, NY 13210, Dr. Suzanne Spaulding, Director.

Rep. Johnny Ellis
February 10, 1988
Page 3

* The Adult Pool of Potential RNs: In maximizing the impact of available resources, it would be advisable to consider the pool of current health care workers, such as LPNs, EMTs and paramedics. They are familiar with the hospital world, so facilitating their transition into the RN pool may provide a rapid return on available resources. Several diploma schools of nursing as well as AD programs in community colleges are recruiting this population into their RN educational programs. In order to make these programs more accessible, several offer weekend classes and evening classes for those who are employed full time. Some hospitals which might have laid off LPNs in the past have decided to try to meet the manpower needs of their institutions by offering generous academic loans to these individuals with commitments to "forgive" these loans if the graduate will return to work as an RN for a given period of time.

Thank you for the opportunity to comment on this vital Alaska Health Care issue.

Sincerely,



David J. Schraer, MD
Chief, Area Patient Care Standards Br.

*Reference: American Organization Nurse Executives, American Hospital Association.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

7TH FLOOR FRONTIER BLDG.
3601 C STREET, SUITE 722
ANCHORAGE, ALASKA 99503
PHONE: (907) 561-2878

February 9, 1988

FEB 10 1988

Leola Weimer, Legislative Aid
Representative Johnny Ellis
P.O. Box Box V
Juneau, Alaska 99811

Dear Ms. Weimer:

Your letter requesting information regarding the nursing shortage and HB 409 has been received. The Board of Nursing has made the shortage a priority and will be discussing it again at their next meeting this week, February 11-12, 1988 with a focus on what role the board can take to help alleviate any further shortage. The board will discuss your proposed legislation, HB 409 and I will forward any comments they may have on the matter to you.

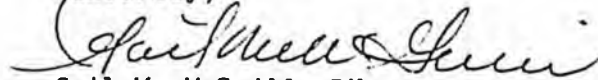
Enclosed you will find a copy of the transcript of discussion of the nursing shortage in Alaska, which took place during a Board of Nursing meeting on November 9, 1987. This transcript provides answers to your first question about the area, number and type of nursing vacancies that exist in Alaska. As I noted in our telephone conversation, Alaska historically has experienced geographic and specialty nursing shortages with recruitment and retention problems in rural Alaska and in certain clinical specialties. Advanced Nurse Practitioners are also often in demand to provide primary medical care services to rural Alaska communities.

With regard to a program for forgiveness of the Alaska student loan for health care providers, I can only give my personal opinion that such a program could be beneficial.

It is uncertain in reading the sponsor position paper as to whether there are areas underserved by nurses identified by the U.S. Department of Health and Human Services. If there are areas underserved by nurses, the bill should help provide more nurses in those areas. If there are not areas underserved by nurses identified then HB 409 will not do anything to help alleviate the nursing shortage in rural Alaska.

Thank you for your inquiry requesting information from the Board of Nursing. We hope this response is helpful to you.

Sincerely,



Gail M. McGill, RN
Executive Secretary
Alaska Board of Nursing



DEPARTMENT OF HEALTH & HUMAN SERVICES
PUBLIC HEALTH SERVICE

February 9, 1988

Rep. Johnny Ellis
Pouch V
State Capitol
Juneau, AK 99811

We appreciate the support of the Alaska State Legislature in encouraging placement and retention of health professions in medically underserved areas of Alaska through House Bill 409. The Yukon-Kuskokwim Delta Service Unit and the Bethel Family Clinic has been dependent on the National Health Service Corps placement for physician staffing for approximately 4 - 6 physician positions each year for several years. Though Bethel was not listed on the sponsor position paper, six of the 18 physicians residing in Bethel are recipients of a National Health Service Corps Scholarship. We are currently experiencing a nursing shortage with little potential for improvement due to a nationwide nursing shortage. If HB 409 applies to loans for nursing education also, this would improve our ability to recruit graduates of the University of Alaska Nursing School.

One suggestion, forgiveness over a four year commitment period is much more likely to enhance recruitment. Long-term retention is a complex issue. I personally think that the improved recruitment associated with a four year forgiveness period will outweigh any gains of an extra year of service.

Sincerely,

DEWEY SCHEID, M. D.
COMMUNITY HEALTH DIRECTOR
Yukon-Kuskokwim Delta
Service Unit
PHS, Alaska Native Hospital
Pouch 3000
Bethel, Alaska 99559

0931C/DS/hib/02-09-88

10 February 1988

Representative Johnny Ellis
HBSS Committee
Alaska State House of Representatives
Pouch V
Juneau, AK

Dear Representative Ellis:

We, the undersigned, are nursing students enrolled in the College of Nursing and Health Sciences at the University of Alaska Anchorage. We are writing to express our support for the passage of HB 409 which establishes the equivalent of a "forgiveness clause" on the State Student Loan Program for graduates in health professions who work in designated medically underserved areas of the State.

It is our view that such a provision would encourage individuals who are already considering a position in a medically underserved area to choose that position over a one that is located in a less rural setting or outside the State. At the same time, it is unlikely that this clause would be the sole factor considered by a graduate of a health professions educational program in making employment decisions.

We also believe that it is imperative to communicate to you that the designated "medically underserved areas" of the State of Alaska are not the only areas in which severe shortages of nursing personnel have become evident. Both in-patient and out-patient facilities and agencies located in the Anchorage area have indicated that they are experiencing severe staff shortages; indeed, at one large inpatient facility, a new "patient care assistant" position has been created to take up some of the slack. The creation of this position, which is essentially equivalent to the traditional "nurse aide" position, is a direct reflection of the difficulty that that facility is having in attracting qualified professional nursing staff.

Thank you for the opportunity to offer comment on this bill. We will look forward to its passage.

Sincerely,
Zelda Collett-Pauli
Kathleen B. Switt
Jean C. Kelley
Diane Fryler
N. Yabollosky
Janet & Joan
Sonya Sowry
Marilyn E. Wathen
Marilyn Dix

Debra L. Jones
Janet M. Holler
Bronat. Redmond
Walter Palkovitch
Mark Hunt
Ann L. Hail
Linda Joss
Linda Stearns
Doree Sakman
John Sely

Angie L. Foldaog
Anita Schrey
Betsy Knight
Abbe M. Murray
Sharon Rinde
Kathy Mc Dowell
Zelda Hansen
Dorrie Thomas
L. Thomas
A. L. Thomas
Marilyn Dix

10 February 1988

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Alaska State House of Representatives
Pouch V
Juneau, AK

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Thank you for the opportunity to offer comment on this bill. We will look forward to its passage.

Sincerely,

Beth Shales

Beth L. Brube RN SN, JAA

Patricia Williams RN UAA

Jean Anne Robt, RNC-UAA

Karen Cunit RN SN UAA

Charlyne Myers RN, SN UAA

Nancy Churchill, RN

Patricia (V) Walker RN

Kae Schroeder RN

Mary Jo Ross RN

10 February 1988

Representative Johnny Ellis
 HBSS Committee
 Alaska State House of Representatives
 Pouch V
 Juneau, AK

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Thank you for the opportunity to offer comment on this bill. We will look forward to its passage.

Sincerely,

Kate [unclear] S.N. UAA
Suzellen L. Heis S.N. UAA
Ryan M. Spalding S.N. UAA
Michelle [unclear] S.N. UAA
James A. Knapp S.N. UAA
Mary Kay Johnson S.N. UAA
Judith Baldwin S.N. UAA

Alaska Native Health Board

1135 W. 2th AVENUE, SUITE 2, ANCHORAGE ALASKA 99501

PHONE (907) 276 9989

February 10, 1988

Representative Johnny Ellis
Alaska State Legislature

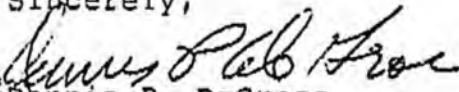
Dear Representative Ellis:

The Alaska Native Health Board strongly supports HB 409, "An Act Relating to Forgiveness of Student Loans of Certain Health Care Providers". In our statewide system of Native health care (Comprised of the Indian Health Service and 16 regional and other Native tribal health provider agencies), the number of vacant positions has varied between 41 and 59 over the past two months. At the present time there is a need for 9 physicians, 1 dentist, 22 nurses, 1 med tech, 1 physician assistant, 1 pharmacist, and 2 Xray technicians.

While the general requirement for employment in our system is that new hires have a minimum of 3 years past experience, our Internship program would allow about 14 new health provider graduates per year to enter the system directly from graduation. Our view is that the proposed bill would help us and other employers of health professionals in Alaska, such as municipalities and the State of Alaska, to hire Alaskans.

Thank you for the opportunity to comment in support of HB 409.

Sincerely,



Dennis P. DeGross
Executive Director



Official Business

COMMITTEE:

HOUSE HESS

DATE: 2-4-88

SIGN-IN

Subject of meeting:

HB 410 Catastrophic Illness
 HB 411 State Health Insurance
 HB 409 Student Loans
 HB 269 Veteran's Interest Rates

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY? if yes, which bill?
JAY Lively	DHSS	3030	DHSS	410 411
DON KOCH	PO BOX D 200	2577	DIV. INSURANCE	410
MARSHA STEWART	CAP 507	3706	REP. AL ADAMS	345 IF NECESSARY
Michael Lessmaier	One Seward Plaza Suite 303	586-5912	Allstate, State Farm Independent Agents	No.
KERRY RONESMIRE	POSTSELOVANY CUSN	2954	ACPE	409
John M... ..	"	2854	ACPE	no
Gary	Cap. 570	3727	Jama	no
BOB STALWAKER	SO B	4470	RETIREMENT + BENEFITS	411
Connie Sipe	OAC Box C	3250		411 + 410

1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-4031

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP



CO-CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE
SUBCOMMITTEE ON FOREIGN TRADE

REPRESENTATIVE JOHNNY ELLIS

SPONSOR POSITION PAPER

HB409

"An act relating to forgiveness of student loans of certain health care providers."

The purpose of this bill is to create an incentive program for medically trained Alaskans to work in those areas of Alaska that need health care provider services most.

Modeled after the Teacher Scholarship Loan Program, this legislation offers the incentive of Alaska Student Loan forgiveness in return for health care service in areas of the State determined to be medically underserved.

This program would also allow students who qualify to take advantage of the new National Health Service Corps Loan Repayment Program, which offers up to 75% Federal matching funds for such a State program.

*WHY HB409?

1. Federal recruitment program ending.

The National Health Service Corps (NHSC) Scholarship Program, which placed 1000 national health care providers in medically underserved areas in 1987, will issue no new scholarships. According to the US Congressional Office of Technology Assessments, NHSC will have 413 scholars in 1988; 76 in 1989; and 4 in 1990, to place nation wide. Ken Bahms, the NHSC Region X Director, indicated that, no new NHSC scholars will be designated for Alaska.

2. Indian Health Service (IHS) dependent upon NHSC placements.

According to the Office of Technology Assessment, "Problems of training and retaining health professionals will become critical for IHS over the next 5 years as the NHSC program is phased out."

3. Existing NHSC placements expire August 1989.

There are currently FIVE NHSC placements in Alaska:

- (1) Anchorage Neighborhood Health Center--Obstetrician
Summer '85 to Summer '88
- (2) Nome--Family Practitioner
Summer '86 to September '89

- (3) Anchorage--Physiatrist (physical rehabilitation)
Summer '86 to July '89
- (4) Anchorage (Arctic I Lab)--Pediatrician
Summer '87 to December '88
- (5) Dillingham--Family Practitioner
Summer '87 to August '89

***WHO is medically underserved?**

42 U.S.C. 254(e) is a Federal distinction to determine a "health manpower shortage area". The Department of Health and Human Services has distinguished:

In Alaska:

- 29 psychiatry areas
- 14 primary medical care areas
- 4 dental service areas

***WHY forgiveness?**

1. Recruitment increasing problem.

All reports indicate that recruitment of health care professionals into rural/medically underserved areas is a chronic problem. Studies indicate that the national shortage of nurses will only enhance this problem.

2. Retention difficult.

Office of Technology Assessments indicate that, "Nearly all physicians who enter IHS with NHSC scholarship payback obligations, however, leave after their obligation is fulfilled. Only about 5 percent stay at least 1 additional year."

3. Alaska Student Loan established program.

Forgiveness of the Alaska Student Loans will ensure that Alaskan residents are encouraged to remain in Alaska and serve in those areas of greatest need.

4. 100 percent forgiveness is an adequate incentive.

A forgiveness program designed over a five year period with increasing percentages in the fourth and fifth years will not only help in recruiting but also in retaining health care professionals to areas that have been traditionally difficult to fill.

***HOW to receive Federal matching funds?**

PL 100-177 provides for state programs similar to the NHSC Loan Repayment Program to receive up to 75 percent Federal matching funds through a three-year grant program. Although specific regulations have not yet been published, all relevant Federal agencies contacted have recommended that Alaska establish an independent State program first. Matching funds will be issued in accordance with demonstrated need and existing State programs.

FISCAL NOTE

REQUEST:

Revision Date: 1/28/88
Title: RE: Forgiveness of Student Loans
- Health Care Provisions
Sponsor: Ellis and Koponen
Requestor: House HESS

Agency Affected: Education
BRU: Postsecondary Commission/
Student Loan Corporation
Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	84.5	169.0	253.5	398.3	571.0
MISCELLANEOUS						
TOTAL OPERATING	-0-	84.5	169.0	253.5	398.3	571.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	84.5	169.0	253.5	398.3	571.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Kerry D. Romesburg, Executive Director Phone: 465-2854
Division: Alaska Commission on Postsecondary Education Date: 1/29/88

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Analysis of Fiscal Impact

A. Assumptions

1. The current student loan population is representative of the future attendance pattern for students of selected health care fields.
2. Indebtedness levels will increase as costs of attendance rise. The inflationary increase will be about 3% per year in the average loan amount.
3. Only a small proportion of health care graduates will actually qualify for the benefits of HB 409. The estimate used for the analysis is 10% of the graduates per field per year.
4. Borrowing years will vary by health care field and shall be:

<u>Fields</u>	<u>Years of Borrowing</u>
Medical (Physicians and Surgery)	8
Psychiatric	8
Dental	8
Nursing	4
Physician Assistant	4
Dental Hygiene	3

B. Projections

TOTAL STUDENTS - BY FIELD

<u>Field</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Medical (Physicians and Surgery)	125	123	122	125	127	128
Psychiatric	3	3	2	3	3	3
Dental	32	34	35	37	38	40
Nursing	267	270	274	280	284	289
Physician Assistant	8	8	9	11	12	15
Dental Hygiene	<u>35</u>	<u>36</u>	<u>37</u>	<u>38</u>	<u>40</u>	<u>43</u>
TOTAL	470	474	479	494	504	519

TOTAL GRADUATES - BY FIELD

<u>Field</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Medical (Physicians and Surgery)	31	31	30	31	32	33
Psychiatric	1	1	1	1	1	1
Dental	8	8	9	9	10	10
Nursing	67	67	68	70	71	72
Physician Assistant	2	2	2	2	3	3
Dental Hygiene	<u>12</u>	<u>12</u>	<u>12</u>	<u>13</u>	<u>13</u>	<u>14</u>
TOTAL	121	121	122	126	130	133

C. Fiscal Impact

<u>Year</u>	<u>Amount</u>
1988-89	\$ -0-
1989-90	\$ 84.5
1990-91	\$169.0
1991-92	\$253.5
1992-93	\$398.3
1993-94	\$571.0

FISCAL NOTE

REQUEST:

Revision Date: 2/1/88
Title: Re: Forgiveness of Student
Loans - Health Care Providers
Sponsor: Ellis and Koponen
Requestor: House HESS

Agency Affected: Education
BRU: Postsecondary Education/
Student Loan Corporation
Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	56.4	112.6	168.9	225.3	281.7
MISCELLANECUS						
TOTAL OPERATING	-0-	56.4	112.6	168.9	225.3	281.7
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	56.4	112.6	168.9	225.3	281.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Figures are based upon 50% forgiveness at 10% per year.

Prepared by: Kerry D. Romesha, Executive Director Phone: 465-2854
Division: Alaska Commission on Postsecondary Education Date: 2/1/88

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

D = Designated
 111 = Yukon Division

STON X
 ALASKA
 *****PSYCHIATRY-AREAS*****
 *****HEALTH MANPOWER SHORTAGE AREA DATA BASE *****

DATE OF TABULATION
 01/05/88
 DATA AS OF 12/31/87

A	M	S	STATE	T	SERVICE	COUNTY NAME	CATCHMENT	INSTITUTION NAME	DESIGNATED	DATE	PSYTR	INST	PSYTR	FTE	POP	POP /	ALC	YTH	AGE	%	PSY	P
DE	S	CNTY	Y	AREA	CA	CH	IN	ST	332	INST	LAST	CNTY	INST	PSYTR	(000'S)	PSYCH	INDX	DEL	DEP	BLM	POV	SHT
A	S	CNTY	Y	AREA	CA	CH	IN	ST	YES	DATE	UPD	CNTY	INST	PSYTR	FTE	POP	INDX	DEL	DEP	POV	PSY	P
A01	1	02001	02003	02011	0201A	FIRST JUDICIAL DIV.																
		02005	02007	02009	0201B	BETTLES			D	51079				0	0	0	0	0	0	0	0	0
		02007	02010	02011	0201C	FT. YUKON			D	51079				0	0	0	0	0	0	0	0	0
		02010	02011	02011	0201D	GALENA			D	51079				0	0	0	0	0	0	0	0	0
		02011	02011	02011	0214A	MCGRAITH			D	51079				0	0	0	0	0	0	0	0	0
		02020	02020	02020	0201E	ALEUTIAN ISLAND AREA			D	51079				0	0	0	0	0	0	0	0	0
		02050	02050	02050	0202A	TOK			D	51079				0	0	0	0	0	0	0	0	0
		02050	02050	02050	0208A	ANCHORAGE BOROUGH			D	81582				0	0	0	0	0	0	0	0	0
		02060	02060	02060	0212B	BETHEL AREA			D	42487				0	0	0	0	0	0	0	0	0
		02070	02070	02070	0212A	BETHEL AREA			D	42487				0	0	0	0	0	0	0	0	0
		02090	02090	02090	0218A	LOWER KUSKOKWIM SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02110	02110	02110	0218A	ANTAK SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02122	02122	02122	0215A	BRISTOL BAY BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02122	02122	02122	0216A	DILLINGHAM AREA			D	42487				0	0	0	0	0	0	0	0	0
		02130	02130	02130	0204A	FAIRBANKS NORTH STAR BORO			D	42487				0	0	0	0	0	0	0	0	0
		02140	02140	02140	0213A	FAIRBANKS NORTH STAR BORO			D	42487				0	0	0	0	0	0	0	0	0
		02150	02150	02150	0217D	HAINES BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02180	02180	02180	0210A	JUNEAU BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02185	02185	02185	0203A	KENAI			D	42487				0	0	0	0	0	0	0	0	0
		02201	02201	02201	0220A	KENAI PENINSULA BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02220	02220	02220	0221A	SEWARD SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02231	02231	02231	0218B	KETCHIKAN GATEWAY BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02240	02240	02240	0207A	KOBUK AREA			D	42487				0	0	0	0	0	0	0	0	0
		02261	02261	02261	0211A	KODIAK ISLAND BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02261	02261	02261	0217A	MATANUSKA-SUSTITNA BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02270	02270	02270	0219A	NOME AREA			D	42487				0	0	0	0	0	0	0	0	0
		02280	02280	02280	0202B	NORTH SLOPE AREA			D	42487				0	0	0	0	0	0	0	0	0
		02290	02290	02290	0205A	PRINCE OF WALES-OUTER KET			D	42487				0	0	0	0	0	0	0	0	0
		02290	02290	02290	0205A	PRINCE OF WALES SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02290	02290	02290	0209A	PRINCE OF WALES SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0201	SITKA BOROUGH			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0202	SKAGWAY-YAKUTAT-ANGDON			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0203	SOUTH-EAST-FAIRBANKS AREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0204	SOUTHEAST-CORDOVA AREA			D	51079				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0205	VALDEZ-CORDOVA AREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	COPPER RIVER SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	PRINCE WILLIAM SOUND SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	CORDOVA SUBAREA			D	81582				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	WADE-HAMPTON AREA			D	51079				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	WRANGELL-PETERSBURG AREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	YUKON-KODYUKUK AREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	YUKON FLATS SUBAREA			D	51079				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	MC GRATH-HOLY-CROSS SUBAREA			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	TANANA/GALENA (CA'S 3 & 6)			D	51079				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	BETHEL (CA #9)			D	81582				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	BARRON (CA #1)			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	KOTZEBUE (CA #2)			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	FORT YUKON (CA #4)			D	42487				0	0	0	0	0	0	0	0	0
		02999	02999	02999	0206	NOME			D	42487				0	0	0	0	0	0	0	0	0

PRIORITY
 1 = Highest

REGION X

 *** HEALTH MANPOWER SHORTAGE AREA DATA BASE ***

DATE OF TABULATION
 01/05/88

ALASKA

DATA AS OF 12/31/8

HSA CODE	S M STATE S CNTY A CODE	T Y AREA P ID	SERVICE AREA ID	COUNTY NAME CATCHMENT / INSTITUTION NAME	*****PSYCHIATRY-AREAS*****			POP (00"S)	POP / PSYCH RATIO	ALC INDX	YTH DEP	AGE DEP	% BLW POV	# PSY SHT					
					DESIGNATED 332 INST YES DATE	DATE LAST UPD	PSYTR PSYTR INST FTE												
02999		0207		TOK (CA #8)	D	42487		0	0	0.0		65	0	.000	.000	.000	16	0.3	
02999		0208		ANIAK (CA #10)	D	42487		0	0	0.0		14	0	.222	.000	.000	34	0.0	
02999		0209		MC GRATH (CA #11)	D	42487		0	0	0.0		14	0	.000	.600	.000	29	0.0	
02999		0210		WASILLA (CA #12)	D	42487		0	0	0.0		298	0	.000	.090	.000	13	1.4	
02999		0211		COPPER CENTER (CA #13)	D	42487		0	0	0.0		31	0	.000	.000	.000	12	0.1	
02999		0212		DILLINGHAM (CA #14)	D	42487		0	0	0.0		68	0	.000	.000	.000	19	0.3	
02999		0213		KODIAK ISLAND (CA #15)	D	42487		0	0	0.0		128	0	.000	.000	.000	10	0.6	
02999		0214		UNALASKA (CA #16)	D	42487		0	0	0.0		84	0	.000	.000	.000	12	0.4	
02999		0215		KEHAI/HOMER (CA'S 17 & 24)	D	42487		0	0	1.0		310	310	.000	.000	.000	11	0.0	
02999		0216		SEWARD (CA #18)	D	42487		0	0	0.0		38	0	.000	.000	.000	11	0.1	
02999		0217		VALDEZ (CA #19)	D	42487		0	0	0.0		39	0	.000	.000	.000	12	0.1	
02999		0218		HAINES (CA #20)	D	42487		0	0	0.0		56	0	.000	.000	.000	13	0.2	
02999		0219		CORDOVA (CA #23)	D	42487		0	0	0.0		26	0	.000	.000	.000	12	0.1	
02999		0220		PRINCE OF WALES (CA #25)	D	42487		0	0	0.0		34	0	.000	.000	.000	11	0.1	
02999		0221		SITKA	D	42487		0	0	0.9		81	0	.000	.000	.000	0	0.4	
STATE TOTALS						21		0	0.0	1.0		1633							5.6
COUNTY TOTALS						0		0	0.0	0.0		0							0.0
MSA TOTALS						21		0	0.0	1.0		1633							5.6
POP GROUP TOTALS						0		0	0.0	0.0		0							0.0
INSTITUTION TOT						0		0	0.0	0.0		0							0.0

SION 'X

 *** HEALTH MANPOWER SHORTAGE AREA DATA BASE ***

 **** PRIMARY MEDICAL CARE ****

DATE OF TABULATION
 01/05/88
 DATA AS OF 12/31/87

ALASKA STATE- S M STATE- HSA S COUNTY CODE A CODE		SERVICE AREA ID	COUNTY NAME/ SERVICE AREA NAME	DESIGNATED 332 AREA YES DATE	DATE LAST UPDATE	PC PHYS FTE	POPULATION	RATIO POP/ PC PHYS	BIRTH P/000 WOMEN 15-44	INF MORT RATE	% POP BELOW POV	PC PHYS NEED	DEG OF SHG	
	02010		ALEUTIAN ISLAND AREA	D	72578	61987	1.0	8255	8255	0	9.1	9	1.4	2
1	02020		ANCHORAGE BOROUGH				145.2	216543	1491	0	13.0	7	0.0	
1	02020	P 0203A	ANCHORAGE CITY	D	11780	90784	10.1	35879	3552	0	0.0	50	0.0	3
1	02020	C 0210A	HILAND MTN/MEADOW CRK COR	D	101284		0.0	847	0	0	0.0	0	0.0	2
1	02020	C 0213A	3RD AVE/6TH AVE ANNEX/RID	D	101284		0.4	6129	15322	0	0.0	0	0.0	2
	02050		BETHEL AREA	D	31484	61987	1.0	11446	11446	0	19.9	31	2.8	1
	02060	0202A	BRISTOL BAY BOROUGH	W	72578	61987	0.0	1134	0	0	17.2	2	0.0	
	02070	0202B	DILLINGHAM AREA	W	72578	61987	3.0	5171	1723	0	18.8	22	0.0	
	02090		FAIRBANKS NORTH STAR BORO				93.0	75100	807	0	12.5	8	0.0	
	02100		HAINES BOROUGH				2.0	1847	923	0	10.5	13	0.0	
	02110	0201A	JUNEAU BOROUGH	W	72578	31484	34.0	28941	851	0	16.1	4	0.0	
	02122		KENAI PENINSULA BOROUGH				25.0	35016	1400	0	15.1	11	0.0	
	02122	0209A	SEWARD	W	32681	31484	1.0	2809	2809	0	0.0	0	0.0	
	02122	C 0212A	COOK INLET PRE-TRIAL FACI	D	101284		0.1	1657	16570	0	0.0	0	0.0	2
	02130		KETCHIKAN GATEWAY BOROUGH				17.0	12705	747	0	17.0	7	0.0	
	02140		KOBUK AREA	D	72578	50286	0.0	6600	0	0	30.0	26	1.9	1
	02150		KODIAK ISLAND BOROUGH				10.0	12381	1238	0	15.7	10	0.0	
	02170		MATANUSKA-SUSITNA BOROUGH	W	72578	31484	19.0	32132	1691	0	13.5	13	0.0	
	02170	C 0211A	PALMER CORRECTIONAL CTR	D	101284		0.1	723	7230	0	0.0	0	0.0	2
	02180		NOME AREA	W	72578	61987	5.0	7459	1491	0	39.9	28	0.0	
	02185		NORTH SLOPE BOROUGH	D	72578	50286	1.0	8000	8000	0	23.8	10	1.7	1
	02201		PRINCE OF WALES-OUTER KET	D	121384	50286	1.0	4652	4652	0	16.7	11	0.3	3
	02220		SITKA BOROUGH				7.0	8500	1214	0	18.4	4	0.0	
	02231	0201B	SKAGNAY-YAKUTAT-ANGOON	W	72578	31484	0.0	3716	0	0	9.8	13	0.0	
	02240		SOUTHEAST FAIRBANKS	D	72578	61987	1.0	7600	7600	0	14.1	13	1.2	2
	02261		VALDEZ-CORDOVA AREA	W	72578	31484	8.0	8730	1091	0	22.6	11	0.0	
	02270		WADE HAMPTON AREA	D	72578	61987	0.0	4726	0	0	29.2	37	1.4	1
	02280		WRANGELL-PETERSBURG AREA			100184	5.0	6869	1373	0	18.0	6	0.0	
	02280	0214A	KUPREANOF IS. (NW PT)	D	50286		0.0	555	0	0	0.0	0	0.0	1
	02290		YUKON-KOYUKUK	D	31484	61987	0.0	7700	0	0	26.3	26	2.2	1
	02999	0201	JUNEAU	W	72578	31484	34.0	32657	960	0	16.1	4	0.0	
	02999	0202	BRISTOL BAY	W	72578	61987	3.0	5710	1903	0	0.0	20	0.0	
1	02999	P 0203	MEDICAID ELIGIBLES/ANCH.	D	11780	90784	10.1	35879	3552	0	0.0	50	1.9	3
	02999	0209	SEWARD	W	23081	31484	1.0	2809	2809	0	15.1	11	0.0	
1	02999	C 0210	HILAND MTN/MEADOW CRK COR	D	101284		0.3	847	2823	0	0.0	0	0.5	2
	02999	C 0211	PALMER CORRECTIONAL CTR	D	101284		0.1	723	7230	0	0.0	0	0.6	2
	02999	C 0212	COOK INLET PRE-TRIAL FACI	D	101284		0.1	1657	16570	0	0.0	0	1.6	2
1	02999	C 0213	3RD AVE/6TH AVE ANNEX/RID	D	101284		0.4	6129	15322	0	0.0	0	5.7	2
	02999	0214	KAKE	D	50286		0.0	555	0	0	0.0	0	0.2	1

EGION X

*** HEALTH MANPOWER SHORTAGE AREA DATA BASE ***

DATE OF TABULATION
01/05/88
DATA AS OF 12/31/87

ALASKA		S		M STATE-		HSA S COUNTY		SERVICE	COUNTY NAME/ SERVICE AREA NAME	DESIGNATED 332 AREA	DATE LAST UPDATE	PC PHYS FTE	POPULATION	RATIO POP/ PC PHYS	BIRTH P/000 WOMEN 15-44	INF MORT RATE	% POP BELOW POV	PC PHYS NEED	DEG JF SHG
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STATE TOTALS	14	16.0	104769	23.9
COUNTY TOTALS	8	5.0	58979	13.1
MSA TOTALS	1	0.0	555	0.2
POP GROUP TOTALS	1	10.1	35879	1.9
FACILITIES TOTALS	4	0.9	9356	8.6
# OF FACILITIES	4			

SION X

*** HEALTH MANPOWER SHORTAGE AREA DATA BASE ***

**** DENTISTS ****

DATE OF TABULATION
01/05/88
DATA AS OF 12/31/87

HSA CODE	STATE- COUNTY	SERVICE AREA ID	COUNTY NAME/ SERVICE AREA NAME	DESIGNATED 332 AREA YES DATE	DATE LAST UPD	# OF DENT NEED	DENTISTS BY AGE				FTE DENT	POP (00'S)	POP TO DENT RATIO	% POP BELOW POVRTY	PTY GRP
							UNDER 55	55-59	60-64	OVER 64					
02010			ALEUTIAN ISLANDS AREA	W 72878	90485	0.0	0	0	0	0	0.0	63	0	9	
1 02020			ANCHORAGE BOROUGH		90485	0.0	0	0	0	0	97.8	2165	2214	7	
02050			BETHEL AREA	W 72878	90485	0.0	0	0	0	0	1.2	122	10173	31	
02060	0201A		BRISTOL BAY BOROUGH	W 72878	90485	0.0	0	0	0	0	0.0	9	0	2	
02070	0201B		DILLINGHAM AREA	W 72878	90485	0.0	0	0	0	0	0.0	56	0	22	
02090			FAIRBANKS NORTH STAR BORO		90485	0.0	0	0	0	0	23.1	589	2552	9	
02100			HAINES BOROUGH		90485	0.0	0	0	0	0	1.2	19	1595	13	
02110			JUNEAU BOROUGH		90485	0.0	0	0	0	0	10.7	256	2394	4	
02122			KENAI-PENINSULA BOROUGH		90485	0.0	0	0	0	0	6.0	348	5803	0	
02130			KETCHIKAN GATEWAY AREA		90485	0.0	0	0	0	0	6.8	125	1842	7	
02140			KOBUK AREA	D 72878	90485	0.4	0	0	0	0	1.0	57	5747	26	
02150			KODIAK ISLAND AREA		90485	0.0	0	0	0	0	3.6	118	3278	10	
02170			MATANUSKA-SUSITNA BOR.		90485	0.0	0	0	0	0	4.2	298	7106	13	
02180			NOME AREA	W 72878	90485	0.0	0	0	0	0	1.0	76	7622	28	
02185			NORTH SLOPE BOROUGH	D 90485		1.0	0	0	0	0	0.0	51	0	10	
02201			PR. WALES-OUTER KETCHIKAN	W 72878	90485	0.0	0	0	0	0	0.0	52	0	0	
02220			SITKA BOROUGH		90485	0.0	0	0	0	0	3.0	79	2664	4	
02231			SKAGHAY-YAKUTAT-ANGOON	W 101378	90485	0.0	0	0	0	0	0.0	37	0	0	
02240			SOUTHEAST-FAIRBANKS AREA	D 72878	90485	0.1	0	0	0	0	1.0	57	5701	13	
02261			VALDEZ-CORDOVA AREA	W 72878	90485	0.0	0	0	0	0	0.0	96	0	0	
02270			WADE HAMPTON	W 72878	90485	0.0	0	0	0	0	0.0	52	0	37	
02280			WRANGELL-PETERSBURG		90485	0.0	0	0	0	0	2.4	68	2852	6	
02290			YUKON-KOYUKUK	D 72878	90485	1.0	0	0	0	0	1.0	81	8162	26	
02999	0201		BRISTOL BAY	W 72878	90485	0.0	0	0	0	0	0.0	65	0	20	
			STATE TOTALS	4		2.8	0	0	0	0	3	247			
			COUNTY TOTALS	4		2.8	0	0	0	0	3	247			
			MSA TOTALS	0		0.0	0	0	0	0	0	0			
			POP GROUP TOTALS	0		0.0	0	0	0	0	0	0			
			FACILITIES TOTALS	0		0.0	0	0	0	0	0	0			
			# OF FACILITIES	0											

W = withdrawn

PTY Priority Group
1 = highest



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

February 1, 1988

MEMORANDUM

TO: Representative Johnny Ellis

ATTN: Leola Weimer

FROM: Patricia Brawley *pb*
Legislative Analyst

RE: Incentive Programs for Health Care Providers in Rural Areas
Research Request 88.117

You asked for information about incentive programs used by other states and/or countries to encourage health care providers to practice in rural or medically underserved areas. You also asked who determines what areas are classified as medically underserved.

International Programs

The World Health Organization (WHO), representing 104 countries, offers fellowships worldwide to promote health care in Third World countries. The Ministry of Health for each member country determines the national need and selects applicants for training. Applications are then forwarded to a regional WHO office, which awards fellowships and assists in appropriate placement for training. In return, recipients are obligated to return to their own countries to practice. Each country's Ministry of Health determines length of service obligation and default penalties.

Federal Program

As you may know, Public Law 100-177--which has been signed but not yet funded--replaces the National Health Service Corps (NHSC) Scholarship Program with a Loan Repayment Program. Under the Scholarship Program, contracts made with first year medical students obligated them to serve, upon completion of their medical school and residency training, in a specific discipline and in a specific location designated as a Health

Manpower Shortage Area. Because many medical students change specialties during their seven- to nine-year training, and because personal circumstances often change so much during that time, physicians often chose to default on the service obligations rather than practice in rural areas where their particular discipline might not be in demand or where, because of personal circumstances, they were no longer willing to go. Under the new Loan Repayment Program, the NHSC will contract with health professionals who are either in the final year of training or who are fully certified. Because physicians will be established in their specialties and will more likely know whether their personal circumstances will conflict with service in rural areas, fewer service-obligation defaults are expected.

Under the Loan Repayment Program, the NHSC will be repaying loans while the health professional is providing service, rather than providing educational costs and a stipend prior to service, as was the case under the Scholarship Program. Health professionals will agree to serve for a minimum of two years in a designated shortage area, and for each year of obligated service the Department of Health and Human Services (DHHS) will agree to pay up to \$20,000 on behalf of the individual for educational loans. (That amount increases to \$25,000 for service in the Indian Health Service, or in a health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act.) Under PL 100-177, health professionals who fail to fulfill their obligation would be required to repay the amount of prepaid principal and interest, with interest on that amount, plus a penalty of \$500 per month for unserved time.

Public Law 100-177 also provides for a three-year program of grants to support the establishment of state programs similar to the NSHC Loan Repayment Program. According to Mario Manecchi, Chief of Assignee Preparation, Health Services Scholarships, Bureau of Health Care, Delivery and Assistance, guidelines for the state grants program will be developed this year, with implementation expected in FY 89. The grant program is intended to begin the process of decentralizing distribution and incentive programs.

Though guidelines have yet to be developed, individual states will be responsible for identifying shortage areas, locating and recruiting appropriate health professionals and contracting with them. The federal share of the costs of any state program shall not exceed 75 percent (as authorized by PL 100-177, sec. 338H). One possibility described by Mr. Manecchi would be 60 percent federal/40 percent state funding for the first year, 40 percent federal/60 percent state funding the second year, 20 percent federal/80 percent state funding the third year, followed thereafter by 100 percent state funding. There is no indication of how funds authorized for this program will be divided among participating states, but consideration of need will no doubt be a factor.

State Programs

The "Compendium of State Health Professions Distribution Programs: 1986," prepared for the Bureau of Health Professions in the Health Resources and Services Administration, Department of Health and Human Services, describes 113 programs in 42 states which attempt to influence health professionals' geographic and specialty distribution. Programs described fall into the following categories:

- selective recruitment to medical schools;
- affecting experiences during education;
- financial incentives to locate in certain areas; and
- aid in establishing and maintaining practices.

The first 37 pages provide an excellent discussion of the range of programs, strategies behind them, and their outcomes. Suggestions to policymakers interested in benefiting from the experience of other states are included on pages 33 through 37. A summary of these suggestions follows.

- 1) Programs which integrate a number of strategies for attracting and retaining health professionals in shortage areas have more likelihood of success than do programs which rely on a single strategy. Possible strategies include the following:
 - active recruitment and selection of students most likely to prefer specialties in shortage areas;
 - educational experiences such as extended community preceptorships and training curricula which reinforce commitment to shortage areas;
 - financial support for students needing assistance, combined with a service commitment and high buyout penalties;
 - community financial participation in the support of a particular medical student, or in the development of a practice site;
 - aid and support in practice to minimize professional isolation in shortage areas; and
 - continued financial support for health professionals, or for institutions or community groups using their services.

- 2) Service-contingent programs are an effective but expensive way of covering shortage areas; preceptorships and other curriculum changes are significantly less expensive but may not be as effective.
- 3) Service-contingent programs with high penalties for buy-out are an effective way of recruiting health professionals to shortage areas for short time periods; however, more permanent retention of professionals may require additional programs and resources.

Designation of Shortage Areas

According to Phil Salladay, Public Health Analyst, the designation used for placement by the NHSC--and by most states--is the Health Manpower Shortage Area (HMSA). Health Manpower Shortage Area designations are made by the Office of Data Analysis and Management, Bureau of Health Professions, Department of Health and Human Services. Annual HMSA updating is based on the most recent available federal census estimates and state population overviews. State medical associations, health planning and development agencies, and regional offices of the National Health Service are also asked for input. Any interested person or group can request an HMSA evaluation at any time.

A comparison of states by number of HMSA designations is not available. However, Alaska currently has the following 14 Health Manpower Shortage Areas:

Geographic HMSA--Aleutian Islands, Bethel, Kobuk, North Slope Borough, Prince of Wales-Outer Ketchikan, SE Fairbanks, Wade-Hampton, and Yukon-Koyukuk;

Medical Service Area (HMSA subsection)--Kake;

Population Group--medicade-eligible population of Anchorage; and

Correctional Centers--Hiland Mountain/Meadow Creek, Palmer, Cook Inlet Pre-Trial Facility, and the Anchorage Annex.

Representative Ellis
February 1, 1988
Page 5

Public Law 100-177 makes the ability of an area to pay for health services a criterion for HMSA designation. Also, new considerations for determining the priority of NHSC physician placement include:

- 1) whether the area is served by at least one health professional and the effectiveness of nonfederal programs in recruiting health professionals for the area;
- 2) the geographic isolation of the area;
- 3) the economic need of the population; and
- 4) the infant mortality rate of the area.

Because there are so many Alaskan communities with population bases unable to support resident physicians, more viable health professionals in most rural Alaska communities will continue to be Physicians' Assistants, Nurse Practitioners, Emergency Medical Technicians, and Community Health Aides. According to Dwayne Peeples, Health Planner, Department of Public Health, rural needs are also better served by the presence of Community Health Aides and mid-level professionals, who can supply regional training, supervision and referral. Mid-level practitioner clinics are also considered more cost-effective and more desirable than placement of physicians in small communities. For these reasons, incentive programs for placement and retention of health professionals in rural areas in Alaska might better focus on mid-level practitioners than on physicians.

I hope this information is useful to you. Please contact me if you have any questions.

Attachment

HMSA

SHORTAGE AREA CRITERIA

SOURCE:

Compendium of State Health Professions Distribution Programs:
1986 US Department of Health & Human Services

STATISTICS:

Of the 113 Compendium programs, 61 (54 percent) have some type of shortage criteria. About a third of programs and states use the federal HMSA criteria or slight modifications of them.

Criteria	Programs	States
HMSA	16	14
HMSA &/or MUA	2	2
Modified HMSA	5	4
Population:physician	3	3
Community size	8	8
Anywhere in State	10	8
State criteria	8	4
Other	<u>9</u>	<u>8</u>
TOTAL	61	51

1. Health Manpower Shortage Areas (HMSA)

Sixteen programs in 14 states (Arizona, Kentucky, Massachusetts, Maine, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia) use HMSA alone. Two programs in two states (Arkansas and Nevada) use HMSA or MUA. No programs use MUA alone.

Those states using HMSA for their own programs report doing so for three reasons:

- a) Some say that HMSA methodology, while not perfect, is sound and useful for their purposes.
- b) Others indicate preference for having federal program officials expend the necessary resources for undertaking the process, and equally importantly, absorb the dissatisfaction from some professional societies or unsuccessful applicant communities.
- c) Finally, at least a few states express preference for developing their own designation process, but lack the necessary staff.

2. HMSA Modifications

Five additional programs in four states essentially use the HMSA designations to place health professionals, modifying the process only slightly to suit their own purposes. These programs are in Maryland, Maine, New Mexico, and North Carolina.

These states accept the HMSA designation of geographic shortage areas. The four states then add their state and local health, mental health, and corrections institutions to a list of acceptable practice sites. Unlike the federal designation process, there are no formal state mechanisms for declaring particular institutions to be lacking sufficient personnel.

a) Maryland

HMSA Modification: HMSA, state or local public institution

b) Maine

1) HMSA Modification: HMSA, underserved specialty group, population group, or any combination of these.

2) HMSA Modification: HMSA, geographic area, specialty group, population group, or any combination of these.

c) New Mexico

approval on a case-by-case basis.

d) North Carolina

HMSA Modification: HMSA, rural community of fewer than 10,000 people, state or local institutions.

lmw

10 February 1988

Representative Johnny Ellis
 HESS Committee
 Alaska State House of Representatives
 Pouch V
 Juneau, AK

Dear Representative Ellis:

We, the undersigned, are nursing students enrolled in the College of Nursing and Health Sciences at the University of Alaska Anchorage. We are writing to express our support for the passage of HB 409 which establishes the equivalent of a "forgiveness clause" on the State Student Loan Program for graduates in health professions who work in designated medically underserved areas of the State.

It is our view that such a provision would encourage individuals who are already considering a position in a medically underserved area to choose that position over a one that is located in a less rural setting or outside the State. At the same time, it is unlikely that this clause would be the sole factor considered by a graduate of a health professions educational program in making employment decisions.

We also believe that it is imperative to communicate to you that the designated "medically underserved areas" of the State of Alaska are not the only areas in which severe shortages of nursing personnel have become evident. Both in-patient and out-patient facilities and agencies located in the Anchorage area have indicated that they are experiencing severe staff shortages; indeed, at one large inpatient facility, a new "patient care assistant" position has been created to take up some of the slack. The creation of this position, which is essentially equivalent to the traditional "nurse aide" position, is a direct reflection of the difficulty that that facility is having in attracting qualified professional nursing staff.

Thank you for the opportunity to offer comment on this bill. We will look forward to its passage.

Sincerely,

Joan Schuyler
Rosemary Sherwood
Jackie Feichtinger
Brona Hodel

Jeffrey J. ...
...



February 11, 1988

Representative Ellis:

I'm an Alaska WAMI student (first year) studying at WSU in Pullman, Washington. I plan to practice in Alaska and I am in full support of your proposal, House Bill No. 409.

Jeff Baurick

(undersigned are first year Alaska WAMI students)

February 10, 1988

Alaska WAMI Medical Students
University of Washington
Office of the Dean of
Regional Affairs
Seattle, WA 98105

TO: Representative Ellis

Several of the first year Alaska WAMI medical students met to discuss your proposed House Bill No. 409. Here are a few of our concerns.

Who will fund the practitioners who participate in this program?

Surely the expectation is not for a physician to be given a designated underserved area and then run out to set up a private practice - it would be extremely difficult to make a living much less pay back loans. Since the primary employer of physicians in underserved areas is the Public Health Service, is some sort of arrangement to be worked out with this agency? Also, we were wondering if the Public Health Service has reinstated their own loan forgiveness program?

What does "an area determined to have a health care provider shortage" really mean?

For example, if a neurosurgeon or some other specialist is needed in Fairbanks will this program apply to that position?

Toward which loans will the forgiveness apply?

Does this bill encompass all educational loans incurred while attending medical school, including GSL, HPL and any other educational loans? Or does it solely apply to the Alaska Student Loan program? Also, does 'total loans received' include Alaska student loans obtained for undergraduate education? The undergraduate loan issue is not a significant one for those of us currently in the WAMI program (our undergraduate loans had the forgiveness clause), but for future medical students it will be important - the difference between paying back \$28,000 or \$50,000.

Does this program provide a meaningful incentive?

Our concern is that the lack of an adequate incentive might prevent some individuals from using this program. The salary needs to be competitive with other post-residency health service salaries. Would it be possible to attain total forgiveness in four years instead of five - a year of service for a year of loan forgiveness?

Thank you for your efforts on our behalf. Please keep us posted on the status of this bill and let us know if we can provide you with any further information.

Sincerely,

Denise Dudley
Carolyn Rader
Jeff Edwards
Mark Whipple
Rogin Grendahl

10 February 1988

Representative Johnny Ellis
HESS Committee
Aslasa State House of Representatives
Pouch V
Juneau, AK

Dear Representative Ellis:

We, the undersigned, are nursing students enrolled in the College of Nursing and Health Sciences at the University of Alaska Anchorage. We are writing to express our support for the passage of HB 409 which establishes the equivalent of a "forgiveness clause" on the State Student Loan Program for graduates in health professions who work in designated medically underserved areas of the State.

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We also believe that it is imperative to communicate to you that the designated "medically underserved areas" of the State of Alaska are not the only areas in which severe shortages of nursing personnel have become evident. Both in-patient and out-patient facilities and agencies located in the Anchorage area have indicated that they are experiencing severe staff shortages; indeed, at one large inpatient facility, a new "patient care assistant" position has been created to take up some of the slack. The creation of this position, which is essentially equivalent to the traditional "nurse aide" position, is a direct reflection of the difficulty that that facility is having in attracting qualified professional nursing staff.

Thank you for the opportunity to offer comment on this bill. We will look forward to its passage.

Sincerely,

John Schuyler 46
Rosemary Sherwin 47
Jackie Flechtlinger 48
Donna 49
1 [unclear] 50
[unclear] 51

February 11, 1988

Representative Ellis:

I'm an Alaska WAMI student (first year) studying at WSU in Pullman, Washington. I plan to practice in Alaska and I am in full support of your proposal, House Bill No. 409.

Jeff Baurick

(undersigned are first year Alaska WAMI students)

February 10, 1988

Alaska WAMI Medical Students
University of Washington
Office of the Dean of
Regional Affairs
Seattle, WA 98105

TO: Representative Ellis

Several of the first year Alaska WAMI medical students met to discuss your proposed House Bill No. 409. Here are a few of our concerns.

Who will fund the practitioners who participate in this program?

Surely the expectation is not for a physician to be given a designated underserved area and then run out to set up a private practice - it would be extremely difficult to make a living much less pay back loans. Since the primary employer of physicians in underserved areas is the Public Health Service, is some sort of arrangement to be worked out with this agency? Also, we were wondering if the Public Health Service has reinstated their own loan forgiveness program?

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Thank you for your efforts on our behalf. Please keep us posted on the status of this bill and let us know if we can provide you with any further information.

Sincerely,

Denise Dudley
Carolyn Rader
Jeff Edwards
Mark Whipple
Rogin Grendahl

1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-4031

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP



CO-CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE
SUBCOMMITTEE ON FOREIGN TRADE

REPRESENTATIVE JOHNNY ELLIS

February 11, 1988

Alaska WAMI Medical Students
University of Washington
Office of the Dean of
Regional Affairs
Seattle, WA 98105

Dear Denise, Carolyn, Jeff, Mark and Rogin:

Thank you for your letter of February 10, 1988 regarding House Bill No. 409 which is currently before the HESS Committee. The concerns you raise are valid ones and I hope the following explanation helps to clarify the purpose and workings of HB 409.

"Who will fund the practitioners who participate in this program?"

The funding for Alaska Student Loan Forgiveness for certain health care professionals will be through general fund appropriation in accordance with the fiscal note the Commission on Postsecondary Education has prepared. Enclosed is a copy of that fiscal note and their rationale behind it. Please note that HB 409 is dealing ONLY with forgiveness of ALASKA STUDENT LOANS and not in the direct hiring of practitioners.

HB 409 does NOT require physicians to set up private practices in underserved areas. If, however, a physician (or any other health care professional) accepts a contract to work in an area designated to have a shortage in their profession, they may receive up to 100 percent forgiveness on their ALASKA STUDENT LOANS. Public Health Service contracts in shortage areas would therefore qualify.

PL100-177 established the NHSC FEDERAL Loan Repayment Program. This new program is designed to replace the existing NHSC Scholarship Program. Funding for this program allows for only 20 to 30 individual loan repayments per year nation wide. Kenneth Bahm, the NHSC Region X director, has informed us that Alaska can expect to receive NO NEW NHSC Scholarship or Loan Repayment recipients.

NHCS has identified Health Manpower Shortage Areas (HMSA) in Alaska as follows: 50 psychiatry, 20 primary medical care, and 4 dental shortage areas. The National Health Service (IHS) shows a current listing of 27 physician vacancies throughout Alaska. The Alaska Public Health Service lists 59.5 current Nursing vacancies throughout Alaska.

Given the fact that Alaska shall receive no new NHSC Scholarships (upon which IHS has been dependent) and due to the national nursing shortage, recruitment for these positions will be even more difficult. HB 409 has been proposed as an aid to recruiting Alaskans to work in these underserved areas. HB 409 is an incentive program designed to make PHS or IHS jobs more attractive by forgiving up to 100 percent of the borrowers Alaska Student Loans.

"What does 'an area . . . shortage' really mean?"

It means that there is a vacancy in a certain profession that a given health institution cannot fill or in which there is a high turnover. This determination is made by the NHSC. Additional determinations for geographic areas or professions not covered under NHSC will be made through the Alaskan Department of Health and Social Services (HSS).

"Toward which loans will the forgiveness apply?"

Forgiveness will apply toward all undergraduate and graduate Alaska Student Loans taken by a borrower who qualifies.

"Does this program provide a meaningful incentive?"

100 percent forgiveness is undoubtedly a meaningful incentive. Five years of service with increasing percentages of forgiveness for the fourth and fifth years is designed to encourage continuity and lower the high turnover rate found in such areas.

Thank you for your comments. I hope that this answers your questions regarding HB 409. Enclosed is a copy of the proposed committee substitute for HB 409. The House HESS Committee will be taking further testimony on Thursday, February 18 from 8:30 to 10:00 am. I encourage you to read CS HB 409 and submit comments to us before that time. If you have any further questions, please feel free to call Leola at (907) 465-3704.

Sincerely,

Johnny Ellis
Co-chair HESS Committee

encl 2
lmw

Tanana Chiefs Conference, Inc.

201 First Ave.
Fairbanks, Alaska 99701
(907) 452-8201

FEB 11 1988

FEB. 8, 1988

REP. JOHNNY ELLIS
HOUSE HESS COMMITTEE
ALASKA STATE LEGISLATURE
POUCH V
JUNEAU, ALASKA

REFERENCE: HB 409: HEALTH PROVIDER STUDENT LOAN FORGIVENESS

DEAR REP. ELLIS:

THIS IS IN RESPONSE TO YOUR LETTER OF FEBRUARY 5, 1988 REQUESTING COMMENTS CONCERNING HB409, SUPPORTING LOAN FORGIVENESS FOR HEALTH PROFESSIONAL STUDENT LOANS.

THE TANANA CHIEFS CONFERENCE, INC. IS SUPPORTIVE OF THIS PROPOSED LEGISLATION.

HEALTH PROFESSIONAL RECRUITMENT IS AN ON-GOING CONCERN FOR US, ALTHOUGH FAIRBANKS IS GENERALLY ONE OF THE MORE DESIRABLE LOCATIONS FOR PROFESSIONALS IN ALASKA, AND WE HAVE LESS OF A PROBLEM THAN MANY OF THE OTHER REGIONS OF THE STATE.

OUR MOST SIGNIFICANT RECRUITMENT PROBLEM HAS BEEN FOR A REGIONAL PSYCHIATRIST TO SERVE INTERIOR ALASKA VILLAGES. WE ARE A DESIGNATED PSYCHIATRIC MANPOWER SHORTAGE AREA, AND HAVE NOT BEEN ABLE TO FIND A CANDIDATE DESPITE NEARLY TWO YEARS OF ACTIVE RECRUITMENT (FINANCING IS ALSO A PROBLEM: WE HAVE REQUESTED AN INCREASE IN OUR DHSS B.R.U. TO PROVIDE THIS SUPPORT).

OTHER ONGOING RECRUITING NEEDS INCLUDE PHYSICIAN'S ASSISTANTS TO SERVE AS PRIMARY CARE PROVIDERS AND HEALTH AIDE SUPERVISORS (CURRENT VACANCIES IN TOK AND MCGRATH), AND MENTAL HEALTH CLINICIANS (MSW OR PHD). WE HAVE REGULAR VACANCIES IN THESE TYPES OF POSITIONS (EVERY TWO-THREE YEARS).

RECRUITMENT FOR PHYSICIANS, DENTISTS, AND NURSES HAS NOT BEEN A SIGNIFICANT PROBLEM FOR US, ALTHOUGH WE WOULD PREFER TO HIRE INDIVIDUALS WHO HAVE ALASKA EXPERIENCE VS. RELOCATING INDIVIDUALS FROM THE LOWER 48.

ONE AREA OF CRITICAL CONCERN FOR THE TCC IS THE DEVELOPMENT OF ALASKA NATIVE HEALTH CARE PROFESSIONALS. AT PRESENT ONLY TEN PERCENT OF PROFESSIONAL PROVIDERS SERVING THE RURAL INTERIOR ARE ALASKA NATIVE (TWO PHYSICIANS ASSISTANTS AND ONE DEPARTMENT MANAGER IN HEALTH EDUCATION). SUCCESSFUL NATIVE COLLEGE GRADUATES SEEM TO BE CHOOSING CAREERS IN EDUCATION AND BUSINESS RATHER THAN HEALTH CARE PROFESSIONS.

LETTER TO REP. ELLIS

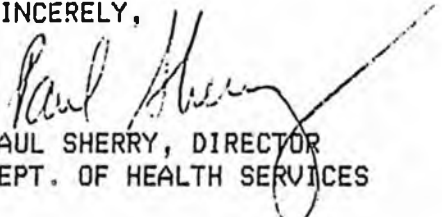
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THE PROVISIONS OF HB409 WOULD APPEAR TO PROVIDE RELIEF AND SUPPORT FOR OUR EFFORTS TO INCREASE ALASKAN HIRE IN HEALTH PROFESSIONS.

THE FORGIVENESS PROVISIONS WOULD ENCOURAGE COLLEGE STUDENTS TO MORE FAVORABLY CONSIDER HEALTH CAREERS, AND INCREASE THE AVAILABILITY OF PROFESSIONALS WHO WOULD MAKE A LONGER TERM COMMITMENT TO ALASKAN SERVICE.

YOU HAVE THE SUPPORT OF THE TANANA CHIEFS CONFERENCE, INC. IN YOUR EFFORTS TO ENACT THIS LEGISLATION.

SINCERELY,



PAUL SHERRY, DIRECTOR
DEPT. OF HEALTH SERVICES

CC: SEN. JOHNE BINKLEY
REP. KAY WALLIS
MITCH DEMIENTIEFF, TCC PRESIDENT