

HB

193

UNIVERSITY OF ALASKA

UNIVERSITY OF WASHINGTON - WWAMI MEDICAL PROGRAM

The State of Alaska and the University of Alaska have a contract with the University of Washington to provide medical school services and opportunities through a regional program extended to Western states that do not have their own medical schools (Washington, Wyoming, Alaska, Montana and Idaho). The WWAMI consortium provides reserved seats in the UW medical school for students from the WWAMI states as well as medical services, programs, and access to health care that would not otherwise be available without an in-state medical school. WWAMI students attend the first year of the program at in-state universities and subsequent years at the University of Washington.

For the seventh year, the UW medical school is ranked as the #1 medical school for primary care, rural medicine and family medicine by the U.S. News and World Report ranking of medical schools. These are the specialties that Alaska needs and they are the specialties selected by the vast majority of WWAMI students.

STATE COST FOR PARTICIPATION:

Costs for participation in the WWAMI program are derived by dividing the actual cost of the program among the participating states. The FY99 costs for Alaska are as follows:

2nd year students (10)	\$421,987
3rd year students (10)	416,234
4th year students (10)	265,248
WWAMI program admin	163,950
Community clinical units	<u>87,581</u>

TOTAL \$1,355,000

UNIVERSITY OF ALASKA COST FOR FIRST YEAR MEDICAL PROGRAM:

Expenditures: \$751,163	Revenue: \$655,185	GF
	<u>95,978</u>	Tuition/fees
	\$751,163	TOTAL

WHAT DOES ALASKA GET FOR ITS MONEY?

1. Ten seats/year reserved for Alaskans: As in-state pressure increases on medical schools, it has become extremely difficult for out-of-state students to gain admittance, regardless of qualifications.
2. Clerkships/Preceptorships in Alaskan communities: Dozens of WWAMI students each year are working with doctors and in clinics and hospitals around Alaska. These opportunities are part of the student's training, but also contribute significantly to the quality of Alaska's health care. (\$500,000/yr)
3. Specialty Clinics: In 1998 sixty days of specialty clinics were held in Alaska. The clinics bring UW doctors together with Alaskan doctors and patients to review particularly complicated cases. (\$75,000/yr)
4. WWAMI Rural Telemedicine Network: Using videoconferencing technology, rural providers and patients can talk directly with consultants while electronically exchanging information and images. (\$200,000/yr)
5. Physicians Assistance Program: UW Medex program is working with UAA's WWAMI program to develop a physician's assistance program that is expected to be operational at UAA in 1999. (\$50,000)

6. Alaska Family Practice Residency: Alaska's affiliation with WWAMI has allowed Providence Hospital to establish a family practice residency program that will generate millions of dollars a year to the Anchorage area, and provide training in Alaska's highest health care field.
7. Professional Development/Consultations: The WWAMI affiliation provides the opportunity for Alaska doctors to have access to the UW medical school staff for regular consultations, seminars, and other professional development activities. (\$111,000/yr)
8. Rural Research Center: WWAMI's Rural Research Center provides consultation on community health systems, including infrastructure requirements and workforce issues. (\$75,000/yr)
9. Research on Alaska specific health issues: Through WWAMI, several significant research projects dealing with Alaska health issues including diabetes, alcohol, and TB are currently underway. (\$500,000/yr)

In addition to the training of Alaskan doctors, the return to Alaska from WWAMI participation is worth at least \$1,511,000 per year in medical services and programs.

STUDENT EXPENSES/SUBSIDIES:

Alaskan students pay the Washington in-state tuition rate of approximately \$8,500/yr. The State of Alaska pays the differential between in-state and out-of-state tuition, approximately \$13,000/yr.

HOW THE OTHER WWAMI STATES OPERATE:

- IDAHO:** State pays out of state tuition differential with no further student obligation.
- WYOMING:** Tuition differential for years 2, 3, & 4 are converted to loan if students do not return to state for 3 years.
- MONTANA:** Students pay a surcharge of 8% of the state's per student WWAMI costs (approximately \$3,000/year) that goes into a Rural Physician Incentive Program administered by the Board of Regents. Doctors (WWAMI graduates or any others) who serve in designated medically underserved areas of the state may apply to the Incentive Program for funds to repay their medical education debt.
- ALASKA:** HB 193 would convert state-paid out-of-state tuition differential for years 1, 2, 3 & 4 to a loan if students do not return to Alaska to practice for 4 years.
- The total repayment would amount to approximately \$60,506 (\$121,951 including interest). Additional medical education debt averages \$60,000.

RETURN RATE OF WWAMI PARTICIPANTS (as of 1997)*

	<u>ALASKA</u>	<u>IDAHO</u>	<u>MONTANA</u>
State Graduates in Practice	145	283	269
State WWAMI Return to State	72	102	114
State Return Rate	49.6%	36%	42.4%
Avg. for 10 Western states w/ med schools	40.9%		
Other WWAMI's Practicing in State	30	57	30
Total WWAMI Return to State	102	159	144
State WWAMI Return Rate	70.3%	56.2%	53.5%

* Wyoming program began in 1997 so no comparable data is available yet.

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

SPONSOR STATEMENT

SCS CS HB 193 (FIN)

“An Act relating to financial assistance for students attending certain graduate education programs; and providing for an effective date.”

SCS CS HB 193 (FIN) would convert the WWAMI Medical Education Program into a loan program. WWAMI has been a program of financial assistance named for the participating states of Washington, Wyoming, Alaska, Montana and Idaho. In FY 98, over \$1,750,000 in general fund dollars were authorized for this program. Alaska is investing an average of \$43,750 per student per year and yet historically fewer than 50% of these students are returning to Alaska to practice medicine.

Currently the WWAMI program has no real incentive for students to return to the state upon completion of their education. The purpose of this bill is to provide an incentive for these students to return to Alaska bringing the benefit of their medical training.

If graduate medical professionals who have benefited by this program choose to return to Alaska to work, SCS CS HB 193 (FIN) has a forgiveness provision of 20% per year for up to five years of work in their field of medicine. Conversely, if the recipients decide not to return to the state after terminating studies under the graduate education program, repayment will be required to begin not later than six months after the students complete their studies and are no longer in a medical residency, medical fellowship program, or performing a service obligation imposed by the National Health Service Corps, Indian Health Service or the Uniformed Service Scholarship Program. Those who fail to return and practice in Alaska will pay the tuition differential represented by nonresident tuition costs, which are only a portion of the fees that support the WWAMI program.

If participants choose to return to the state later than six months, forgiveness would only apply to the financial aid that has not yet been repaid to the state. Converting this program to a loan program and including a provision for loan forgiveness may be the incentive needed for Alaskans to bring their new skills back home.

CS FOR SENATE BILL NO. 170(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/30/97
Referred: Finance

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to financial assistance for students attending certain graduate
2 education programs; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 14.42.030(d) is amended to read:

5 (d) The commission may enter into agreements with government or
6 postsecondary education officials of this state or other states to provide postsecondary
7 educational services and programs to Alaska residents pursuing a medical education.
8 An agreement with another state must be limited to services and programs that are
9 unavailable in Alaska. The commission shall require a person participating in a
10 medical education program offered under this subsection to agree to the
11 repayment condition imposed under AS 14.44.040.

12 * Sec. 2. AS 14.44 is amended by adding a new section to article 1 to read:

13 **Sec. 14.44.040. Repayment condition for medical education program**
14 **participants. (a) Except as provided under (b) and (c) of this section, as a condition**

1 of eligibility for receiving financial aid under AS 14.44.010 - 14.44.040, a program
2 participant shall agree to receive a portion of the financial aid as a loan, to be repaid
3 to the state. The portion of the financial aid received as a loan to be repaid to the
4 state is equal to the difference between resident and nonresident tuition at the
5 contracting postsecondary institution plus interest. The rate of interest is equal to the
6 12th Federal Reserve District discount rate in effect on March 1 of the year in which
7 the financial aid is received plus two percentage points. Interest imposed under this
8 subsection begins to accrue when the person terminates studies under the graduate
9 education program. Accrued interest shall be added to the principal balance of the
10 loan at the time the borrower is obligated to commence repayment and at the end of
11 a deferment period.

12 (b) If a person required to repay a loan under (a) of this section has graduated
13 from the graduate education program for which the loan was received and is employed
14 within the state in the field for which the person received the loan, including
15 employment within the state in a medical residency program, the loan shall be forgiven
16 and considered a grant in an amount equal to the following percentages plus accrued
17 interest:

- 18 (1) one year employment, 20 percent;
- 19 (2) two years employment, an additional 20 percent;
- 20 (3) three years employment, an additional 20 percent;
- 21 (4) four years employment, an additional 20 percent;
- 22 (5) five years employment, an additional 20 percent.

23 (c) Repayment under (a) of this section is required to begin not later than six
24 months after the person terminates studies under the graduate education program,
25 except that a person who qualifies for forgiveness under (b) of this section is not
26 required to begin repayment to the state as long as the person remains qualified for
27 forgiveness under (b) of this section. A person employed in a medical residency
28 program is not required to begin repayment to the state as long as the person remains
29 in the medical residency program. Forgiveness under (b) of this section only applies
30 to that portion of the loan that has not been repaid to the state.

31 (d) If a person meets the qualifying conditions under this section for

1 forgiveness after beginning repayment, the repayment requirement is deferred in the
2 month following qualification for forgiveness. Repayment shall be deferred as long
3 as the person remains qualified or until the balance of the loan has been fully forgiven.
4 If the person is delinquent or in default on the person's regular repayment schedule,
5 repayment shall continue until the person is current in payments. A period of time
6 during which the person is making past due payments may not be considered as a
7 qualifying period for the purpose of calculating forgiveness benefits.

8 (e) For purposes of qualifying for forgiveness under this section, a person must
9 be a full-time employee for a period of at least six months in order to qualify for a
10 prorated forgiveness benefit. In this subsection, "full-time employee" does not include
11 seasonal or temporary employment.

12 (f) A person's obligation to repay the loan under this section ends if the person
13 dies and is deferred during any period in which a physician certifies that the person
14 is totally disabled.

15 (g) This section does not apply to loans received by a person under AS 14.43.

16 (h) The commission may adopt regulations to implement this section. Except
17 as provided in this section, regulations adopted under this subsection may not exempt
18 or defer a repayment required under this section.

19 * **Sec. 3. APPLICABILITY.** This Act applies to a person who begins a graduate education
20 program and who receives financial aid from the state under AS 14.44.010 - 14.44.040, or for
21 a medical education program under AS 14.42.030(d), on or after July 1, 1997.

22 * **Sec. 4.** This Act takes effect July 1, 1997.