

SB

139

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
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MEMORANDUM

DATE: April 1, 2009

TO: Senator Joe Paskvan
Senator Bettye Davis, Chair Senate Health & Social Services Committee
Senator Donald Olson

FROM: Commissioner Bill Hogan *HH*

SUBJECT: Questions regarding SB 139

Administration response to questions posed by Senator Paskvan during the 3/25/2009 Senate HSS hearing on SB 139

Question 1. I understand the administration does not support this bill. Does the administration recognize the need for attracting health care workers, or is the administration rejecting recognition of the need?

Response:

Yes, the administration recognizes the need for recruiting and retaining health care workers. The Alaska Dept. of Health and Social Services (DHSS) provided statements during the 3/25/2009 Senate HSS hearing that the department has prepared documents and conducted projects that recognize health care workforce shortages and strategies to resolve these shortages. Specifically, the department referenced the Physician Supply Task Force Report that was prepared in 2006, which was staffed by DHSS and funded by the University of Alaska. This report includes documentation of need for additional physicians as well as recommended strategies, such as loan repayment (p. 55), for addressing these shortages.

In addition, DHSS is working with the Alaska Mental Health Trust Authority and the University of Alaska to address shortages in the social services workforce (including behavioral health, developmental disabilities, senior services, etc.). In addition, DHSS, along with the Alaska Dental Action Coalition, is undertaking various needs assessments and developing strategies to address the oral health workforce shortages. DHSS has also participated in an analysis of health care workforce recruitment efforts across Alaska. DHSS has participated in researching and documenting strategies that are effective in attracting and retaining health care professionals, such as loan repayment and direct incentives (<http://hss.state.ak.us/dph/Healthplanning/publications>).

Finally, DHSS prepares health professional shortage area (HPSA) applications on behalf of communities/boroughs and submits them to U.S. Department of Health and Human Services Health Resources and Services Administration. Designation of a borough as a health professional

shortage area allows providers in that area to apply for National Health Service Corps loan repayment.

Question 2. Does the administration oppose the bill because it wants to reject certain fields as covered under the bills? Is there the recognition that some fields should be supported, and is there some lesser number of positions the administration would support? Or is it that, despite any recognition of need, the administration opposes spending the money?

Response: The administration's opposition to SB139 is not related to rejection of certain professional fields covered under the bill. The concerns of the administration are related to the fiscal note and the funding that would be required to place 90 professionals.

The department assumed 90 positions when developing the fiscal note in order to make a substantial impact on the workforce shortages. SB 139 cites the level of funding provided to each type of professional. The bill does not identify the number of professionals to be funded each year. Thus, the bill allows for placement of fewer than 90 professionals per year if the annual funding for the loan repayment and employment incentive program were made at a lesser total amount.

At this point, the administration cannot commit to supporting a loan repayment program, even for a reduced number of loans. Because of current economic conditions, the administration has recently introduced two other bills, SB 140 and HB 172, that would allow the Department of Revenue to enter into a bond purchase agreement and take other measures necessary to avoid a disruption in education loan services provided by the Alaska Student Loan Corporation. These measures are necessary to ensure the viability of the ASLC, and take precedence over creating additional obligations.

Lynda Zaugg

From: Kendri Cesar
Sent: Thursday, March 26, 2009 1:15 PM
To: Lynda Zaugg
Subject: Wednesday

Is fine! Sen. Davis told Rod Betit that she would like to work with us on amendments to the bill, so is there sometime tomorrow when I could speak with you and/or Sen. Davis about what she has in mind? Thanks,

Kendri Cesar, Committee Aide
Office of Senator Donald C. Olson
Capitol Building, Rm. 514
Juneau, Alaska 99801
(907) 465-3877

A handwritten signature in black ink, appearing to read "Rod Betit", is centered on the page. The signature is written in a cursive, flowing style.

Lynda Zaugg

From: Kendri Cesar
Sent: Monday, April 06, 2009 10:54 AM
To: Lynda Zaugg
Subject: SB 139 Expected Testifier

Hi Lynda,

Just wanted to let you know that Rod Betit of the Alaska State Hospital and Nursing Home Association will be present today to testify. Shelley Hughes of the Alaska Primary Care Association will also be present to answer questions, and she will be in contact with you shortly if she has not already gotten a hold of you. Those are the only expected testifiers from our side, although I believe that Jay Butler from the DHSS will be present again today. Thanks,

Kendri Cesar, Committee Aide
Office of Senator Donald C. Olson
Capitol Building, Rm. 514
Juneau, Alaska 99801
(907) 465-3877

Lynda Zaugg

From: Laughlin, Wilda J (HSS) [wilda.laughlin@alaska.gov]
Sent: Monday, April 06, 2009 12:47 PM
To: Lynda Zaugg; Kendri Cesar
Cc: Butler, Jay (HSS-CDC)
Subject: SB 139 testimony today

This is to let you know that Dr. Jay Butler, Alaska Chief Medical Officer, will be on line to testify for HSS on SB 139, incentives for medical providers. Let me know if you have questions.

w.

Wilda Laughlin, DHSS Legislative Liaison
Juneau: 907-465-1613
Cell: 907-723-3802

QUESTIONS for DHSS re: SB 139 *Incentives for Certain Medical Providers*

IS WORKFORCE SHORTAGE A PROBLEM?

- Would you consider the current workforce shortage and the trend ahead a concern?
- Is the shortage in Alaska getting better or worse? In other words, will we have increasing problems with access if the trend continues?

ADEQUACY OF DEPARTMENT'S EFFORT?

- If we're not training them (such as for dentists and pharmacists) or training enough of them (such as for nurses and physicians) then the only alternative is to recruit from elsewhere.
 - What is the Department doing now to recruit more of these health practitioners and if it's doing anything, is it making enough of a difference?

DIFFERENCE BETWEEN "FILLING VACANCIES" and "THE IDEAL SYSTEM"?

- If we fill these current vacancies, will this give us the "ideal" number of healthcare practitioners Alaska truly needs, or does that just fill in the current holes?

COST OF DOING NOTHING?

- In general, how are revenues impacted because someone is not on the job, and thus submitting the billings?
- I understand that a Medivac from a remote community can cost \$90,000. When there is not enough staffing in Community Health Centers or tribal clinics, would you expect there to be more Medivacs as a result?

PRACTITIONERS WORKING IN RURAL AREAS, and/or WITH NEEDY POPULATIONS?

- What is a reasonable way for Alaska to get more health professionals to work in rural & remote locations, and/or with needy populations like Medicaid, Medicare and the uninsured?

COMPARISON TO OTHER STATES?

- Are we doing more or less than other states to recruit health care professionals?
- Many other states are using loan repayment and incentive programs to attract healthcare professionals to work in their states. Why isn't Alaska doing that?

WHAT IS WRONG WITH BILL AS PROPOSED?

- SB 139 will allow us to begin filling healthcare practitioner vacancies now, and will allow us to specify whether these recruits work in rural and remote areas, &/or with priority populations such as those on Medicaid, Medicare, and the uninsured.
 - What is wrong with either that idea or the bill as proposed?

GOVERNOR OBJECTS TO COST?

- I understand that the Department doesn't support this bill because of the Governor's concern about the fiscal note, even though it is quite modest considering that it would provide for an estimated 90 practitioners over 3 years.
 - What is wrong with the amount specified – does the Department have an alternative amount or an alternative plan to help address the immediate shortage problem?



**Alaska Native
Tribal Health Consortium**

Administration · 4000 Ambassador Drive · Anchorage, Alaska 99508 · Phone: (907) 729-1900 · Fax: (907) 729-1901 · www.anthc.org

POSITION PAPER

CONTACT: Valerie Davidson, Senior Director
Legal and Intergovernmental Affairs
Through Pat Jackson, State Liaison for Alaska Native Health
523-0363 – pajackson@anthc.org

DATE: March 24, 2009

RE: SB 139 - "An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

POSITION: Support

The Alaska Native Tribal Health Consortium (ANTHC) strongly supports SB 139 – Incentives for Certain Medical Providers.

ANTHC is a tribally controlled, non-profit, statewide tribal health organization formed pursuant to federal law to provide a range of medical and community health services for more than 130,000 Alaska Natives. It is part of the Alaska Tribal Health System (ATHS), which is owned and managed by the 231 federally recognized tribes in Alaska and by their respective regional health organizations.

ANTHC and Southcentral Foundation jointly manage the Alaska Native Medical Center (ANMC), the tertiary hospital of the ATHS located in Anchorage. ANMC has 139 physicians, 37 dentists and 500 nurses on staff, along with many more employees working in health-related professions. We have the same workforce challenges our partner health organizations in Alaska face, competing with employers in the Lower 48 to recruit and retain a quality workforce.

Ideally we would "grow our own" health professionals in numbers that would meet our workforce needs. We have made progress over the years—the tribal health system offers internships and scholarships that bring some of our best and brightest to the medical field. More Alaska Natives are choosing Medical and Dental careers; a University of Alaska Anchorage program, Recruitment and Retention of Alaska Natives into Nursing, is graduating more Alaska Native nurses; many of our Community Health Aides have built on their basic training opportunities to prepare for advancing careers; and the Dental Health Aide Program is graduating students who fill a need for dental health services and patient education. But we are increasingly challenged in our efforts to recruit health professionals.

We understand Alaska is only one of six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and that national studies on workforce recruitment and retention have found that loan repayment and incentives are among the most effective way to help alleviate workforce shortages. ANTHC urges your favorable consideration and passage of SB 139 to help us turn the corner on Alaska's health care workforce.

The Health Care Professions Loan Repayment & Incentive Program

As Proposed by SB 139 *Incentives for Certain Medical Providers*

Problem:

Having a sustainable and competent health care practitioner workforce is vital to the health of Alaskans. However, Alaska is at a serious disadvantage as it competes in the national health care labor market. In other states, "support-for-service programs" (SFSPs) have shown substantial and longstanding success as a cost-effective public strategy to address workforce shortages (e.g., loan repayment and direct incentive). A key problem is that Alaska does not have a robust SFSP while 44 other states have one or more SFSPs.

Solution:

The establishment of the Health Care Professions Loan Repayment and Incentive Program (HCPLRIP) will make Alaskan health care employment competitive and attractive enough for practitioners to work in Alaska, particularly in hard-to-fill localities. State funds will be used to insure that Alaskans that have the greatest difficulty in obtaining care due to limited financial resources, cultural barriers, and geography will have access to professional health care services.

Program Description

1) Oversight Entity

- Health Planning & Systems Development, Department of Health & Social Services will serve as the Oversight Entity.
- DHSS Commissioner will appoint a HCPLRIP Council to make recommendations regarding the program administration.
- HCPLRIP Council recommendations are to be given serious consideration by the Commissioner. The HCPLRIP Council will serve as the primary communication between providers and program administrators.

2) Fiscal Agent

- Alaska Commission on Post-Secondary Education (ACPE) will serve as Fiscal Agent for loan repayments. ACPE will make loan payments directly to eligible lenders.
- DHSS will serve as Fiscal Agent for incentive payments. DHSS will make incentive payments directly to practitioners.

3) Practitioner Eligibility

- DHSS Commissioner will annually prioritize the 10 eligible practitioner types:
 - Tier-1: Dentists, Pharmacists, Physicians (MD and DO)
 - Tier-2: Dental Hygienists, Nurse Practitioners, Nurses (RN), Physical Therapists, Physician Assistants, Psychologists, Social Workers (LCSW)
- A practitioner's clinical duties must constitute at least 50% of duties to be eligible.
- A part-time practitioner may participate and be eligible for pro-rated payments.
- Preference may be given to current Alaskan residents.
- A practitioner may be an employee for an employer or a sole practitioner in private practice.

4) Site Eligibility

- DHSS Commissioner will rank eligibility of sites annually and can determine any area and/or population in Alaska as a "shortage priority." These may include, but are not limited to, federally defined Health Professional Shortage Areas.

- Preference will be given to sites that provide care to individuals regardless of their ability to pay, including persons who are uninsured or have Medicare &/or Medicaid.

5) Payment Detail

- Placement Type

	Regular	Hard-to-Fill
○ Tier 1:	up to \$35,000/year	up to \$47,000/year
○ Tier 2:	up to \$20,000/year	up to \$27,000/year
- Payment details are same for 2 component types: loan repayment and incentives.
- Duration of award is for a 3-year period of service.
- Payments will be made every quarter following a completed full quarter of service.
- A program practitioner in good standing may re-apply for a 2nd period of service.
- Lifetime participation cap is 6 years regardless of component type.

6) Program Evaluation

- The Oversight Entity will conduct annual survey of program practitioners, exit interviews, and tracking of alumni.
- The Oversight Entity will develop measures to make workforce projections, according to practitioner type category and may assess sustainability, cost-benefit issues, and rural and remote benefits of program.
- The Oversight Entity will develop evaluation policy and procedures.
- The HCPLRIP Council will adopt an evaluation plan within 12 months of initial program funding and amend annually.
- HCPLRIP will assess adequacy and distribution of the Alaska health care workforce for all program eligible-practitioner types annually.
- The Commissioner will report to the Legislature every 3 years whether payments are adequate to meet program goals. The Oversight Entity will have specified discretion based on HCPLRIP Council's review of report to adjust payment rates.

7) Funding

- An in-cash match may be required and will be paid annually by eligible sites to DHSS. The level of required match will be determined by the DHSS Commissioner and will be adjusted according to the ability of the eligible site to contribute. The contribution may be set between 0% and 100%
- Program funds will not be used to offset current or expected provider supports.
- Funding will be provided to allow DHSS to (1) conduct program management; (2) monitor placements & practice environments; (3) resolve placement issues; and (4) assess the statewide health care workforce regarding the program practitioner types.
- Proposed funding for FY10 is \$7.5 million which will fund an estimated 90 participants, approximately 9 practitioners for each practitioner type category.

Question and Answer SB 139

- 1) What is the goal of this legislation?

Increase the recruitment and retention of health care providers to work in Alaska by assessing needs and providing related support-for-service programs that address shortages and distributions.

- 2) How were the 10 occupations selected?

The occupations were selected using a combination of professional experiences amongst the working group, Alaska specific data (2007 Alaska health Workforce Vacancy Study and the Alaska Health Care Data Book, 2007) and looking at the occupations used in other support-for-service programs around the country.

- 3) Do other states have a loan repayment program in place?

There are 81 loan repayment programs in 44 states. In addition, 21 of those states have more than one program. A key problem is that Alaska does not have a robust support-for-service program while most other states do, in fact many have several and some of them are expanding. In sum, Alaska is at a substantive disadvantage as it necessarily competes in the national healthcare labor market.

- 4) Is the Department of Health and Social Services supportive of this legislation?

DHSS has not yet taken a position on this legislation.

- 5) Who is the program aimed at?

The program is aimed at healthcare practitioners who have completed their education and are ready to practice their specialties.

- 6) Is a loan repayment program effective?

National studies have determined both loan repayment and direct incentive programs to be two of the most effective of the several support-for-service strategies in terms of both recruitment and retention.

- 7) Is the amount of money available sufficient to attract providers?

Yes. For example, a 2007 study by the American Dental Education Association found that 75% of dental school graduates have a debt of over \$100,000. This program would provide a repayment of between \$105,000 and \$141,000 (over three years) for dentists to come to Alaska to practice.

- 8) Alaska has a nursing school, isn't that good enough?

No. The University of Alaska School of Nursing graduates approximately 200 nurses each year. However, the demand for nurses, according to the 2007 Alaska Health Workforce Vacancy Study exceeds 300 per year.

- 9) Alaska has the WWAMI program for doctors and we just doubled the number of slots two years ago. Isn't that enough?

No. Alaska has 20 slots at the University of Washington School of Medicine, which is up from the 10 slots Alaska had prior to 2007. Of the original 10 slots, there were about 7 that came to Alaska to practice. Alaska needs more than 7 doctors a year to keep up with the demands of an aging population.

- 10) This seems like a large fiscal note in times of declining revenues. Can Alaska afford this?

Can Alaska afford not to? This legislation would cover 90 positions for the entire three years of the program. Further, filling some of these job vacancies can have extraordinary economic impact on a local rural economy. For instance, one rural physician helps to support 23 other jobs and generates \$899,000 in wages, salaries & benefits. It is up to the Legislature to decide if this is a priority and if providing health care fits into their overall goals for 2009.

- 11) If there is not enough money to fund all 90 positions, do the Tier I positions get funded before the Tier II positions?

No. It is the intent of the legislation to fund both Tier I and Tier II positions equally with any money that is appropriated to the program from the Legislature.

- 12) Does the 'employer match' requirement in the legislation exclude providers from setting up their own business? In other words, if they are self employed would they still qualify for the program.

Yes. Language was put into the legislation under the Direct Incentive section on page 4 so that the legislation reads, "An employer or **other entity**..." This language should be sufficient.

- 13) Are the occupations defined in Tier I and Tier II standard? How were they selected and broken down?

The tiers were selected based on the occupations that are in the most demand. In addition, Tier I occupations generally carry the most debt and require some of the longest academic preparations.

- 14) Does the employer match applicable to both loan repayment and incentives?

Yes. If determined by the Commissioner of Health that the employer or entity is able to pay a matching amount.



2007 Alaska Health Workforce Vacancy Study Research Summary

Key Findings: Alaska is confronted by severe shortages of professional health workers, primarily in high-level primary care occupations that include **Family Physician, General Internist, Critical Care Nurse, Nurse Case Manager, Family Nurse Practitioner, Physician Assistant, Pharmacist,**

Dentist, Physical/Occupational/Speech Therapist, and Behavioral Health occupations. Shortages in **RNs and Allied Health** are much less acute. Most affected are rural areas and Tribal Health Organizations, though growth-driven high vacancy rates affect the Anchorage-Matsu region as well.

BACKGROUND

Alaska is confronted by a "perfect storm" of health professional shortages. The state has long suffered from a deficient "supply side" characterized by insufficient numbers of key health workers whose recruitment, retention and training have been impeded by Alaska's remoteness, harsh climate, rural isolation, low population density and scarce training resources. Now exacerbating this already difficult situation is a burgeoning "demand side" for increased health services for a steadily growing and aging population. The health services industry is the fastest growing sector of Alaska's economy, employing over 7% of the state workforce.

METHODOLOGIES

The key questions this study sought to answer were: What health occupations were at this time most critically affected by shortages? Exactly how many budgeted positions existed and how many of these currently remained unfilled? Where were these vacancies regionally and in what types of organizations? What did employers perceive to be the major underlying causes of their vacancies? How many new trainees/graduates could the job market actually absorb annually and how many organizations could absorb them?

Four hundred seventy-six (476) purposively sampled Alaska health service organizations of all types responded to the study survey (Figure 1). Survey data was used to generate estimates of positions and vacancies for the entire state of Alaska.

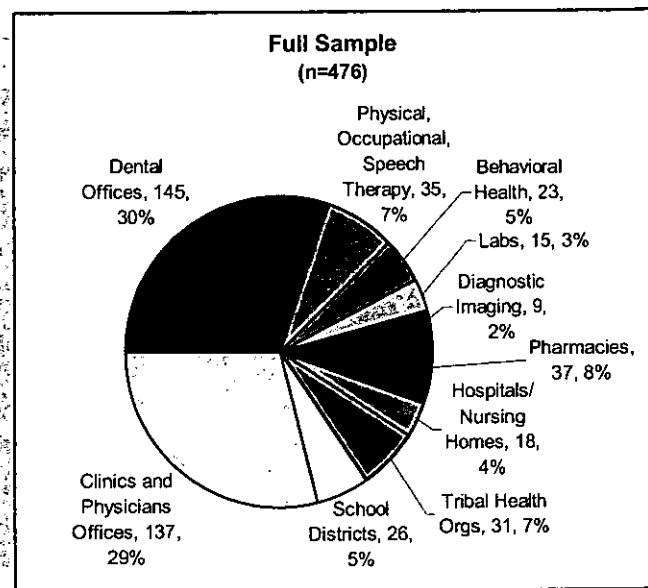


Figure 1

KEY FINDINGS

The findings confirm and quantify the trends cited in recent studies and accumulating anecdotal evidence: despite the recent progress in training and deploying health personnel, such as **Registered Nurses**, critical shortages persist (Tables 1,2).

The situation for key primary care occupations – **Family Physician, General Internist, Nurse Practitioner, and Physician Assistant** – was troubling, particularly in the rural areas, with numerous estimated vacancies and high estimated state vacancy rates between 15% and 20%.

Though vacancies for **Psychiatrists** were not numerous, they were particularly in demand (19.0% estimated vacancy rate) and difficult to recruit (mean vacancy length of 34.5 months).

This study was funded by the Office of Associate VP for Health, University of Alaska Anchorage, through Center for Disease Control and Prevention grant #5-H755-DP024673, and by the Alaska Mental Health Trust Authority.

The national Pharmacist shortage has hit Alaska hard and affects every region, with high estimated vacancy numbers (98), and an estimated vacancy rate of 23.7%.

Therapists of all kinds – Physical, Occupational, Speech, and Speech-Language Pathologists – were in short supply, with estimated vacancy rates ranging from 15.6% to 29.3%. No part of the state escaped the shortages; vacancy rates were most acute in rural areas, but numerically high in the Anchorage Mat-Su region.

High numbers of vacancies and high vacancy rates were reported for key specialized nursing occupations, particularly for Nurse Case Manager, Family Nurse Practitioner, and Critical Care Nurse. These appeared to be the current areas of most critical shortage in nursing.

The estimated Registered Nurse vacancy rate was moderate (8.0%), but this masked 10% rates in hospitals and tribal health organizations, and an estimated rural rate of 16.1%.

While the estimated vacancy rate for Dentist was 10.3%, this masked a 15.3% estimated rural rate and a very high 42.0% rate for tribal health organizations, which had 39% of estimated Dentist vacancies.

Table 2. Key occupations

Key Occupations (high numbers of vacancies, high vacancy rates)	Study Sample (n=476)			State Estimate		
	Positions	Vacancies	Vacancy Rate	Positions	Vacancies	Vacancy Rate
Family Physician	252	48	18.3%	675	107	15.8%
General Internist	71	15	21.1%	200	40	20.0%
Psychiatrist	36	10	27.8%	93	18	19.0%
Registered Nurse	3109	299	9.6%	5489	439	8.0%
Critical Care Nurse	497	43	8.7%	629	60	9.5%
Nurse Case Manager	136	42	30.9%	209	49	23.4%
Family Nurse Practitioner	155	36	23.2%	364	71	19.5%
Physician Assistant	207	32	15.5%	515	98	19.0%
Pharmacist	302	73	24.2%	413	98	23.7%
Physical Therapist	271	29	10.7%	510	84	16.5%
Dentist	319	47	14.7%	692	71	10.3%
Human Services Worker	1568	170	10.8%	4800	697	14.5%
Behavioral Health Clinician	297	35	11.8%	555	71	12.8%
Case Manager/Care Coordinator	505	52	10.3%	1163	164	14.1%
Physical Therapy Assistant	35	11	31.4%	62	18	28.6%
Medical Assistant	367	38	10.4%	1092	102	9.3%
CHA/P	552	100	18.1%	552	100	18.1%
Certified Coder	85	6	7.1%	209	22	10.6%
Medical Director	49	6	12.2%	120	18	14.8%
Behavioral Health Supervisor	82	13	15.9%	176	22	12.5%

Table 1. Occupational Groups

Occupational Groups	Study Sample (n=476)			State Estimate		
	Positions	Vacancies	Vacancy Rate	Positions	Vacancies	Vacancy Rate
All Occupations	18158	1866	10.3%	34738	3529	10.2%
Physicians	730	109	14.9%	1931	226	11.7%
Professional Nurses	4202	462	11.0%	7139	696	9.8%
Other Nursing Staff	1769	135	7.6%	1762	111	6.3%
Professions/ Therapists	1240	217	17.5%	2281	404	17.7%
Behavioral Health	2938	327	11.1%	7450	1033	13.9%
Allied Health	3209	291	9.1%	5523	434	7.9%
Public Health/ Nutrition	154	18	11.7%	189	ND	ND
Other Primary Care (PA & CHAP)	759	132	17.4%	1067	198	18.5%
Managers	1337	69	5.2%	2947	160	5.4%
Health Information/ Reimbursement	1816	106	5.8%	4451	253	5.7%

In the Behavioral Health occupational group, the most acute shortages – with both extremely high vacancy numbers and high vacancy rates – appeared to be among Human Services Workers. In addition, overall estimated Behavioral Health occupation vacancies were extremely numerous (1033), around 29% of all estimated vacancies – more than any other occupational group.

Among Allied Health occupations, high vacancy rates were affecting employers of Physical Therapy Assistants and Respiratory Therapists. Sonographer vacancies were difficult to fill, and Surgical Technician vacancies, though not numerous, were averaging 3 to 4 years in length.

One hundred (100) vacancies and a vacancy rate of 18.1% were reported for Community Health Aide/Practitioners (CHA/Ps).

Among “front office” and “back office” occupations, Coding Specialist and Certified Coder had 11% estimated vacancy rates and very long mean vacancy lengths.

The managerial occupations for which high vacancy rates were reported were healthcare related: Behavioral Health Supervisor, Clinical Department Manager, Health Information Manager, Medical Director, Nurse Manager, and Practice Manager. Behavioral health organizations had the most estimated managerial vacancies.

Looking at respondent types, tribal health organizations reported the highest overall vacancy rate (16.5%). These organizations reported 87 CHA/P vacancies; approximately half of all estimated vacancies for Nurse Case Manager, Pharmacist, Chemical Dependency Counselor, Dentist, Medical Lab Tech, Medical Technologist, and Health Educator; and all the estimated vacancies for Coding Specialist. But every respondent type was a locus for acute shortages in key occupations, such as clinics/offices of physicians for PAs, hospitals/nursing homes for RNs, pharmacies for Pharmacists, behavioral health organizations for Human Services Workers, and school districts for Speech-Language Pathologists.

Higher vacancy rates were generally found in the rural respondents, particularly in the North/West and Southwest regions, which reported double digit vacancy rates for nearly all occupational groups, and overall vacancy rates of around 20% (Table 3, Figure

2). Occupations with much higher rural estimated vacancy rates included RN (6.9% urban, 16.1% rural), Behavioral Health Clinician (9.3% urban, 22.9% rural), Dentist (7.2% urban, 15.3% rural), Physical Therapist (13.5 urban, 31.6% rural), and PA (14.7% urban, 26.8% rural) (Table 4).

DISCUSSION

The "supply side" shortages apparently persist. "Inadequate Pool of Qualified Workers" was the top reason given for vacancies, cited by 54% of respondents, followed by "Transience/Moving Away" (28%), "Insufficient Compensation" (18%), and "Rural Isolation" (16%). Many tribal health organizations also reported "Insufficient/Expensive Housing" as a top reason for unfilled vacancies. The data also indicated a burgeoning "demand side," where shortages were exacerbated by population growth and an increased need and demand for health services, particularly in the high-growth Anchorage Mat-Su region.

Table 3. Regional vacancy rates

Occupational Group	Regions (Study Sample - n=476)						
	North/West (n=10)	Southwest (n=17)	Interior (n=72)	Anchorage Mat-Su (n=232)	Gulf Coast (n=69)	Southeast (n=70)	Statewide/Multiregional (n=6)
Physicians	26.7%	21.2%	21.6%	12.6%	10.4%	6.8%	30.3%
Professional Nurses	26.0%	21.6%	5.9%	11.1%	8.0%	5.9%	12.1%
Other Nursing Staff	18.6%	18.8%	5.8%	6.2%	4.6%	2.3%	8.8%
Dentists/Pharmacists/Therapists	32.4%	32.4%	20.7%	15.9%	16.5%	16.3%	12.4%
Behavioral Health	19.0%	22.7%	13.1%	8.3%	7.1%	11.1%	11.6%
Allied Health	17.0%	24.6%	7.3%	6.5%	8.4%	7.7%	8.6%
Public Health/ Nutrition	30.0%	6.3%	0.0%	4.0%	18.9%	0.0%	10.5%
Other Primary Care (PA & CHA/P)	19.7%	18.6%	24.5%	9.0%	9.1%	4.0%	0.0%
Managers	13.8%	2.4%	3.5%	3.2%	6.4%	11.7%	4.0%
Health Information/ Reimbursement	15.9%	16.9%	2.0%	5.3%	6.6%	2.8%	7.2%
All Occupations	20.1%	20.3%	9.0%	8.6%	8.1%	7.7%	10.2%

Table 4. Urban vs. Rural vacancies and vacancy rates

Occupation	Urban		Rural	
	Estimated Vacancies	Estimated Vacancy Rate	Estimated Vacancies	Estimated Vacancy Rate
Family Physician	68	14.9%	38	17.6%
General Internist	27	18.8%	13	23.1%
RN	339	6.9%	94	16.1%
Family Nurse Practitioner	36	13.3%	34	36.4%
Pharmacist	68	22.7%	30	25.9%
Behavioral Health Clinician	36	9.3%	34	22.9%
Human Services Worker	158	8.5%	209	10.1%
Dentist	32	7.2%	38	15.3%
Dental Hygienist	14	3.6%	17	10.0%
Dental Assistant	27	4.4%	64	14.9%
Physical Therapist	59	13.5%	26	31.6%
PA	50	14.7%	47	26.8%
All Occupations	1998	8.1%	1162	13.3%

Many respondents provided commentary with their surveys and noted positions that are particularly difficult to fill:

- "We have been hiring travelers for Physical Therapy positions at \$67/hr - we can't find therapists to employ. We have been looking for 2 years." (Urban Medical Clinic)
- "Without a state Physical Therapy program it is very difficult to get PT staff. Usually this area is staffed by PTs that leave competing PT clinics." (Urban Physical Therapy Office)
- "We really need a pharmacy school in Alaska. It took two years to fill our last pharmacist position." (Urban Pharmacy)
- "Pharmacists are always the most difficult position to fill." (Rural Pharmacy)

The availability of military spouses has apparently alleviated some of the workforce pressure, but has exacerbated the “transience” problem. Also affecting the shortages was the absence of local training resources (such as medical, dental, pharmacy, and therapy schools) to provide a local workforce pipeline. In the qualitative data, common refrains were, “we need a pharmacy school,” “we need a dental school,” “we need a physical therapy school.”

The acuity of workforce shortages was also reflected by the high percentage of estimated vacancies the responding employers would consider filling with new grads (Table 5). Respondents indicated that they had the capacity to hire sizeable graduating cohorts of Family Physicians, PAs, Occupational and Physical Therapists, Pharmacists, and Dentists. These may be the occupations likely to yield optimal responses to substantial investments in preparation and training programs and/or targeted recruitment and retention campaigns.

Copies of the full study can be downloaded from the ACRH website at:

<http://nursing.uaa.alaska.edu/acrh/>

Table 5. New Grad Vacancies

Occupation	Study Sample (n=476)	Statewide Estimate
Human Services Worker – HS diploma	68	266
Registered Nurse	93	226
Human Services Worker – AA degree	47	195
Case Manager/Care Coordinator	37	120
Family Physician	25	89
CHA/P	88	88
Pharmacist	46	84
Medical Assistant	21	84
Physician Assistant	23	80
Occupational Therapist	21	75
Dental Assistant	26	75
Dentist	27	67
Physical Therapist	23	62
Speech-Language Pathologist	28	53
Behavioral Health Clinician	19	53

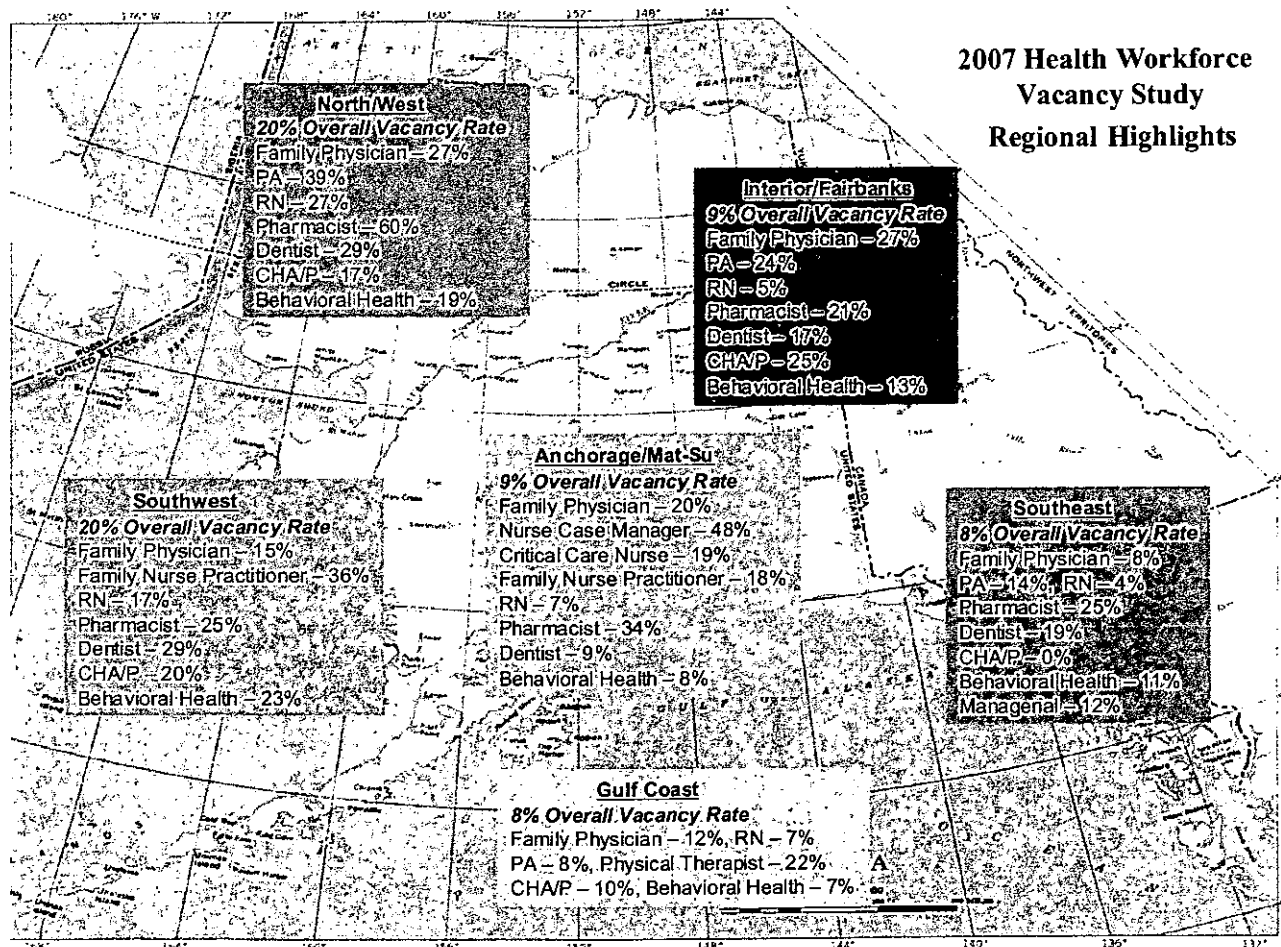


Figure 2. Regional Highlights

Our view: Attracting doctors

Anchorage Daily News

Legislature can raise Alaska's stake in competition for docs

Published: March 10th, 2009 06:54 PM

Last Modified: March 10th, 2009 06:54 PM

Alaska's shortage of primary care doctors has been described as grim. A study two years ago found we needed 400 more doctors to provide the same level of care as is available elsewhere in the country. One result is that few doctors will accept the low rates paid by Medicare, the government insurance for those 65 and older. It's a horrible situation for Alaska's senior citizens.

Two bills introduced during this legislative session would help relieve the shortage of doctors and other health care workers, and both are worth passing.

Senate Bill 18 would increase the number of state-subsidized medical students in each class of the WWAMI program operated through the University of Washington. Alaska WWAMI students spend their first year of study at UAA.

These students offer an excellent return -- according to the Alaska Physician Supply Task Force study in late 2006, half of Alaska WWAMI students end up practicing in the state, and a few WWAMI students from other states join them.

The state raised the number of Alaska WWAMI students in each class to 20 in 2007.

SB 18 would increase the number by a modest amount, to 24. That's the most UAA can accommodate without incurring expensive overhead costs, said Sen. Bill Wielechowski of Anchorage, the bill's sponsor.

Adding the four students would cost the state little to no money the first year. But by the fourth year, when we would have an additional 16 Alaska students in med school, the state cost is estimated at \$550,000 per year.

A second bill, SB 139, calls for the state to pay financial incentives to already-qualified doctors, nurses or other health workers if they take certain jobs in Alaska.

The bill, with a bipartisan group of sponsors, would carry out a plan developed by a group of health care professionals including representatives of the Alaska Primary Care Association and the Alaska State Hospital and Nursing Home Association.

The state would offer financial incentives to as many as 90 workers, from physicians to nurses, to come work in Alaska. Those who take hard-to-fill jobs, or treat a share of uninsured patients or those on Medicare or Medicaid, would get priority.

Each person would be guaranteed the incentive for three years as long as they kept working here.

The state would either repay part of their student loans or, if the health worker didn't have loans, simply pay them directly. The individual payments would range from \$20,000 per year for nurses, physicians assistants and some others, to \$35,000 for doctors, pharmacists and dentists, to \$47,000 for doctors who accept the hardest-to-fill positions.

The state's cost for three years' worth of incentives would be \$7.5 million.

That sum is large enough to cause concern this year, with a big drop in state revenues anticipated.

But consider this: Forty-four of the 50 states already offer financial incentives to lure health workers. Alaska is not competitive for health care jobs, and people are suffering because of it.

BOTTOM LINE: The Legislature should pass two bills to relieve a critical shortage of health care workers in Alaska.

Our view: Medicare choices

Legislators should decide on ways to help seniors get care

Anchorage Daily News

(03/16/09 01:17:52)

Rep. Les Gara of Anchorage has added an intriguing idea to the mix of proposals aimed at helping Alaskans 65 and older find medical care.

Many Alaska doctors won't accept patients on Medicare because the federal government won't let doctors collect anything close to the rate they normally charge for service. The feds boosted doctors' payments by 35 percent at the start of this year, but it doesn't seem to be helping much, says Dr. Tom Vasileff, president of the Alaska State Medical Association.

The problem is compounded by the fact that Alaska has a shortage of primary care doctors.

Rep. Gara has proposed that the state help increase the payoff for treating Medicare patients. His bill would pay doctors bonuses depending on how many Medicare patients were served: \$6,000 bonus for 200 to 399 visits a year; \$14,000 for 400-500 visits, and on up to \$28,000 for 700 visits. His bill would directly and immediately reward doctors for taking Medicare patients, and is worth investigating. But the cost to the state is unknown, and there's a question whether Gara's bill would pass legal muster. Under Medicare law, a doctor can't take additional payment beyond what the federal government allows for a doctor visit. Gara thinks the bill gets around that rule because the state money isn't paid for each visit.

Two other bills that would help Medicare clients are further along in the Legislature, and both are worth passing.

SB 18 would increase the number of state-subsidized medical school spots for Alaska students in the WWAMI, a program run by the University of Washington for several western states.

Half of the Alaska medical students and some from other states end up practicing in Alaska. Growing our own doctors is an effective way to relieve the shortage.

But it takes students at least seven years to get through med school and residency programs, so that's a long-term solution.

Another bill, SB 139, would pay incentives -- cash for established doctors, loan repayment for new ones -- to doctors and other health workers who take certain jobs in Alaska. Those who treat Medicare patients would get a priority for the incentives, which would be \$35,000 to \$47,000 per year for three years, depending on where the doctor practiced in Alaska.

For \$7.5 million, the state could recruit 90 health and social service workers and pay the three years' of incentives.

Or the Legislature could start the program with half that amount, and see how it works.

The bill could begin bringing additional doctors to Alaska very soon. It should get expedited consideration in the Legislature.

The Alaska State Medical Association supports both the increased aid for medical students and state incentives to attract new doctors, said Dr. Vasileff. With more doctors, the Medicare patients could be spread around, imposing less of a financial burden on any one doctor.

As for Gara's bill, Dr. Vasileff is concerned it won't pass the legal test. That's a key question the Legislature should investigate. Making sure doctors will take Medicare patients is a huge problem for Alaska. It will take more than one good idea to solve it.

BOTTOM LINE: State bonuses for doctors of Medicare patients? It's worth checking out. And the state should definitely pay to recruit new docs, and put more through med school.

The TRUST

The Alaska Mental Health Trust Authority

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

The Trust recommends the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program.

Respectfully,



Delisa Culpepper
Chief Operating Officer



ALASKA PHYSICAL THERAPY ASSOCIATION, INC.

A CHAPTER OF THE AMERICAN PHYSICAL THERAPY ASSOCIATION
PO BOX 140351 ANCHORAGE, AK 99514-0351
PHONE (907) 566-3749

Re: Support for Alaska Health Care Professions Loan Repayment & Incentive Program

November, 26, 2008

Dear Governor and Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Physical Therapy Association strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The Alaska Physical Therapy Associations mission is that it's a member driven organization (290 members) is to represent and advocate for the profession of physical therapy and promote excellent, ethical, and autonomous practice, which serves the culturally diverse population of Alaska.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

At any given time you can contact most remote hospitals and clinics and find at least 1-2 vacancies, or openings for physical therapists. Even urban clinics are constantly recruiting for providers due to turnover, retirement, or keeping up with population growth in their respective communities. There are companies that provide temporary travelling Physical Therapists for 13-16 week assignments which can be extremely expensive for coverage, and again the turn over rate creates changes for patients and can also cause breaks in care or shortage of man power coverage.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

The Alaska Physical Therapy Association highly recommends and advocates for the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program for health related assistance to our states residents.

Respectfully,

Sundi M Hondl, PT, OCS

Sundi M Hondl, PT, OCS
Alaska Physical Therapy Association President



Alaska Pharmacists Association

Re: Support for SB 139

Alaska Health Care Professions Loan Repayment & Incentive Program

March 12, 2009

Dear Governor and Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, putting Alaskans in jeopardy, the Alaska Pharmacists Association strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a limited and shrinking national pool.

"The Mission of the Alaska Pharmacists Association is to preserve, promote and lead the profession of pharmacy in Alaska."

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, LCSWs (licensed, certified social workers), and physical therapists are all in short demand in Alaska.

Based on statistics provided by Laura Miller, PhD, Senior Economist with the National Association of Chain Drug Stores, the national average of community pharmacists per 10,000 people is 5.36. For Alaska, the figure is 3.35. To get to the national average, Alaska would need an additional 137 pharmacists. The average number of people per community retail pharmacy is about 5,300 nationally, and in Alaska it is 8,900. Even if you add in the 15 Indian Health Service (IHS) pharmacies, Alaska's pharmacies average about 7,500 people, much higher than the national average.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

Respectfully,

Nancy O. Davis
Executive Director

E-mail: akphrmcy@alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880



Alaska Pharmacists Association

RE: Support for SB 139
Alaska Health Care Professions Loan Repayment & Incentive Program

March 24, 2009

Dear Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, putting Alaskans in jeopardy, the Alaska Pharmacists Association strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a limited and shrinking national pool.

"The Mission of the Alaska Pharmacists Association is to preserve, promote and lead the profession of pharmacy in Alaska."

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, LCSWs (licensed, clinical social workers), and physical therapists are all in short supply in Alaska.

Based on statistics provided by Laura Miller, PhD, Senior Economist with the National Association of Chain Drug Stores, the national average of community pharmacists per 10,000 people is 5.36. For Alaska, the figure is 3.35. To get to the national average, Alaska would need an additional 137 pharmacists. The average number of people per community retail pharmacy is about 5,300 nationally, and in Alaska it is 8,900. Even if you add in the 15 Indian Health Service (IHS) pharmacies, Alaska's pharmacies average about 7,500 people, much higher than the national average.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

Respectfully,

Nancy O. Davis
Executive Director

E-mail: akphrmcy@alaska.net

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Alaska Pharmacists Association

**Alaska Pharmacists Association
Board of Directors**

RESOLUTION 2009-01

Health Care Professions Loan Repayment and Incentive Program for Alaska

WHEREAS Alaska is competing with other states and nations for the finite pool of available healthcare professionals; and

WHEREAS Alaska is suffering labor shortages in most professional healthcare occupations, and that these shortages are hitting primary care "safety net" agencies particularly hard; and

WHEREAS the harsh conditions of Alaska and the fiscal limitations of safety net clinics makes it difficult for Alaska to compete in the hiring market; and

WHEREAS the entire State of Alaska has been designated either a Health Professional Shortage Area or a Medically Underserved Area,¹ and

WHEREAS a common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSP's), and that good outcomes have been achieved with these; and

WHEREAS national studies have determined loan repayment programs to be one of the most effective of the several SFSP strategies in terms of both recruitment and retention; and

WHEREAS a key problem is that Alaska does not have a robust support-for-service program while most other states do, many have several, and further, some of those are growing; and

WHEREAS most all other states have state-sponsored SFSP programs that influence health professionals' geographic and specialty distributions; and

WHEREAS it is well-established that many healthcare professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away; and

WHEREAS considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of healthcare personnel; and

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WHEREAS in 2006, the Alaska Physician Supply Task Force recommended a number of specific strategies and action steps to assuring an adequate supply of physicians to meet Alaska's need, including creation of a loan repayment program; and

WHEREAS AkPhA serves as a voice on behalf of Pharmacists to preserve, promote and lead the profession of pharmacy in Alaska;

THEREFORE BE IT RESOLVED that the Alaska Pharmacists Association (AkPhA) supports the creation of a state-sponsored "Health Care Professions Loan Repayment and Incentive Program" and will advocate for the necessary authorizing and fiduciary legislation.

SUBMITTED BY:

Melanie Gibson, AkPhA President

Nancy Davis, Executive Director

DONE AND DATED THE 25th DAY OF AUGUST IN THE YEAR 2008

SIGNED BY

Melanie Gibson, AkPhA Board President

¹ Alaska Center for Rural Health. *2007 Alaska Health Workforce Vacancy Study*. July 2007, http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce_7-24-07_body-final.pdf.

E-mail: akphrmcy@alaska.net

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Alaska Osteopathic Medical Association

142 East Ontario Street | Chicago, IL 60611
Phone 800.621.1773, ext. 8128 | Fax 312.202.8428 | Email: AKOMA@osteopathic.org

December 3, 2008

Dear Governor and Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Osteopathic Medical Association (AKOMA) strongly supports the concept of a state-sponsored loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The mission of the AKOMA is to promote public health through providing quality, relevant and professional CME that enhances the body of knowledge and skills of those in attendance. Emphasis will be placed upon Osteopathic Practice and Principles to enable attending physicians to better serve the needs of their patients.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Health Care Professions Loan Repayment & Incentive Program proposal brings to the table an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. The proposed program designed for Alaska will provide much needed relief for our state.

AKOMA recommends the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program and requests that you actively take steps to create and fund the program.

Respectfully,

Todd Capistrant, DO
President

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."



Alaska Primary Care Association Board of Directors

RESOLUTION 2009-02

Health Care Professions Loan Repayment and Incentive Program for Alaska

WHEREAS the Alaska Primary Care Association strives toward the goal of a healthy population, it recognizes that a robust health care workforce is necessary to provide adequate health care access for all Alaskans and is a key ingredient in improving the public health of all Alaskans; and

WHEREAS Alaska is competing with other states and nations for the finite pool of available health care professionals; and

WHEREAS Alaska is suffering from labor shortages in most professional health care occupations¹, and these shortages are hitting primary care "safety net" agencies particularly hard; and

WHEREAS most of the State of Alaska has been designated either a Health Professional Shortage Area or a Medically Underserved Area;² and

WHEREAS a common state-level response to these pressures is the use of financial inducements, collectively known as support-for-service programs (SFSPs), and good outcomes have been achieved with these;³ and

WHEREAS national studies have determined loan repayment and incentive programs to be two of the most effective of the several SFSP strategies in terms of both recruitment and retention;⁴ and

WHEREAS a key problem is that Alaska does not have a robust SFSP while most other states do, many have several, and further, some of those are growing;⁵ and

WHEREAS most all other states have state-sponsored SFSPs that influence health professionals' geographic and specialty distributions;⁶ and

WHEREAS it is well-established that many health care professionals carry a heavy debt-burden as they come out of training and are attracted to serving in those locations where a share of that burden can be taken away; and

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."



WHEREAS for areas in the state where providers are required to work in professional isolation due to remote settings, direct incentives are needed to attract more experienced health care providers who do not carry debt and are considered desirable placements; and

WHEREAS considerable precedent exists for state-level offices to sponsor and manage financial support and inducement programs to thus encourage the within-state service of health care personnel; and

WHEREAS in 2006, the Alaska Physician Supply Task Force recommends a number of specific strategies and action steps to assuring an adequate supply of physicians to meet Alaska's need, including creation of a SFSP, and the 2007 Alaska Workforce Vacancy Study and the 2005-2006 Status of Recruitment Resources and Strategies (SORRAS II) point to the need for a state loan repayment and incentive program in order for Alaska to compete with the lower 48 to recruit from a limited pool of numerous types of health care providers nationwide; and

WHEREAS a concept proposal submitted to the Alaska Primary Care Council by Pat Carr, Chief Health Planning and Systems Development for the Department of Health and Human Services, concludes the following:

Reported increasing vacancy rates, increasing costs of recruitment [SORRAS report], and comparisons with national norms [PSTF report] suggest that Alaska currently experiences a shortage of healthcare professionals, and, that shortages exist in several key occupational categories. Loan repayment programs have demonstrated substantial and longstanding success as a public strategy which has helped to rectify such shortages;⁷ and

WHEREAS the above proposal recommends that "Alaska create a 'Health Care Professions Loan Repayment Program.' "⁸

THEREFORE BE IT RESOLVED that the Alaska Primary Care Association supports the creation of a state-sponsored "Health Care Professions Loan Repayment and Incentive Program" and will advocate for the necessary authorizing and fiduciary legislation.

SUBMITTED BY:

Regan Mattingly, State Affairs Coordinator
Shelley S. Hughes, Government Affairs Director
Marilyn Kasmar, Executive Director

Phone 907-929-2722 • Fax 907-929-2734 • www.alaskapca.org • alaskapca@alaskapca.org

903 West Northern Lights Blvd., Suite 200 • Anchorage, AK 99503-2400

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."



DONE AND DATED THE 21st DAY OF January IN THE YEAR 2009

SIGNED BY

A handwritten signature in cursive script, appearing to read "Sonia Handforth-Kome".

Sonia Handforth-Kome, APCA Board President

¹ Alaska Health Workforce Vacancy Study Research Summary. University of Alaska. August 2007.

http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce-summary_final.pdf.

² US Department of Human Services, Health Resources and Service Administration. Health Professional Shortage Area. <http://hpsafind.hrsa.gov/>.

³ Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska DHSS. September 11, 2007. <http://www.hss.state.ak.us/primarycare/assets/loan-proposal.pdf>.

⁴ *Ibid.*

⁵ *Ibid.*

⁶ *Ibid.*

⁷ Health Planning & Systems Development, Alaska Department of Health & Social Services. *Health Care Professions Loan Repayment Program Concept Proposal*, September 11, 2007.

⁸ *Ibid.*

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 17, 2009

Honorable Donald Olson
Alaska State Senate
Capitol, Room 514
Juneau, Alaska

RE: SB 139 – Recruitment Increments for Certain Health Care Professionals

Dear Senator Olson:

As you know, Dr. Olson, the Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

On behalf of all ASMA members, I thank-you for introducing SB 139. ASMA participated as one of the stake holders who came together to develop the concept for the loan repayment and direct incentive program embodied in SB 139. ASMA strongly supports SB 139 as an effective recruitment tool for physicians as well as the other health care professionals covered by the program.

Alaska competes with all other states in the recruitment of an ever shrinking pool of physicians practicing general internal medicine or family medicine. Currently only 2% of medical school graduates are choosing general internal medicine or family medicine residencies. 44 of those states already have a loan repayment or direct incentive program.

SB 139 will help to provide an important part in solving Alaska's chronic and acute (in certain practice specialties) physician workforce shortages. All of the health care system reforms aimed at providing some form of universal insurance coverage provides an empty promise so long as sufficient numbers of appropriately trained physicians (and other health care professionals) do not exist.

ASMA supports SB 139 and urges passage of this important legislation.

Again, ASMA, thanks you in your leadership and efforts to introduce and secure passage of the Alaska Health Care Professions Loan Repayment and Incentive Program.

Sincerely,



By: Thomas Vasileff, MD, President
For: The Alaska State Medical Association



Alaska Dental Society, Inc.

9170 Jewel Lake Road, Suite 203
Anchorage, Alaska 99502-5390
(907) 563-3003 • FAX: 563-3009
akdental@alaska.net

Re: Support for SB-139 Incentives for Certain Medical Providers

18 March 2009

Sen. Bettye Davis
Alaska State Senate
State Capitol Rm 30
Juneau, AK 99801 + 1182

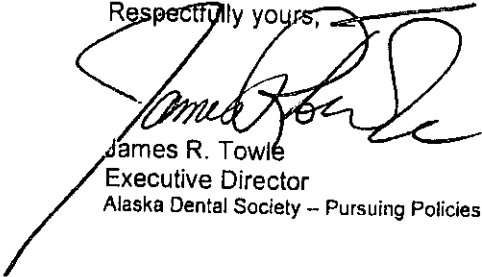
Dear Sen. Davis,

The Alaska Dental Society **supports the adoption of SB-139 as one of several steps that must be taken** by the legislature to address the growing projected shortfall of private practice dentists and other healthcare practitioners in Alaska.

This bill will provide the state with a much needed tool to provide for loan repayment and direct payment of meaningful incentives to practitioners who might not otherwise choose to establish themselves in Alaska.

Passage of this bill will provide the state, primarily through its hospitals, clinics and other institutional settings a valuable tool to recruit key providers, which the ADS supports. However, **to ensure that Alaska is able to attract dentists into private practice** – the practice model that has traditionally provided the most care to the most Alaskans and which is forecast to see the greatest need in the foreseeable future – **additional steps will need to be taken**. Therefore, while we support the passage of SB-139, we must stress that this must be done in conjunction with **expanding** the state's **participation** in the Western Interstate Commission for Higher Education (WICHE) program along with **meaningful reform to the Medicaid program which currently discourages dentists from participating**.

Respectfully yours,


James R. Towle
Executive Director

Alaska Dental Society – Pursuing Policies that enhance the dental profession and the well-being of Alaskans



March 20, 2009

Re: Support for SB 139 Incentives for Certain Medical Providers

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Behavioral Health Association strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

One of our primary goals deals with Workforce Development and this bill fits well within the goal to assure that a well trained adequate workforce is available to behavioral health providers.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants, behavioral health clinicians, addiction professionals, and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The Alaska Behavioral Health Association supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

In Health,

Steve Horn
Executive Director

2009 abha Membership

Organization	Community
Akeela	Anchorage
Alaska Children's Services	Anchorage
Alaska Family Services	Palmer
Alaska Island Community Services	Wrangell
Alaska Youth & Family Network	Anchorage
Anchorage Community Mental Health Services (Southcentral Counseling)	Anchorage
Area of Anchorage	Anchorage
Assets, Inc.	Anchorage
Mat-Su Health Services	Wasilla
Bristol Bay Counseling Center (BBACC)	Dillingham
Boys and Girls Home of Alaska	Fairbanks
Catholic Community Service	Juneau
The Center	Homer
Community Connections, Inc.	Ketchikan
Denali Family Services	Anchorage
Edgar Noliner Health Center	Galena
Fairbanks Community Behavioral Health Center, Inc.	Fairbanks
Fairbanks Native Association	Fairbanks
Family Centered Services of Alaska	Fairbanks

Organization	Community
Frontier Community Services	Soldotna
Gateway Center for Human Services	Ketchikan
Impact Counseling	Haines
Juneau Alliance for Mental Health, Inc.	Juneau
Juneau Youth Services	Juneau
Kenai Peninsula Care Center	Kenai
Lynn Canal Counseling	Haines
Manilaq Association	Kotzebue
North Star Behavioral Health System	Anchorage
Peninsula Community Health Services	Soldotna
Petersburg Mental Health Services, Inc.	Petersburg
Railbet MH and Addictions	Nenana
SEARHC - Behavioral Health Service Division	Sitka
SeaView Community Services	Seward
Sitka Counseling and Prevention Services	Sitka
Southcentral Foundation Behavioral Health Services	Anchorage
Volunteers of America of AK	Anchorage
Yukon-Kuskokwim Health Corporation	Bethel



Илиулиук

Iliuliuk Family and Health Services, Inc.

P.O. Box 144
Unalaska, Alaska 99685

Phone: (907) 581-1202
Fax: (907) 581-2331

Re: Support for SB 139 Incentives for Certain Medical Providers

March 17, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, Iliuliuk Family and Health Services, Inc. (IFHS) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

Our organization, IFHS, is the only comprehensive service provider for medical, dental and behavioral health services within 800 air miles of Unalaska. We are remote, and we frequently find that we are unable to compete with "lower 48" medical practices for providers, since we also cannot compete effectively with salaries. State loan repayment options for our providers would help us offer a competitive package.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

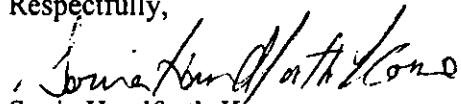
It takes IFHS over a year to recruit a single doctor; six months to recruit a behavioral health specialist, and the last time we recruited a dentist, it took us four years to do so. We cannot recruit RNs – we have had two open RN positions for over two years. A state-sponsored support-for-service program would help make our recruitment package more appealing and more competitive.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. *More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states.* SB

139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

IFHS supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,



Sonia Handforth-Kome
Executive Director

Re: Support for SB 139 Incentives for Certain Medical Providers

March, 19, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, I strongly support SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

In my roll as clinical site director for the U.W. DENTEX Training Center, I have had the opportunity to hear about the difficulties health care facilities in Alaska have in recruiting and retaining providers.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

There is already a crisis of dental care access in rural Alaska. We have large numbers of our Alaska Native population who cannot access even the basic services needed, such as a yearly exam or treatment for urgent dental needs. The caries rate is 2 ½ times the national rate in our rural communities. Headstart programs struggle to find local providers to perform the mandatory evaluations for their students, many programs resort to bringing in outside providers at great expense. Teeth are left untreated until it is too late to restore them, because there are not appointments available for routine care. Our communities should not have to suffer with the pain and cost of untreated disease.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

I support SB 139 and urge passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Mary E. Williard, DDS
Clinical Site Director
ANTHC Division of Community Health Services
U.W. DENTEX Training Center
4200 Lake Otis Parkway, Suite 204
Anchorage, AK 99508



Maniilaq Association

Maniilaq Health Center

Administration

Phyllis Boskofsky RN
Hospital Administrator
P.O. Box 43, 436 5th & Stevens Way
Kotzebue, AK 99752
Phone (907) 442-7319
FAX (907) 442-7250

Re: Support for SB 139 Incentives for Certain Medical Providers

March 20, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, especially in remote regions such as ours, the Maniilaq Health Center (MHC) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

In order for the Maniilaq Health Center to meet its Mission Statement:

"The Maniilaq Health Center provides comprehensive health care to all the people in our service area while promoting prevention, fitness, wellness, holistic strategies, and incorporating local traditional core values and beliefs", its Vision Statement: ***"All customers of Maniilaq health services, including its employees, are empowered, and involved partners in its high quality services and healing atmosphere"***, and its Purpose statement: ***"We are a family of care, helping every person live a healthier life"***, we must have a trained healthcare workforce.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult, and becomes even more difficult as you leave urban area facilities for remote facilities such as MHC. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacists vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

Maniilaq Health Centers Professional Vacancy Rates

MD/DO Vacancies	3 vacancies out of 9 positions = 30% vacancy rate
Dentist Vacancies	3 vacancies out of 5 positions = 60% vacancy rate
Pharmacist Vacancies	3 vacancies out of 4 positions = 75% vacancy rate
Registered Nurse Vacancies	12 vacancies out of 24 positions = 50% vacancy rate
Physical Therapist	1 vacancy for > 2 years = 100% vacancy rate

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The Maniilaq Health Center supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Phyllis A. Boskofsky
Hospital Administrator

Member Villages

Ivissaappaat, Nunatchiaq, Ipnatchiaq, Katyaak, Kivaliniq, Laugviik, Qikiqtagruk, Naitaaq, Nuurvik, Tikigaq, Akuligaq, Isinnaq, Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Point Hope, Selawik, Shungnak

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."



The Honorable Senator Olson
Alaska State Senate
State Capitol, Room 514
Juneau, Alaska 99801-1182

Re: Support for Incentives for Certain Medical Providers – SB 139

March 18, 2008

Dear Senator Olson,

The Alaska Primary Care Association (APCA) represents 26 health care organizations and 141 Community Health Centers (CHCs), as well as other safety net providers throughout Alaska. The APCA knows firsthand that workforce shortages can affect access to health care services in Alaska's Community Health Centers. In 2007, our sites provided primary health care services to over 80,000 patients despite suffering a severe 35% shortage of primary care physicians and a 22% shortage of midlevel providers at Community Health Centers.¹ In fact, Alaska's CHCs have current vacancies for an estimated 22 physicians, 20 physician assistants, 26 nurse practitioners, 6 dentists, and 10 licensed certified social workers – to name a few.

Alaska is suffering from labor shortages in most professional health care occupations², while most of the State of Alaska has been designated either as a Health Professional Shortage Area or a Medically Underserved Area³. All but six states have addressed similar professional health provider shortages by implementing support-for-service programs which have helped to attract and retain health care providers⁴.

The Alaska Primary Care Association supports SB 139 and the creation of a state-sponsored "Health Care Professions Loan Repayment and Incentive Program" to help fill vacancies and help health care facilities recruit and retain health care professionals.

We appreciate your hard work and service to Alaskans and support your efforts to expand access to health care for all Alaskans.

Respectfully,

Regan Mattingly
State Affairs Coordinator

Shelley S. Hughes
Government Affairs Director

¹ Bureau of Primary Health Care. "Alaska Section 330 Grantees Uniform Data System (Provider Utilization)."

² Alaska Health Workforce Vacancy Study Research Summary. University of Alaska. August 2007.

http://nursing.uaa.alaska.edu/acrh/index_downloads/workforce-summary_final.pdf.

³ US Department of Human Services, Health Resources and Service Administration. Health Professional Shortage

⁴ Health Care Professions Loan Repayment Program Concept Proposal. Pat Carr, Chief Health Planning & Systems Development, Alaska



P.O. Box 240247 " Anchorage, AK 99524 " www.asdha.com

Re: Support for SB 139--Incentives for Certain Medical Providers

March 23, 2009

Dear Senate and House Members of the Alaska State Legislature:

The Alaska State Dental Hygienists' Association (ASDHA) supports Senate Bill 139 to establish a loan repayment and incentive program. This legislation addresses the shortage of certain health care professionals in the state by increasing the number and improving the distribution of health care professionals that provide direct patient care.

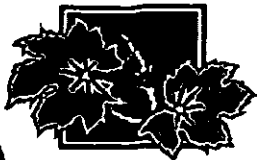
Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. This legislation would allow Alaska to compete with other states in the recruitment of numerous providers and help fill the alarming number of vacancies that exist.

Senate Bill 139 provides incentives for dental professionals, including dentists and dental hygienists. While current practice act limitations exist for direct patient care by dental hygienists, we are hopeful SB 139 will attract more dentists and dental hygienists to our state and to rural communities. With up to eighteen dental hygiene students graduating from Alaska universities yearly, we believe SB 139 would provide an additional incentive for them to stay.

The ASDHA supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Gail Walden, RDH
Alaska State Dental Hygienists' Association



SEARHC

SouthEast Alaska Regional Health Consortium

3245 Hospital Drive, Juneau, AK 99801
907 463-4000 • www.searhc.org

Re: Support for SB 139 Incentives for Certain Medical Providers

March 20, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the SEARHC Ethel Lund Medical Center strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The SEARHC Ethel Lund Medical Center provides comprehensive outpatient care to Alaska Native/Native American patients in the Juneau area (over 7,000 active patients). We have found recruitment of health providers to be extremely challenging, including physicians, physician assistants, pharmacists, physical therapists, optometrists, and other health care professionals. Almost all potential applicants request loan repayment. Juneau does not qualify for any loan-repayment program, and this puts us at a significant disadvantage in recruiting health care providers.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage that we here at SEARHC Juneau, and that the rest of Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The SEARHC Ethel Lund Medical Center supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Janice Sheufelt, MD
Medical Director
SEARHC Ethel Lund Medical Center
Juneau, Alaska



UNIVERSITY of ALASKA ANCHORAGE

School of Social Work

Re: Support for SB 139 Incentives for Certain Medical Providers

Month: 24, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the faculty of the University of Alaska Anchorage School of Social Work strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

The UAA School of Social Work provides educational opportunities for students seeking Bachelor and Masters degrees in social work. Unfortunately, the demand for social workers exceeds our graduation rate. Therefore, it becomes necessary for social service providers to recruit social workers from the lower 48. The costs of recruitment and retention frequently outweigh the ability of urban and rural providers to bring social workers to Alaska.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

Social work is one of the fastest growing professions, with high vacancy rates nationally. The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The faculty of the UAA School of Social Work supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Elizabeth A. Sirles, Director
UAA School of Social Work

**Nome Eskimo Community**

Box 1090
Nome, Alaska 99762
Phone (907) 443-2246
Fax (907) 443-3539



March 23, 2009

RE: Support for SB 139 Incentives for Health Care Professions

Dear Senate and House Members of the Alaska State Legislature:

The Nome Eskimo Community strongly supports SB 139 that would establish a loan repayment and incentive program for health care professions in Alaska. The on-going healthcare workforce shortage in Alaska significantly impacts access to and continuity of health care for our residents and the creation of such a program could be a solution to address a critical shortage in our state.

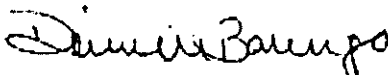
Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program. The competition for recruitment of providers is very difficult and the establishment of this program would allow Alaska to compete with the lower 48 for the recruitment of much needed medical providers. Alaska is experiencing a crisis: we have more than 90 pharmacist vacancies in Alaska; many communities have inadequate, if any, access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit, and nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply statewide.

Loan repayment and incentive programs have been proven to effectively alleviate workforce shortage problems in other states and the Alaska Health Care Professions Loan Repayment & Incentive Program could be part of the solution to address this issue in Alaska. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention, and with input from stakeholders statewide that includes consideration of factors that are unique to Alaska; SB 139 will establish a program customized for Alaska.

The Nome Eskimo Community fully supports and encourages the passage of SB 139. Your support to assure the establishment of the Alaska Health Care Professions and Loan Repayment & Incentive program is greatly appreciated.

Respectfully,

NOME ESKIMO COMMUNITY


Denise Barengo, Executive Director



ALPHA

☆
ALASKA PUBLIC HEALTH ASSOCIATION

Committed To Advancing Alaska's Public Health Since 1978

March 20, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the Alaska Public Health Association (ALPHA) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

With alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

ALPHA supports SB 139 and urges passage of this important legislation. Your active steps to assure the establishment of the Alaska Health Care Professions Loan Repayment & Incentive Program are greatly appreciated.

Respectfully,

Jayne Andreen

President
ALPHA Board of Directors

P.O. Box 9-1825 Anchorage, AK 99509 907/332-1030 e-mail: publichealth@alaska.net
www.alaskapublichealth.org



AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

T 1-866-227-7447
F 907-341-2270
TTY 1-877-434-7598
www.aarp.org/ak

March 25, 2009

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 139 (Olson)—Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 139, authored by Senator Donald Olson and co-sponsored by Senators Bill Wielechowski, Kevin Meyer and you.

As you know, Alaska has a chronic shortage of health professionals. We compete with the other states who all have their own shortages. SB 139 follows a proven tradition of recruitment incentives by providing loan forgiveness and economic incentives to encourage health professionals to practice in our state. We understand that there is a cost to recruitment and retention. We also understand that there is a greater cost when our citizens are unable to secure the services of health professionals.

AARP requests an "AYE" vote on SB 139.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Joe Paskvan
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson
Senator Donald Olson



P.O. Box 787 (Mile 4.4 Talkeetna Spur Road) Talkeetna, AK 99676 (Ph) (907) 733-2273 (Fax) (907) 733-1735 schc@sunshineclinic.org

RE: Support for SB 139 Incentives Alaska Health Care Professions Loan Repayment & Incentive Program

March 25, 2009

Dear Senate and House Members of the Alaska State Legislature:

Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, Sunshine Community Health Center (SCHC) strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

SCHC's mission is to assist people in the upper Susitna Valley to meet their health care responsibilities by providing affordable, accessible, quality health care, including preventive aspects, to all people regardless of their ability to pay for services. We are a safety-net provider, with our primary focus on patients who are uninsured and unable to pay for basic medical care. We operate two clinics, one in Talkeetna that is open 6 days a week and one in Willow that is open 5 days a week.

The biggest obstacle to accomplishing our mission is our inability to fully staff the organization with the number of medical, dental, and mental health providers we need. As of this writing, SCHC has been recruiting unsuccessfully for a medical provider to staff our Willow clinic for 3 years. We have been recruiting for a full-time mental health professional for 2 years, a nurse for 1 year, and a dentist for 6 months. Two years ago, unsuccessful recruiting and unexpected vacancies shrank our staff of five medical providers (not including dental and mental health) to just two medical providers covering both clinics, and since then we have never been fully staffed.

Our efforts at recruitment during this period have attracted a high level of interest from providers interested in relocating to our community because of the attractive quality of life we offer. Unfortunately, once excitement gives way to realism, the following factors dissuade them from actually accepting a position and moving here:

- the high cost of student loans; medical and dental graduates average over \$100,000 of student debt;
- moving expenses;
- high cost of living in Alaska;
- the escalating cost of health insurance.

SCHC's experience is not unusual. With alarming and rising vacancy rates, Alaska is poised for a crisis unless there is some new intervention. Alaska is one of only six states without a state-sponsored incentive program such as a loan repayment program. The competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

Sunshine Community Health Center supports SB 139 and urges passage of this important legislation. Your support and action on this matter are greatly appreciated.

Respectfully,

Mary Loeb, MD
Medical Director of Sunshine Community Health Center



**Alaska Native
Tribal Health Consortium**

Administration · 4000 Ambassador Drive · Anchorage, Alaska 99508 · Phone: (907) 729-1900 · Fax: (907) 729-1901 · www.anthc.org

POSITION PAPER

CONTACT: Valerie Davidson, Senior Director
Legal and Intergovernmental Affairs
Through Pat Jackson, State Liaison for Alaska Native Health
523-0363 – pajackson@anthc.org

DATE: March 24, 2009

RE: SB 139 - "An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

POSITION: Support

The Alaska Native Tribal Health Consortium (ANTHC) strongly supports SB 139 – Incentives for Certain Medical Providers.

ANTHC is a tribally controlled, non-profit, statewide tribal health organization formed pursuant to federal law to provide a range of medical and community health services for more than 130,000 Alaska Natives. It is part of the Alaska Tribal Health System (ATHS), which is owned and managed by the 231 federally recognized tribes in Alaska and by their respective regional health organizations.

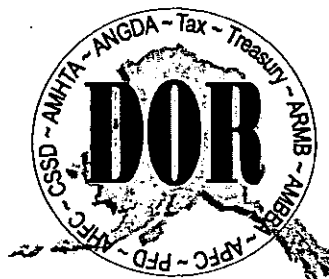
ANTHC and Southcentral Foundation jointly manage the Alaska Native Medical Center (ANMC), the tertiary hospital of the ATHS located in Anchorage. ANMC has 139 physicians, 37 dentists and 500 nurses on staff, along with many more employees working in health-related professions. We have the same workforce challenges our partner health organizations in Alaska face, competing with employers in the Lower 48 to recruit and retain a quality workforce.

Ideally we would "grow our own" health professionals in numbers that would meet our workforce needs. We have made progress over the years—the tribal health system offers internships and scholarships that bring some of our best and brightest to the medical field. More Alaska Natives are choosing Medical and Dental careers; a University of Alaska Anchorage program, Recruitment and Retention of Alaska Natives into Nursing, is graduating more Alaska Native nurses; many of our Community Health Aides have built on their basic training opportunities to prepare for advancing careers; and the Dental Health Aide Program is graduating students who fill a need for dental health services and patient education. But we are increasingly challenged in our efforts to recruit health professionals.

We understand Alaska is only one of six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and that national studies on workforce recruitment and retention have found that loan repayment and incentives are among the most effective way to help alleviate workforce shortages. ANTHC urges your favorable consideration and passage of SB 139 to help us turn the corner on Alaska's health care workforce.

State of Alaska

Department of Revenue
Administrative Services Division



SARAH PALIN, GOVERNOR

333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0405
Phone: (907) 465-2300
Fax: (907) 465-2394

March 27, 2009

The Honorable John Coghill
Rules Chair, House of Representatives
Alaska State Capitol, Room 214
Juneau, AK 99801

Dear Representative Coghill;

A separate letter should be entered on the record to clarify a sentence in the March 16, 2009 letter to Senator Hollis French. This sentence has been used on correspondence to your office as well. The letter is posted on-line in Basis under "Documents" for SB96. The clarification letter should include the following:

"This letter clarifies that the proposed Uniform Interstate Family Support Act (UIFSA) amendment to SB 96 does not grant authority to Indian tribes either to issue or serve an income withholding order on an employer in the State of Alaska. UIFSA defines the employer's responsibility when the employer receives an income withholding order. Employers in the State of Alaska will be required to comply with income withholding orders issued by an Indian tribe as provided in AS 25.25.501-07."

The same sentence is also found in the March 20, 2009 letter to Representative Coghill.

Thank you for working with us on this issue.

Sincerely,

Ginger Blaisdell
Director

UAA UNIVERSITY of ALASKA ANCHORAGE
Dental Clinic

Re: Support for SB 139 Incentives for Certain Medical Providers

March 15 2009

Dear Senate and House Members of the Alaska State Legislature:
Senator Bettye Davis, Chair, and Members of the Senate HSS Committee

The University of Alaska Anchorage Dental Hygiene Program has produced successful candidates for over thirty years, our graduates placing second nationally in two of the last three years. Our goal is to prepare professionals who are familiar with the most advanced technology and evidenced-based practice and proficient in providing a wide range of dental services to diverse populations in a caring manner. It is a well known fact that we face an increasing demand for dental care with the burgeoning senior population, in addition to the many citizens who lack access to care. Poor dental health directly compromises systemic health, and contributes to a myriad of complications when not addressed. Our rural population suffers the most. Because the health care workforce shortage in Alaska is reducing health care access for our state's residents, the University of Alaska Anchorage Dental Hygiene Program strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete with the lower 48 in recruitment of providers from a shrinking national pool.

Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program. The competition for recruitment of providers is very difficult. Due to alarming and rising vacancy rates, Alaska is posed for a crisis without intervention. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists or hygienists; physician assistants and nurse practitioners are increasingly difficult to recruit. Dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska.

The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces by providing more support to those willing to serve at risk populations. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. Loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states, proving less costly and more effective than other methods. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

The University of Alaska Anchorage Dental Hygiene Program supports SB 139 and strongly recommends passage of this important legislation.

Respectfully,



Elizabeth Barnett, Clinic Director
UAA Dental Hygiene Program
3211 Providence Drive
Allied Health Science Bldg #121
Anchorage, Alaska 99508
barnett@uaa.alaska.edu
907.786.6926

Comments Regarding Senate Bill 139

These comments are unsolicited support for Senate Bill 139.

My name is David Head, M.D. I have practiced medicine in Nome, Alaska at Norton Sound Health Corporation nearly 21 years, 20 of those years as Chief of Staff. I have also served on the Alaska State Medical Board for the last 7 years, 4 of those years as the Chairman for the Board. In addition I have served on multiple State and National committees and advisory groups regarding Physician Shortage and recruitment and retention strategies.

It is these experiences that cause me to be such a strong supporter for Senate Bill 139.

At this time Alaska is entering a crisis situation when it comes to adequate medical providers. For the first 15 years that I was in Nome, if we had a vacancy open up we were able to pick and choose between several qualified, experienced and well educated physicians to fill that slot. We had no difficulty maintaining a full staff. During the last 5 years this has changed dramatically. The national shortage of primary care physicians, along with the dramatic increase in the cost of living in Bush Alaska has led us into operating in crisis mode. We have slowly gone from a full time staff of 8 physicians to now 3. We scramble to maintain adequate coverage with temporary "traveling doctors", often going through 20-30 different physicians per year to provide basic care. This makes it near impossible to maintain the high quality level of care that the people of this area have become accustomed to, as well as burning out our regular doctors. We have hired recruitment firms that over the last 3 years have only been able to find 2 doctors that would even come for interview. Although I do not see Senate Bill 139 as the "cure all", I do believe it offers immediate aid and will greatly help give us additional chips to play in this game of attracting the professionals that we so greatly need until other more long term answers can be found.

Thank you for your time and dedicated service.

David Head, M.D.
Chief of Staff
Norton Sound Health Corporation
Nome, Alaska

From: Barbara Hale [mailto:bfhale1@msn.com]
Sent: Sunday, April 05, 2009 3:44 PM
To: Sen. Bettye Davis; Sen. Joe Paskvan; Sen. Johnny Ellis; Sen. Joe Thomas; Sen. Fred Dyson
Cc: Sen. Donny Olson; Sen. Bill Wielechowski; Sen. Kevin Meyer; Natalie Hale
Subject: The Alaska Health Care Professions Loan Repayment & Incentive Program
Importance: High

Dear Senators Davis, Paskvan, Ellis, Thomas and Dyson,

Alaska is one of only six states without a state-sponsored support-for-service program such as a loan repayment and incentive program and is losing ground. Competition for recruitment of providers is very difficult. Currently only 2% of medical students nationally are choosing the primary care field; more than 90 pharmacist vacancies exist in Alaska; many communities have inadequate access to dentists; physician assistants and nurse practitioners are increasingly difficult to recruit; nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists are all in short supply in Alaska. The Alaska Health Care Professions Loan Repayment & Incentive Program provides an important part of the solution to the workforce shortage Alaska faces. This proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. Loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. This proposal is more cost-efficient and results-producing than other methods.

My daughter, Natalie Hale, will be entering her first year of medical school in August at the University of Washington WWAMI program in Anchorage. With more than \$50,000 in student loan debt from her undergraduate studies at Yale already, the Alaska Health Care Professions Loan Repayment and Incentive Program will offer an incentive and encouragement for her to be able to pursue her first love, public health policy and primary care, here in Alaska. Thank you all for your consideration of this important policy under SB 139 to help alleviate health care shortages that Alaska is experiencing and to help retain providers who begin their studies here.

Best Regards,
Barbara Hale
P.O. Box 240211
Douglas, AK 99824-0211
907-586-6590



Alaska Native Health Board

1840 Bragaw Street, Suite 220
Anchorage, Alaska 99508

Phone: (907) 562-6006
Fax: (907) 563-2001

April 3, 2009

Senator Donny Olson
State Capital Building, Room 514
Juneau, Alaska 99801-1182

Dear Senator Olson,

We write to express our support for SB 139, an act establishing a health professions loan repayment program and employment incentive program. **Alaska is one of only six states without a state-sponsored health professions support-for-service program such as a loan repayment and incentive program.** This, in combination with national health profession shortage dynamics, has given rise to an alarming vacancy rate among health professions in Alaska, particularly for Alaska Tribal providers, many of whom are located in remote rural areas of Alaska, and many of whom are the only health providers in their regions.

The competition for recruitment of providers is very difficult. Nationally, only 2% of medical students are choosing the primary care field. In Alaska, there are more than 90 pharmacist vacancies, many in rural areas. Many communities, particularly in rural areas, have well-documented shortages of dentists, physician assistants, nurse practitioners, nurses, dental hygienists, psychologists, licensed certified social workers, and physical therapists.

SB 139 provides an important part of the solution to the workforce shortage Alaska faces. The proposal was developed after careful review of national studies of best practices for workforce recruitment and retention and input from stakeholders statewide, including consideration of factors unique to Alaska. More cost-efficient and results-producing than other methods, loan repayment and incentives have been shown to effectively help alleviate shortage problems in other states. SB 139 establishes a loan repayment and incentive program customized for Alaska and will provide much needed relief for our state.

Because of the severe impact of the health workforce shortage on healthcare access for Alaska's residents, particularly among Alaska Natives and others served by Alaska Tribal health providers, the Alaska Native Health Board strongly supports SB 139 to establish a loan repayment and incentive program to allow Alaska to compete in recruitment of health professionals from a shrinking national labor pool.

Respectfully,

Evangelyn Dotomain
President/CEO

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/9/09

FURTHER: Finance

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 4/7/09

Health and Social Services Committee considered SENATE BILL NO. 139

SB 139 INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

"An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

and recommends:

- be replaced with SCS or CS SB 139 (HSS)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
<input checked="" type="checkbox"/> Same Title
<input type="checkbox"/> New Title
HOUSE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indel	Zero	FN#
DHS/MAA	3/23	✓			1
EEO/APE	3/20			✓	2

Department	Date	Fiscal	Indel	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	ELLIS	✓			
<i>[Signature]</i>	THOMAS	✓			
<i>[Signature]</i>	DUNN				✓
<i>[Signature]</i>	PAKVAN	X			
CHAIR: <i>[Signature]</i>	DAVIS	X			

CS FOR SENATE BILL NO. 139(HSS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS OLSON, Wielechowski, Meyer, Davis

A BILL
FOR AN ACT ENTITLED

1 **"An Act establishing a loan repayment program and employment incentive program for**
2 **certain health care professionals employed in the state; and providing for an effective**
3 **date."**

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

5 *** Section 1. AS 14.43 is amended by adding new sections to read:**

6 **Article 8A. Health Care Professions Loan Repayment.**

7 **Sec. 14.43.430. Loan repayment; purpose. (a) The commission shall repay a**
8 **portion of education loans made to eligible tier I and tier II health care professionals**
9 **under the health care professions loan repayment and employment incentive program**
10 **established in AS 18.29.010 and the loan repayment procedures established under this**
11 **section.**

12 **(b) The Department of Health and Social Services shall administer the health**
13 **care professions loan repayment program under AS 18.29.010 - 18.29.099. The**
14 **commission shall act as a disbursing agent in carrying out the provisions of**

1 AS 14.43.430 - 14.43.449.

2 (c) Loan repayments under this section shall be made with funds appropriated
3 by the legislature for that purpose. The loan repayments made under this section do
4 not constitute a financial obligation of the corporation.

5 **Sec. 14.43.435. Eligibility.** To be eligible for loan repayment under
6 AS 14.43.430, an individual must

7 (1) meet eligibility and priority criteria established under
8 AS 18.29.030;

9 (2) have an unpaid balance on one or more education loans verified by
10 the commission; and

11 (3) meet other criteria established by the commission.

12 **Sec. 14.43.440. Conditions and limitations on loan payments.** (a) A loan
13 repayment under AS 14.43.430 - 14.43.449 shall be in an amount not to exceed 33.3
14 percent of the unpaid loan balance existing in the first year of program participation,
15 multiplied by the percentage of full time equivalent employment for each of up to
16 three years of qualified employment less a matching loan or incentive amount from an
17 employer or other entity as determined under AS 18.29.020.

18 (b) The commission shall make a loan repayment under this section in
19 quarterly installments payable to the lending institution. A loan repayment made under
20 this section may not exceed the annual benefit amounts established under
21 AS 18.29.020(b). The commission may not make a loan repayment installment for an
22 employment period of less than one calendar quarter.

23 (c) A loan or interest on a loan is not eligible for repayment under this section
24 if the loan or interest is eligible for repayment from another source, including another
25 loan repayment or forgiveness program or an employer-sponsored repayment
26 program.

27 **Sec. 14.43.449. Definitions.** In AS 14.43.430 - 14.43.449,

28 (1) "qualified employment" has the meaning given in AS 18.29.099;

29 (2) "tier I health care professional" means a dentist, pharmacist, or
30 physician;

31 (3) "tier II health care professional" means a dental hygienist,

1 registered nurse, certified nurse practitioner, physician assistant, physical therapist,
 2 clinical psychologist, or clinical social worker holding at least a master's degree in
 3 social work.

4 * Sec. 2. AS 18 is amended by adding a new chapter to read:

5 **Chapter 29. Health Care Professions Loan Repayment and Incentive Program.**

6 **Sec. 18.29.010. Health care professions loan repayment and incentive**
 7 **program; purpose; advisory body.** (a) The health care professions loan repayment
 8 and incentive program is established in the department for the purpose of addressing
 9 the worsening shortage of certain health care professionals in the state by increasing
 10 the number and improving the distribution of health care professionals who provide
 11 direct patient care.

12 (b) The program established under this section must include

- 13 (1) loan repayments made under AS 14.43.430 - 14.43.449;
 14 (2) direct incentives paid under AS 18.29.020;
 15 (3) procedures for the commissioner's designation and prioritization of
 16 sites eligible for participation in the program;
 17 (4) an application process for participation in the program as
 18 (A) an eligible site; or
 19 (B) a tier I or tier II health care professional;
 20 (5) the dissemination of public information and notices pertinent to the
 21 program;
 22 (6) classification by the commissioner of each eligible site as having
 23 either regular or very hard-to-fill positions, or both;
 24 (7) a lifetime maximum period of six years for participation in the loan
 25 repayment and direct incentive aspects of the program by a tier I or tier II health care
 26 professional; and
 27 (8) annual program evaluations and reports.

28 (c) Except as provided under AS 14.43.430, the program shall be administered
 29 by the commissioner in consultation with an advisory body appointed by the
 30 commissioner. The advisory body is made up of members with health care expertise,
 31 including expertise in economic issues affecting the hiring and retention of health care

1 professionals in the state. Members of the advisory body serve at the pleasure of the
2 commissioner to provide recommendations for and oversight and evaluation of all
3 aspects of the program. The commissioner shall accept a recommendation of the
4 advisory body on a matter pertaining to the identification and monitoring of areas of
5 shortages, eligible sites, payment priorities, or evaluation of the program, unless the
6 commissioner finds, in writing, that the recommendation cannot be financially or
7 otherwise supported by the department.

8 **Sec. 18.29.020. Direct incentives.** (a) The department shall provide direct
9 incentives in the form of quarterly cash payments to eligible tier I and tier II health
10 care professionals engaged in qualified employment. The department may not make an
11 incentive payment

12 (1) before the employment period begins;

13 (2) for a period of qualified employment of less than three months; or

14 (3) under a contract term that is less than one calendar quarter.

15 (b) Payments made under this section, when combined with a loan repayment
16 amount paid under AS 14.43.440, if any, may not exceed

17 (1) \$35,000 annually for a tier I health care professional employed in a
18 regular position;

19 (2) \$47,000 annually for a tier I health care professional employed in a
20 very hard-to-fill position;

21 (3) \$20,000 annually for a tier II health care professional employed in
22 a regular position; or

23 (4) \$27,000 annually for a tier II health care professional employed in
24 a very hard-to-fill position.

25 (c) The commissioner shall calculate the annual incentive payment amount by
26 multiplying the annual maximum payment under (b) of this section by the percentage
27 of full time equivalent employment for each of not more than three years of qualified
28 employment less a matching payment amount as determined under (d) of this section
29 and loan repayment amount, if any, under AS 14.43.440.

30 (d) An employer or other entity that employs an eligible tier I or tier II health
31 care professional at an eligible site shall make nonrefundable quarterly matching

1 payments to the department. The payments must be in an amount that is

2 (1) not more than half of the combined annual incentive payment made
3 under (c) of this section and the loan repayment amount paid under AS 14.43.440(a),
4 as determined by the commissioner; and

5 (2) based on the employer's or entity's ability to pay, as determined by
6 the commissioner, in consultation with the program advisory body.

7 (e) A payment made under (d) of this section shall be combined with the
8 payment made to the professional by the department.

9 **Sec. 18.29.030. Eligibility and priority.** (a) To be eligible for a direct
10 incentive payment under AS 18.29.020, an individual shall

11 (1) submit an application on a form approved by the commissioner;

12 (2) be engaged in qualified employment;

13 (3) be licensed as a tier I or tier II health care professional in the state
14 within 90 days after the first day of employment;

15 (4) meet a priority for payment established under (b) of this section;
16 and

17 (5) meet other criteria established by the commissioner.

18 (b) The commissioner shall establish priorities for payment of a loan and
19 incentive under the program based on the recommendations of the program advisory
20 body and the availability of funding. The commissioner shall prioritize eligible sites
21 based on the percentage of patients treated at the site who

22 (1) are uninsured;

23 (2) have or are eligible for medical assistance or Medicare coverage; or

24 (3) have or are eligible for other federal health program benefits.

25 **Sec. 18.29.099. Definitions.** In AS 18.29.010 - 18.29.099,

26 (1) "commissioner" means the commissioner of health and social
27 services;

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

29 (3) "eligible site" means a service area or health care facility that the
30 commissioner has designated as located in a health care services shortage area based
31 on a needs assessment and employment statistics for qualified tier I or tier II health

1 care professionals;

2 (4) "program" means the health care professions loan repayment and
3 incentive program;

4 (5) "qualified employment" means employment of a tier I or tier II
5 health care professional at an eligible site at which the health care professional is hired
6 and paid to work

7 (A) in a full-time or not less than half-time position;

8 (B) for a contract term that is not less than three years; and

9 (C) not less than 50 percent time on direct patient health care
10 services;

11 (6) "tier I health care professional" means a dentist, pharmacist, or
12 physician;

13 (7) "tier II health care professional" means a dental hygienist,
14 registered nurse, certified nurse practitioner, physician assistant, physical therapist,
15 clinical psychologist, or clinical social worker holding at least a master's degree in
16 social work.

17 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

26-LS0501P
Mischel
3/25/09

CS FOR SENATE BILL NO. 139()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATORS OLSON, Wielechowski, Meyer, Davis

*Committee
meeting accepted
4/6/09*

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a loan repayment program and employment incentive program for**
2 **certain health care professionals employed in the state; and providing for an effective**
3 **date."**

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

5 *** Section 1. AS 14.43 is amended by adding new sections to read:**

6 **Article 8A. Health Care Professions Loan Repayment.**

7 **Sec. 14.43.430. Loan repayment; purpose.** (a) The commission shall repay a
8 portion of education loans made to eligible tier I and tier II health care professionals
9 under the health care professions loan repayment and employment incentive program
10 established in AS 18.29.010 and the loan repayment procedures established under this
11 section.

12 (b) The Department of Health and Social Services shall administer the health
13 care professions loan repayment program under AS 18.29.010 - 18.29.099. The
14 commission shall act as a disbursing agent in carrying out the provisions of

1 AS 14.43.430 - 14.43.449.

2 (c) Loan repayments under this section shall be made with funds appropriated
3 by the legislature for that purpose. The loan repayments made under this section do
4 not constitute a financial obligation of the corporation.

5 **Sec. 14.43.435. Eligibility.** To be eligible for loan repayment under
6 AS 14.43.430, an individual must

7 (1) meet eligibility and priority criteria established under
8 AS 18.29.030;

9 (2) have an unpaid balance on one or more education loans verified by
10 the commission; and

11 (3) meet other criteria established by the commission.

12 **Sec. 14.43.440. Conditions and limitations on loan payments.** (a) A loan
13 repayment under AS 14.43.430 - 14.43.449 shall be in an amount not to exceed 33.3
14 percent of the unpaid loan balance existing in the first year of program participation,
15 multiplied by the percentage of full time equivalent employment for each of up to
16 three years of qualified employment less a matching loan or incentive amount from an
17 employer or other entity as determined under AS 18.29.020.

18 (b) The commission shall make a loan repayment under this section in
19 quarterly installments payable to the lending institution. A loan repayment made under
20 this section may not exceed the annual benefit amounts established under
21 AS 18.29.020(b). The commission may not make a loan repayment installment for an
22 employment period of less than one calendar quarter.

23 (c) A loan or interest on a loan is not eligible for repayment under this section
24 if the loan or interest is eligible for repayment from another source, including another
25 loan repayment or forgiveness program or an employer-sponsored repayment
26 program.

27 **Sec. 14.43.449. Definitions.** In AS 14.43.430 - 14.43.449,

28 (1) "qualified employment" has the meaning given in AS 18.29.099;

29 (2) "tier I health care professional" means a dentist, pharmacist, or
30 physician;

31 (3) "tier II health care professional" means a dental hygienist,

1 registered nurse, certified nurse practitioner, physician assistant, physical therapist,
2 clinical psychologist, or clinical social worker holding at least a master's degree in
3 social work.

4 * Sec. 2. AS 18 is amended by adding a new chapter to read:

5 **Chapter 29. Health Care Professions Loan Repayment and Incentive Program.**

6 **Sec. 18.29.010. Health care professions loan repayment and incentive**
7 **program; purpose; advisory body.** (a) The health care professions loan repayment
8 and incentive program is established in the department for the purpose of addressing
9 the worsening shortage of certain health care professionals in the state by increasing
10 the number and improving the distribution of health care professionals who provide
11 direct patient care.

12 (b) The program established under this section must include

- 13 (1) loan repayments made under AS 14.43.430 - 14.43.449;
14 (2) direct incentives paid under AS 18.29.020;
15 (3) procedures for the commissioner's designation and prioritization of
16 sites eligible for participation in the program;
17 (4) an application process for participation in the program as
18 (A) an eligible site; or
19 (B) a tier I or tier II health care professional;
20 (5) the dissemination of public information and notices pertinent to the
21 program;
22 (6) classification by the commissioner of each eligible site as having
23 either regular or very hard-to-fill positions, or both;
24 (7) a lifetime maximum period of six years for participation in the loan
25 repayment and direct incentive aspects of the program by a tier I or tier II health care
26 professional; and
27 (8) annual program evaluations and reports.

28 (c) Except as provided under AS 14.43.430, the program shall be administered
29 by the commissioner in consultation with an advisory body appointed by the
30 commissioner. The advisory body is comprised of members with health care expertise,
31 including expertise in economic issues affecting the hiring and retention of health care

1 professionals in the state. Members of the advisory body serve at the pleasure of the
 2 commissioner to provide recommendations for and oversight and evaluation of all
 3 aspects of the program. The commissioner shall accept a recommendation of the
 4 advisory body on a matter pertaining to the identification and monitoring of areas of
 5 shortages, eligible sites, payment priorities, or evaluation of the program, unless the
 6 commissioner finds, in writing, that the recommendation cannot be financially or
 7 otherwise supported by the department.

8 **Sec. 18.29.020. Direct incentives.** (a) The department shall provide direct
 9 incentives in the form of quarterly cash payments to eligible tier I and tier II health
 10 care professionals engaged in qualified employment. The department may not make an
 11 incentive payment

- 12 (1) before the employment period begins;
- 13 (2) for a period of qualified employment of less than three months; or
- 14 (3) under a contract term that is less than one calendar quarter.

15 (b) Payments made under this section, when combined with a loan repayment
 16 amount paid under AS 14.43.440, if any, may not exceed

- 17 (1) \$35,000 annually for a tier I health care professional employed in a
 18 regular position;
- 19 (2) \$47,000 annually for a tier I health care professional employed in a
 20 very hard-to-fill position;
- 21 (3) \$20,000 annually for a tier II health care professional employed in
 22 a regular position; or
- 23 (4) \$27,000 annually for a tier II health care professional employed in
 24 a very hard-to-fill position.

25 (c) The commissioner shall calculate the annual incentive payment amount by
 26 multiplying the annual maximum payment under (b) of this section by the percentage
 27 of full-time-equivalent employment for each of not more than three years of qualified
 28 employment less a matching payment amount as determined under (d) of this section
 29 and loan repayment amount, if any, under AS 14.43.440.

30 (d) An employer or other entity that employs an eligible tier I or tier II health
 31 care professional at an eligible site shall make nonrefundable quarterly matching

1 payments to the department. The payments must be in an amount that is

2 (1) not more than half of the combined annual incentive payment made
3 under (c) of this section and the loan repayment amount paid under AS 14.43.440(a),
4 as determined by the commissioner; and

5 (2) based on the employer's or entity's ability to pay, as determined by
6 the commissioner, in consultation with the program advisory body.

7 (e) A payment made under (d) of this section shall be combined with the
8 payment made to the professional by the department.

9 **Sec. 18.29.030. Eligibility and priority.** (a) To be eligible for a direct
10 incentive payment under AS 18.29.020, an individual shall

11 (1) submit an application on a form approved by the commissioner;

12 (2) be engaged in qualified employment;

13 (3) be licensed as a tier I or tier II health care professional in the state
14 within 90 days after the first day of employment;

15 (4) meet a priority for payment established under (b) of this section;
16 and

17 (5) meet other criteria established by the commissioner.

18 (b) The commissioner shall establish priorities for payment of a loan and
19 incentive under the program based on the recommendations of the program advisory
20 body and the availability of funding. The commissioner shall prioritize eligible sites
21 based on the percentage of patients treated at the site who

22 (1) are uninsured;

23 (2) have or are eligible for medical assistance or Medicare coverage; or

24 (3) have or are eligible for other federal health program benefits.

25 **Sec. 18.29.099. Definitions.** In AS 18.29.010 - 18.29.099,

26 (1) "commissioner" means the commissioner of health and social
27 services;

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

29 (3) "eligible site" means a service area or health care facility that the
30 commissioner has designated as located in a health care services shortage area based
31 on a needs assessment and employment statistics for qualified tier I or tier II health

1 care professionals;

2 (4) "program" means the health care professions loan repayment and
3 incentive program;

4 (5) "qualified employment" means employment of a tier I or tier II
5 health care professional at an eligible site at which the health care professional is hired
6 and paid to work

7 (A) in a full-time or not less than half-time position;

8 (B) for a contract term that is not less than three years; and

9 (C) not less than 50 percent time on direct patient health care
10 services;

11 (6) "tier I health care professional" means a dentist, pharmacist, or
12 physician;

13 (7) "tier II health care professional" means a dental hygienist,
14 registered nurse, certified nurse practitioner, physician assistant, physical therapist,
15 clinical psychologist, or clinical social worker holding at least a master's degree in
16 social work.

17 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON



ALASKA STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-3707
FAX: (907) 465-4821

MEMORANDUM

Date: March 18, 2009

To: Senator Bettye Davis, Chair of the Senate HSS Committee

Subject: Hearing Request for SB 139 Incentives for Certain Medical Providers

Senator Davis,

I would like to respectfully request that the Senate Committee on Health and Social Services schedule my bill, SB 139 Incentives for Certain Medical Providers, for a hearing at your earliest convenience. Thank you for your consideration, and if you have any questions, please feel free to contact my aide Kendri Cesar at 465-3877.

Sincerely,

Kendri M. Cesar
Senator Donald C. Olson

PAGE 1: The following change to Sec. 14.43.430(b): "The commission shall act as **final disbursing agent...**"

PAGE 2: The following change to Sec. 14.43.435(2): "have an unpaid balance on one or more education loans **approved verified** by the commission;" (REASON: to clarify that the education loans referred to are not provided by the commission, only verified)

PAGE 2: The following change to Sec. 14.43.440(a): "...the unpaid loan balance existing in the first **repayment year, plus interest, year of program participation** multiplied by..." (REASON: to clarify calculation)

PAGE 3: The following change to Sec. 18.29.010(c): Replace "AS 14.43.435" with "AS 14.43.430" (REASON: technical correction)

PAGE 5: The following changes to Sec. 18.29.030(b): "The commissioner shall prioritize eligible sites based on the **volume percentage** of patients treated at the site who are uninsured; **and** who have **or are eligible for** medical assistance; **or who have or are eligible for** Medicare coverage; **or who have or are eligible for other federal health program benefits.** " (REASON: to include those with VA benefits or those who qualify for tribal healthcare)

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

SENATOR ALBERT KOOKESH
SENATOR JOE THOMAS
SENATOR HOLLIS FRENCH
SENATOR LINDA MENARD



ALASKA STATE CAPITOL
ROOM 514
JUNEAU, AK, 99801-1182
(907) 465-3877
FAX: (907) 465-4821

Senate Bill 139 – Incentives for Certain Medical Providers

Version 26-LS0503\E

SPONSOR STATEMENT

Alaska is facing a serious shortage of healthcare practitioners, especially in the rural areas of our state, and it is projected to worsen significantly in the next few decades. Senate Bill 139 is intended to address this issue by establishing a program to immediately begin filling the vacant healthcare practitioner positions throughout the state.

This legislation will establish a loan repayment and incentive program in the Department of Health and Social Services. The program is designed to attract healthcare practitioners to Alaska. Currently, the WWAMI program serves a similar purpose by giving WWAMI medical students the option of paying off a portion of their loans by staying in Alaska to practice for a specified number of years. Last year, the number of WWAMI seats was increased from 10 to 20, and this year, SB 18 aims to raise that number to 24. However, expanding the WWAMI program only ensures that we have more healthcare practitioners in future years, as WWAMI participants must complete their education before they can begin their service. Therefore, it is not the immediate solution that we need. SB 139 would be an effective way to fill this gap in the very near future, and would attract healthcare practitioners from all areas of country, rather than just from the WWAMI participating states.

Senate Bill 139 will provide loan repayments and incentives for up to 90 applicants per year in 10 different health care occupations. Sixty of the slots will be reserved for "regular" site positions, which can be located anywhere in the state. Thirty of the slots will be reserved for "very-hard-to-fill" positions, which can be located only in areas that are designated by the

Commissioner of Health and Social Services. Priority will be given to sites that treat patients who are uninsured and who have medical assistance or Medicare coverage. The amount of monetary incentive will vary with each slot, according to location and the category of healthcare provided.

Prioritized Tier 1 slots are designated according to the relative need in the state, and will include physicians, pharmacists and dentists. A slot in this tier has incentives of up to \$35,000 per year for three years at a regular site, and up to \$47,000 per year for three years at a very-hard-to-fill site. Tier 2 slots are also designated according to the relative need in the state, and will include dental hygienists, registered nurses, certified nurse practitioners, physician assistants, physical therapists, clinical psychologists, and clinical social workers holding at least a master's degree in social work. A slot in this tier has incentives of up to \$20,000 per year for three years at a regular site, and up to \$27,000 per year for three years at a very-hard-to-fill site.

It is critical that we promptly address Alaska's healthcare shortages in order to ensure that all Alaskans have adequate access to medical care. SB 139 helps us to save and improve the lives of our constituents by allowing us to provide for those who cannot wait until tomorrow to get the care that they need today.

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 17, 2009

SUBJECT: Sectional Summary (SB 139; Work Order No. 26-LS0503\E)

TO: Senator Donald Olson
Attn: Kendri Cesar

FROM: Jean M. Mischel
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. Requires the Alaska Commission on Postsecondary Education to repay education loans made to health care professionals, as defined, under eligibility criteria established in sec. 2. Specifies that the loan repayment obligation is not a financial obligation of the corporation. Provides for quarterly payments based on the fulfillment of qualified employment at eligible sites located in the state.

Section 2. Establishes the health care professions loan repayment and incentive program in the Department of Health and Social Services for the purpose of addressing a shortage of certain health care professionals in the state and for improving the distribution of those professionals. Requires the commissioner of health and social services to administer the program, to designate and prioritize eligible employment sites, and to monitor the program in consultation with an advisory body established under this section. Provides for maximum combined loan repayment and employment incentives base on the type of employment.

Section 3. Provides for an immediate effective date for the bill.

JMM:ljw
09-162.ljw

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 139
() Publish Date: _____

Identifier (file name): SB139-DHSS-MAA-03-23-09 Dept. Affected: Health & Social Services
Title: Incentives for Certain Medical Providers RDU: Health Care Services
Sponsor: Olson, Wielechowski, Meyer, Davis Component: Medical Assistance Administration
Requester: Senate HSS Component Number: 2660

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services	181.4		181.4	181.4	181.4	181.4	181.4
Travel	9.0		9.0	9.0	9.0	9.0	9.0
Contractual	2,478.4		4,818.4	7,193.4	7,193.4	7,193.4	7,193.4
Supplies	4.0		4.0	4.0	4.0	4.0	4.0
Equipment	15.2						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	2,688.0	0.0	5,012.8	7,387.8	7,387.8	7,387.8	7,387.8

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

1002 Federal Receipts							
1003 GF Match	1,781.2		3,562.4	5,343.8	5,343.8	5,343.8	5,343.8
1004 GF	313.0		262.8	262.8	262.8	262.8	262.8
1005 GF/Program Receipts	593.8		1,187.6	1,781.2	1,781.2	1,781.2	1,781.2
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	2,688.0	0.0	5,012.8	7,387.8	7,387.8	7,387.8	7,387.8

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time	2		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 139 creates a loan repayment program for identified health professional occupations and provides for cash incentives for eligible health professionals engaged in qualified employment. The intent of the legislation is to "address the worsening shortage of certain health care professionals in the state by increasing the number and improving the distribution of health care professionals who provide direct patient care."

(continued on next page)

Prepared by: William J. Streur, Deputy Commissioner Phone (907) 334-2520
Division: DHSS Health Care Services Date/Time 3/23/09 12:00 PM
Approved by: Alison Elgee, Assistant Commissioner Date 3/23/2009
DHSS Finance & Management Services

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. SB 139

ANALYSIS CONTINUATION

The Division of Health Care Services estimates that it will need a total of 2 FTE's to fully administer the loan repayment and employment incentive programs.

Health Care Professions Loan Repayment & Incentive Program

The Division assumes it will need \$2,375.0 for practitioner payments in FY2010. This funding will be used for either practitioner payments as cash incentives, or payments to lender institutions for loan repayments, or there can be a combination of the two types of payments. Maximum payments established for any combination of loan repayment and cash incentive are: \$35.0 annually for tier I health care professionals employed in "regular" positions; \$47.0 annually for tier I health care professionals employed in "very hard-to-fill" positions; \$20.0 annually for tier II health care professionals employed in "regular" positions; and \$27.0 annually for tier II health care professionals employed in "very hard-to-fill" positions. The need for \$2,375.0 in FY2010 assumes the following:

Tier I	27 Practitioners	\$1,017.0
Tier II	63 Practitioners	<u>\$1,358.0</u>
Total	90 Practitioners	\$2,375.0

The Division assumes the employing entity will provide 25% of the \$2,375.0 as contributing match as specified in SB139. Therefore the expected GF match is \$1,781.2. The match for the employing entity is \$593.8.

Administrative Costs

1 Health Program Manager III, \$104,675, 1 Accounting Technician III, \$76,700. All personal services costs include benefits. Assumes \$9.4 per FTE annually for office space, phones, and other contractual costs; \$2.6 one time costs per FTE for computers and software; \$5.0 one time costs per FTE for office equipment; \$2.0 per FTE annually for supplies; \$9.0 per year for travel; \$50.0 per year for a program evaluation contract.

Health Program Manager III.

Serve as lead program manager for the loan repayment and employment incentive program.

Establish procedures for the commissioner's designation and prioritization of sites eligible for participation in the program.

Develop the application process for participation in the program for sites and professionals.

Develop and disseminate public information and notices pertinent to the program.

Lead the development of the methodology and procedures for classifying each eligible site as having either regular or very hard-to-fill positions.

Prepare annual reports that document the successes and challenges of the program.

Facilitate the creation of and ongoing work of the advisory committee.

Establish procedures and manage the employer contribution portion of the program.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. SB 139

ANALYSIS CONTINUATION

Accounting Technician III.

The Accounting Technician III will prepare, submit for approval, and update as needed, RSA's between the DHSS and EED. The technician will be responsible developing all spreadsheets for tracking payments to each cohort of practitioners. In addition, the technician may be required to develop a database to assist financial tracking procedures. The technician will be responsible for preparing monthly financial reports that are to be provided to HCS administrative and program staff. The position will be responsible for the proper close-out of all financial case files for all practitioners, monthly reconciliation of all HCS financial transactions related to the loan repayment program, and for the close-out of all RSA's related to the program.

Assumes one time cost of \$35.0 for contractual services/software development for Alaska Commission on Postsecondary Education (ACPE).

ACPE will facilitate the disbursement of the loan repayment benefit. It will not to be the budgetary agency for requesting and receiving the funds. After HCS selects program participants, ACPE will verify the existence of their qualifying education debt and, on a periodic basis, transmit the appropriate benefit amount to the individual's lender.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: SB139
Bill Version: _____
() Publish Date: _____

Identifier (file name): SB139-EED-ACPE-03-20-09 Dept. Affected: Education
Title An Act establishing a loan repayment program and RDU ACPE
employment incentive program for certain health care... Component Program Administration and
Sponsor Senator Donald Olson Operations
Requester (S)HSS Component Number 2738

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
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	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 Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation will require the Alaska Commission on Postsecondary Education (ACPE) to serve as fiscal agent for a loan repayment program for certain health care professionals employed in the state. As drafted, the Department of Health and Social Services (HSS) is the primary administrative agency. Based on HSS estimates of the number of individuals participating in the program, it will be of sufficient size that ACPE, in order to mitigate the need for manual processing and related personal services expenses, will need to procure services to develop a program database to ensure program benefits are paid out in compliance with program statutes and ensure accurate annual reporting of benefits paid to the Internal Revenue Service. We estimate the one-time contractual costs would be \$35 thousand and will be included in the HSS fiscal note associated for this bill. Due to the anticipated functionality of the database, including the ability to electronically share files between HSS and ACPE, no additional staffing will be needed to provide these fiscal agent services in support of the loan repayment program.

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

Phone 465-6740
Date/Time 3/20/09 4:00 PM
Date 3/20/2009

FISCAL NOTE

**STATE OF ALASKA
2009 LEGISLATIVE SESSION**

Fiscal Note Number: SB139
 Bill Version: _____
 () Publish Date: _____

Identifier (file name): SB139-EED-ACPE-03-20-09 Dept. Affected: Education
 Title An Act establishing a loan repayment program and RDU ACPE
employment incentive program for certain health care... Component Program Administration and
Operations
 Sponsor Senator Donald Olson Component Number 2738
 Requester (S)HSS

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
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	0.0	0.0

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

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Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation will require the Alaska Commission on Postsecondary Education (ACPE) to serve as fiscal agent for a loan repayment program for certain health care professionals employed in the state. As drafted, the Department of Health and Social Services (HSS) is the primary administrative agency. Based on HSS estimates of the number of individuals participating in the program, it will be of sufficient size that ACPE, in order to mitigate the need for manual processing and related personal services expenses, will need to procure services to develop a program database to ensure program benefits are paid out in compliance with program statutes and ensure accurate annual reporting of benefits paid to the Internal Revenue Service. We estimate the one-time contractual costs would be \$35 thousand and will be included in the HSS fiscal note associated for this bill. Due to the anticipated functionality of the database, including the ability to electronically share files between HSS and ACPE, no additional staffing will be needed to provide these fiscal agent services in support of the loan repayment program.

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

Phone 465-6740
 Date/Time 3/20/09 4:00 PM
 Date 3/20/2009

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 139
() Publish Date: _____

Identifier (file name): SB139-DHSS-MAA-03-23-09 Dept. Affected: Health & Social Services
Title: Incentives for Certain Medical Providers RDU: Health Care Services
Component: Medical Assistance Administration
Sponsor: Olson, Wielechowski, Meyer, Davis
Requester: Senate HSS Component Number: 2660

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
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Equipment	15.2							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	2,688.0	0.0	5,012.8	7,387.8	7,387.8	7,387.8	7,387.8	7,387.8

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

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(continued on next page)

Prepared by: William J. Streur, Deputy Commissioner Phone (907) 334-2520
Division: DHSS Health Care Services Date/Time 3/23/09 12:00 PM
Approved by: Alison Elgee, Assistant Commissioner Date 3/23/2009
DHSS Finance & Management Services

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. SB 139

ANALYSIS CONTINUATION

The Division of Health Care Services estimates that it will need a total of 2 FTE's to fully administer the loan repayment and employment incentive programs.

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Health Program Manager III.

- Serve as lead program manager for the loan repayment and employment incentive program.
- Establish procedures for the commissioner's designation and prioritization of sites eligible for participation in the program.
- Develop the application process for participation in the program for sites and professionals.
- Develop and disseminate public information and notices pertinent to the program.
- Lead the development of the methodology and procedures for classifying each eligible site as having either regular or very hard-to-fill positions.
- Prepare annual reports that document the successes and challenges of the program.
- Facilitate the creation of and ongoing work of the advisory committee.
- Establish procedures and manage the employer contribution portion of the program.

FISCAL NOTE

**STATE OF ALASKA
2009 LEGISLATIVE SESSION**

BILL NO. SB 139

ANALYSIS CONTINUATION

Accounting Technician III.

The Accounting Technician III will prepare, submit for approval, and update as needed, RSA's between the DHSS and EED. The technician will be responsible developing all spreadsheets for tracking payments to each cohort of practitioners. In addition, the technician may be required to develop a database to assist financial tracking procedures. The technician will be responsible for preparing monthly financial reports that are to be provided to HCS administrative and program staff. The position will be responsible for the proper close-out of all financial case files for all practitioners, monthly reconciliation of all HCS financial transactions related to the loan repayment program, and for the close-out of all RSA's related to the program.

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ACPE will facilitate the disbursement of the loan repayment benefit. It will not to be the budgetary agency for requesting and receiving the funds. After HCS selects program participants, ACPE will verify the existence of their qualifying education debt and, on a periodic basis, transmit the appropriate benefit amount to the individual's lender.