

SCOMM

125:47

22-LS1354/L

Ford

3/25/02

CS FOR HOUSE BILL NO. 449()**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION****BY****Offered:
Referred:****Sponsor(s): REPRESENTATIVE WILSON****A BILL****FOR AN ACT ENTITLED**

1 **"An Act relating to repayment of student loans for certain health care providers; and**
2 **providing for an effective date."**

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

4 *** Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS AND INTENT.** (a) The legislature finds that

7 (1) there is a great need in the state to recruit and retain certain health care
8 providers, particularly in federal and state designated health professional shortage areas, by
9 both public and nonprofit entities;

10 (2) many health care sites in the state may not qualify for federal loan
11 repayment programs, such as the National Health Service Corps Loan Repayment Program
12 and the Indian Health Services Loan Repayment Program;

13 (3) it is essential to enhance the ability of certain health care providers in
14 selected communities in the state to recruit and retain staff where federal loan repayment

1 programs either do not apply or do not have sufficient resources available to meet the need of
2 the community; and

3 (4) it is essential for the ongoing health and well-being of the state and its
4 citizens for the state to develop programs to more efficiently and fully use federal and state
5 financial resources to support recruitment and retention of certain health care providers in the
6 state.

7 (b) It is the intent of this Act that the recruitment and retention of qualified health care
8 providers occur in conjunction with recruitment programs offered by nonprofit hospitals,
9 clinics, or other nonprofit health organizations in the state.

10 * **Sec. 2.** AS 44.29 is amended by adding new sections to read:

11 **Article 4. Educational Loan Repayment Program for Health Care Providers.**

12 **Sec. 44.29.250. Purpose; creation.** There is established in the department the
13 educational loan repayment program to provide a loan repayment benefit for certain
14 persons who are employed in the state as eligible health care providers.

15 **Sec. 44.29.260. Eligibility; loan repayment benefit.** (a) For an individual
16 employed in the state as an eligible health care provider to be eligible for a loan
17 repayment benefit under the educational loan repayment program, the individual shall

18 (1) meet the eligibility requirements established by the department;

19 (2) be employed full-time in a federal or state designated health care
20 provider shortage area in the state as an eligible health care provider; and

21 (3) be a resident of the state as determined under (b) of this section.

22 (b) To qualify under the residency requirement of (a) of this section, the
23 individual

24 (1) shall physically reside in the state and maintain a domicile in the
25 state during the 12 consecutive months before the date of application for the
26 educational loan repayment program, except that an individual may be absent from the
27 state for no more than a total of 60 days during the 12-month period; and

28 (2) during the 12 consecutive months before the date of application,
29 may not have

30 (A) declared or established residency in another state; or

31 (B) received a benefit based on residency from another state.

(c) To continue to meet the residency requirement of (a) of this section for each year a loan repayment benefit is received or applied for, the individual shall meet the requirements of (b) of this section, except for

(1) full-time attendance at an educational or training institution;

(2) military service; or

(3) demonstrated good cause as determined by the department.

(d) The department shall administer the educational loan repayment program and may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of AS 44.29.250 - 44.29.280.

(e) A loan repayment benefit under the educational loan repayment program is subject to appropriation by the legislature.

Sec. 44.29.270. Restrictions on award. (a) The amount of a loan repayment benefit under AS 44.29.260 may not exceed the original loan balance. Notwithstanding any other provisions of law, if a loan for an individual employed in the state as an eligible health care provider meets the qualifications for repayment under another program, whether federal or state, that individual may not receive a repayment benefit under AS 44.29.260 that exceeds the original loan balance after taking into consideration the loan repayment received from the other program. In the event an individual qualifies under another program but there are insufficient funds in the other program to fund a loan repayment benefit, the individual is eligible to receive a repayment benefit under AS 44.29.260.

(b) The loan repayment benefit under AS 44.29.260 consists of payment of the principal, interest, and related expenses on government and commercial loans received by an eligible health care provider for undergraduate or graduate education if the loan proceeds are used for

(1) tuition expenses;

(2) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual employed in the state as an eligible health care provider; or

(3) reasonable living expenses as determined by the department.

Sec. 44.29.280. Definitions. In AS 44.29.250 - 44.29.280,

(1) "department" means the Department of Health and Social Services;

(2) "eligible health care provider" means a person licensed as a physician assistant under AS 08.64, or as a registered nurse or a licensed practical nurse under AS 08.68, or a person employed to provide medical services to an individual as a radiology technician or laboratory technician;

(3) "federal designated health care provider shortage area" means an area designated by the United States Department of Health and Human Services under 42 U.S.C. 254e;

(4) "hospital" has the meaning given in AS 18.20.130;

(5) "state designated health care provider shortage area" means an area designated by the department as having a shortage of eligible health care providers.

* **Sec. 3.** The uncoded law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. This Act applies to loans to an individual employed in the state as an eligible health care provider entered into on or after July 1, 2002, and to a person's employment that occurs on or after July 1, 2002.

* **Sec. 4.** The uncoded law of the State of Alaska is amended by adding a new section to read:

REGULATIONS. Notwithstanding sec. 5 of this Act, the Department of Health and Social Services may immediately proceed to adopt regulations necessary to implement AS 44.29.200 - 44.29.280, added by sec. 2 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act) but not before the effective date of the statutory change.

* **Sec. 5.** This Act takes effect July 1, 2002.

Alaska State Legislature

*Representative Peggy Wilson
Putting Alaska's Families First*

SPONSOR STATEMENT HB 449

Alaska's hospitals, clinics and other health care provider organizations are competing for a dwindling number of providers in the state and country. Non-profit health care organizations are finding it harder and harder to successfully compete for these professionals, since they frequently serve lower income patients and clients and as a result have less ability to generate the revenue needed to pay competitive salaries, provide signing bonuses and other incentives that assist in attracting quality professionals. HB449 attempts to address this inequity by establishing an educational loan program to be administered by the Department of Health and Social Services (DHSS) serving only non-profit entities.

The bill proposes to have DHSS establish a program that will allow non-profit health care provider organizations/institutions, located in areas designated as medically underserved by the federal Department of Health and Human Services, to participate in a partially federally funded educational loan repayment effort. This bill will provide a vehicle that will enable local communities to access federal dollars, that together with the local match can be used to assist a newly recruited health professional to repay educational loans. This will enhance the non-profit health entities ability to recruit and retain essential health care providers.

A "health care provider" is defined as:

1. Registered Nurse, including Advanced Nurse Practitioner
2. Licensed Practical Nurse
3. Physician's Assistant
4. Radiology Technician
5. Laboratory Technician

Loan eligibility and restrictions on awards for undergraduates and graduate students are specified in the bill. Under federal programs, funds are available to match the local or state dollars.

3/27/02

**Bill Analysis:
HB 449**

4/3/02: Held due to flaws
in federal terms.

Bill Title: "Student Loan Forgiveness: Medical Care"

Sponsor: Rep. Peggy Wilson

Bill Would:

- 1) Establish an education loan program to be administered by the Department of Health and Social Services to allow non-profit health care provider organizations in medically underserved areas to participate in a partially federally-funded loan repayment program.
- 2) A local match from the non-profit is intended to be required.
- 3) The purpose of the bill is to help non-profit health care providers serving low-income clients to recruit and retain physicians assistants, nurses, radiology technicians and laboratory technicians.

Possible Questions:

- 1) On the amendment, Line 16, "may" needs to be changed to "shall."
- 2) Why do some providers not qualify for federal loan repayment programs? (page 1, lines 10-12)
- 3) What does the Department of Health and Social Services intend to require regarding:
 - a. Eligibility requirements
 - b. Good cause for being out of state for longer than 60 days in a year
 - c. "reasonable living expenses" (page 3, line 30)
 - d. "reasonable education expenses" (page 3, lines 27-28)
- 4) Can you provide some examples of "federal designated health care provider shortage area"?

Available to Testify:

- 1) Representative Peggy Wilson
- 2) Jerome Selby (via Anchorage LIO)
- 3) Elmer Lindstrom

4) Karen Burrows, Miss Dir. Div. of Public Health

Teleconference Sites:

Wrangell, Kotzebue, Kodiak, Kenai, Fairbanks and Anchorage.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: Work Draft CSHB449
() Publish Date: Draft Date 3/25/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
Title An Act relating to repayment of student loans for BRU ACPE
certain health care providers; and providing for an effective date. Component Student Loan Operation
Sponsor Rep. Wilson
Requester (H) Special Comm. On Education Component No. 213

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	(****)	(****)	(****)	(****)	(****)	(****)
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

RE: 3/25/02 Work Draft version of CSHB449

Section 1, paragraph (a) describes Alaska's current and anticipated ongoing workforce need relative to certain health care providers, specific to public and nonprofit care providers. Paragraph (b) states that the proposed Education Loan Repayment Program would occur in conjunction with training program in the state.

Section 2: establishes the Education Loan Repayment Program in the Department of Health and Social Services (DHSS); sets out specific eligibility criteria and benefit limitations for program participants; authorizes DHSS to administer and adopt program regulations; provides for program benefits subject to legislative appropriation; and, defines specific program terms.

Prepared by: Diane Barrans, Executive Director
Division: Executive Office
Approved by: Diane Barrans, Executive Director *Diane Barrans*
Agency: Alaska Commission on Postsecondary Education

Phone 465-6740
Date/Time 4/2/02 11:44 AM
Date 4/2/2002

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

BILL NO. 3/25 Draft/CSHB449

ANALYSIS CONTINUATION

The Commission finds the Work Draft's proposed program construct to be consistent with others recently developed by both the federal and other state governments as they seek to create incentive/benefit packages to attract individuals to certain professional fields and/or to public and nonprofit sector employment. Typically these programs are developed out of a public policy concern that the U.S. or a particular state is, or is about to become, unable to provide basic services or is, or is about to become, noncompetitive in certain fields which are vital to its economic health and well-being.

Administratively the Work Draft's proposed construct allows DHSS sufficient license that if it is found, going forward, that ACPE could provide some service to facilitate delivery of program benefits, it would be able to do so. ACPE does not anticipate that there would be any other than direct costs associated with any such service (For example, facilitating payment of benefits to education loan providers.).

Fiscally the Work Draft's proposed construct makes it clear that program operations will be subject to legislative appropriation but allows DHSS to identify any available fund source for the program and to capture those funds as a means of financing it.

ACPE has no concerns relative to the proposed changes and because the program is totally separate and distinct from agency operations, is providing this zero dollar fiscal note.

AMENDMENT

OFFERED IN THE HOUSE

BY Rep. Wilson

TO: CSHB 449() (22-LS1354\L)

1 Page 1, line 1, following "providers;":

2 Insert 'relating to local contributions for the educational loan repayment program
3 for health care providers and the accounting for and appropriation of the local
4 contribution to the Department of Health and Social Services;"

5

6 Page 2, following line 9:

7 Insert a new bill section to read:

8 **"* Sec. 2.** AS 37.05.146(b)(4) is amended by adding a new subparagraph to read:

9 (AAA) receipts of local contributions for the educational loan
10 repayment program for health care providers (AS 44.29.275);"

11

12 Renumber the following bill sections accordingly.

13

14 Page 3, following line 30:

15 Insert:

16 **"Sec. 44.29.275. Local contribution; account.** (a) The department may
17 condition receipt of a loan repayment benefit under AS 44.29.260 on the eligible health
18 care provider's employer providing the department with a local contribution.
19 Appropriations of local contribution money, together with any appropriations of federal
20 money available for that purpose, finance the educational loan repayment program.

21 (b) Under AS 37.05.146(b), money received as a local contribution under (a) of
22 this section shall be accounted for separately, and appropriations from the account are not
23 made from the unrestricted general fund."

24

- 1 Page 4, line 19:
- 2 Delete "sec. 5"
- 3 Insert "sec. 6"
- 4
- 5 Page 4, line 21:
- 6 Delete "sec. 2"
- 7 Insert "sec. 3"

Alaska State Hospital & Nursing Home Association

We're helping people care for people!

April 2, 2002

Representative Peggy Wilson
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Representative Wilson:

The Alaska State Hospital and Nursing Home Association would like to express its support for Sponsor Substitute for HB 449. Nursing is the No. 1 priority of ASHNHA in terms of workforce development.

ASHNHA supports loan forgiveness and scholarships to encourage people into the healthcare workforce. This legislation would provide one avenue for that assistance. By 2008, there will be a need for 1300 more registered nurses and nearly 150 more LPNs. That is more than 200 nurses per year. From surveys conducted it looks like about 15% plan to leave the LPN field in the next five years....that would extrapolate to an additional 550 nurses or more than 100 per year.

Thank you for your efforts to address this serious issue.

Sincerely,



Linda L. Fink
Assistant Director

426 Main Street, Juneau, Alaska 99801

Phone: 907-586-1790 • Fax: 907-463-3573 • Web: ashnha.com

**PETERSBURG MEDICAL CENTER
P.O. BOX 589
PETERSBURG, AK 99633
907-772-4291**

Alaska State Hospital and Nursing Home Association
426 Main Street
Juneau, AK 99801

April 2, 2002

Attn: Linda,

I wanted to be sure to provide comments to you in favor of HB 449.

I am very excited about the possibilities HB 449 could open up to the nursing profession. In the past, both physicians and physician assistants have benefited from loan repayment programs in Petersburg. This was a major factor in recruiting and retaining one physician, who has now been with our facility for 9 years. A PA was here for over 4 years, who also received loan repayment benefits.

As all small facilities in Alaska, Petersburg is struggling with nursing recruitment. We currently have two full time openings and have been covering positions with "locum or travel" nurses, who are very costly.

Most of our nursing staff is 40 or older, and at least 3 nurses will be retiring in the next 2 years. Nursing recruitment will continue to be an ongoing issue.

Nurses relocating to our area must not only understand and enjoy the remote small community, they also must be comfortable working as a generalist. Many nurses have not worked in a small hospital and do not have an interest in rural nursing. Another challenge we face is that employment opportunities for spouses are limited, compared to larger cities in Alaska.

Our facility is developing a program to assist local residents who wish to pursue a career in a health care related field or continue their education (such as encouraging LPN's to continue on to become RN's). A state sponsored loan repayment program would be a wonderful addition to this program.

Hospitals all over the country are developing innovative programs to recruit and retain nurses. We have a very hard time competing with the wages, sign on bonuses, and other programs currently being offered. The loan repayment plan would be a tool that would help in both the short and long term, especially if payment is tied to years of employment.

I am strongly in support of this bill. The interest and support of the health care industry in Alaska on the state level is definitely a benefit to all our facilities.

Sincerely,



Sandy Tackett, RN DON
Director of Nursing

Alaska State Legislature

*Representative Peggy Wilson
Putting Alaska's Families First*

MEMORANDUM

Date: March 27, 2002

To: Representative Con Bunde / Special Committee on Education *SW*

From: Representative Peggy Wilson

Re: HB 449

Please schedule a hearing for HB 449 before the House Special Committee on Education. The bill pertains to "repayment of student loans for certain health care providers and providing an effective date."

Attached are:

1. CS HB 449
2. Sponsor Statement

If you have any questions, please contact my office.

SOUTH PENINSULA HOSPITAL

4300 BARTLETT • HOMER, ALASKA 99603 • (907) 235-8101

April 2, 2002

Representative Con Bunde, Chair
House Education Committee
Alaska State Legislature
State Capital (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Bunde and Committee Members:

As Chief Executive Officer of South Peninsula Hospital in Homer and Secretary of the Alaska State Hospital and Nursing Home Association (ASHNHA), I'm writing in support of House Bill 499. Unfortunately, I am unable to join you for the committee hearing on Wednesday. I want to strongly endorse Representative Wilson's HIB 449. Our state is facing serious problems with the shortages of skilled healthcare workers. This legislation sends a clear message to individuals interested in careers in healthcare that our state recognizes the problem and is willing to take constructive action to fix the problem. By offering student loan forgiveness more Alaskans will be able to pursue health careers.

The Alaska State Hospital and Nursing Home Association has included advocacy for loan forgiveness and scholarships from its institutions as one of its strategic plan priorities. ASHNHA has taken a leadership role in developing new approaches to correcting the critical shortage of healthcare workers. We have participated in a joint taskforce of ASHNHA and the University of Alaska to examine the issues and opportunities to expand nursing education. The taskforce has concluded that Alaska needs to double the number of nurses graduating on an annual basis. Student Loan Forgiveness will send a clear signal to Alaskans that our state is willing to support their education.

In addition to nurses, shortages in other technical health care fields are also at critical levels. This past fall UA and ASHNHA partnered in the establishment of a radiology technician 2 year associate degree program. This has been a major step forward, but it needs to be expanded to distance delivery across the state. There are many other areas that we are examining for partnerships and program development. Your support in a variety of ways is essential for these programs to "grow" Alaskans for the essential jobs in healthcare.

BILL BACKUP

Representative Bunde
HR 499

April 2, 2002
Page 2

Nursing remains the number one priority of ASHNHA in terms of workforce development. This month our association is sponsoring a summit to bring together educators and health care providers to examine solutions and celebrate the progress made on workforce issues since our first summit in April 1999. If you or members of your staff would be able to join us, ASHNHA would greatly welcome your involvement.

Thank you for the opportunity to testify on the passage of this important legislation.

Sincerely,

Charles C. Franz
Chief Executive Officer

cc: Representative Scalzi

DRAFT

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS HB 449 (EDU)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: LOAN FORGIVENESS FOR HEALTH CARE WORKERS BRU: State Health Services
Sponsor: WILSON Component: Community Health/EMS Services
Requestor: _____ Component Number: 2078

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	100.0	200.0	200.0	300.0	300.0	300.0
Miscellaneous						
TOTAL OPERATING	100.0	200.0	200.0	300.0	300.0	300.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	50.0	100.0	100.0	150.0	150.0	150.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	50.0	100.0	100.0	150.0	150.0	150.0
1037 GF/Mental Health						
Othe (Specify Type--do not abbrevia						
TOTAL	100.0	200.0	200.0	300.0	300.0	300.0

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

A nationwide shortage of health care providers is making it increasingly difficult for Alaska's hospitals and clinics to recruit and retain these workers. This bill would address this problem by providing an incentive for certain health care providers to work in medically underserved areas of Alaska. The bill establishes the Education Loan Repayment Program in the Department of Health & Social Services (DHSS), sets out specific eligibility criteria and benefit limitations for program participants, and authorizes DHSS to administer and adopt program regulations.

(continued on page 2)

Prepared by: Karen E. Pearson, M.S., Director Phone 465-3090
Division: Public Health Date/Time 01/01/1900
Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/01/2002
Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS HB 449 (EDU)

ANALYSIS CONTINUATION

This program would enable Alaska to participate in a federally funded educational loan repayment effort. Application for federal funds must be made by the Department of Health & Social Services annually, and the federal funds must be matched by state or local funds on a one-to-one basis. Under this program, hospitals and community clinics would provide the required match to DHSS in order to draw down the federal funds for this benefit. The maximum loan repayment award may not exceed \$35.0 annually per individual recipient.

The fiscal note is based on an estimate that an average of \$20.0 per year per eligible health care worker would be awarded, and that in the first year during program start-up a total of 5 awards would be made. We estimate that the average amount per individual would remain the same over time, but that the number of awards made would increase to 10 in the second year, and to 15 by the fourth year.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

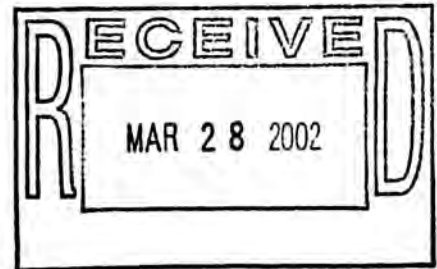
MEMORANDUM

March 28, 2002

SUBJECT: Student loans and health care providers -
CSHB 449 () Draft Version "L"

TO: Representative Peggy Wilson
Attn: Cindy

FROM: Michael F. Ford *M.F.*
Legislative Counsel



You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Finding and intent.

Section 2. Creates an educational loan repayment program in the Department of Health and Social Services to provide a loan repayment benefit for eligible health care providers. Establishes eligibility criteria, including residency and employment requirements. Defines an eligible health care provider as a physician assistant, registered or licensed practical nurse, radiology technician, or laboratory technician.

Section 3. Applicability section that specifies eligible loans and employment.

Section 4. Provides authority for the Department of Health and Social Services to adopt regulations.

Section 5. Effective date.

MFF:med
02-335.med

SECTIONAL ANALYSIS

SOUTH PENINSULA HOSPITAL

4300 BARTLETT • HOMER, ALASKA 99603 • (907) 235-8101

April 2, 2002

Representative Con Bunde, Chair
House Education Committee
Alaska State Legislature
State Capital (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Bunde and Committee Members:

As Chief Executive Officer of South Peninsula Hospital in Homer and Secretary of the Alaska State Hospital and Nursing Home Association (ASHNHA), I'm writing in support of House Bill 499. Unfortunately, I am unable to join you for the committee hearing on Wednesday. I want to strongly endorse Representative Wilson's IIB 449. Our state is facing serious problems with the shortages of skilled healthcare workers. This legislation sends a clear message to individuals interested in careers in healthcare that our state recognizes the problem and is willing to take constructive action to fix the problem. By offering student loan forgiveness more Alaskans will be able to pursue health careers.

The Alaska State Hospital and Nursing Home Association has included advocacy for loan forgiveness and scholarships from its institutions as one of its strategic plan priorities. ASHNHA has taken a leadership role in developing new approaches to correcting the critical shortage of healthcare workers. We have participated in a joint taskforce of ASHNHA and the University of Alaska to examine the issues and opportunities to expand nursing education. The taskforce has concluded that Alaska needs to double the number of nurses graduating on an annual basis. Student Loan Forgiveness will send a clear signal to Alaskans that our state is willing to support their education.

In addition to nurses, shortages in other technical health care fields are also at critical levels. This past fall UA and ASHNHA partnered in the establishment of a radiology technician 2 year associate degree program. This has been a major step forward, but it needs to be expanded to distance delivery across the state. There are many other areas that we are examining for partnerships and program development. Your support in a variety of ways is essential for these programs to "grow" Alaskans for the essential jobs in healthcare.

BILL BACKUP

Representative Bunde
HR 499

April 2, 2002
Page 2

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Thank you for the opportunity to testify on the passage of this important legislation.

Sincerely,

Charles C. Franz
Chief Executive Officer

cc: Representative Scalzi