

MINUTES
SENATE HEALTH & WELFARE COMMITTEE

DATE: Tuesday, March 10, 2015

TIME: 3:00 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Heider, Vice Chairman Martin, Senators Hagedorn, Lee, Schmidt and Jordan

ABSENT/ EXCUSED: Senators Lodge, Nuxoll and Tippets

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Heider** called the Senate Health and Welfare Committee (Committee) to order at 3:00 p.m.

MINUTES APPROVAL: **Senator Hagedorn** moved to approve the Minutes of February 17, 2015. **Senator Jordan** seconded the motion. The motion carried by **voice vote**.

Chairman Heider postponed the approval of the Minutes of February 19, 2015, to a future meeting.

H 178

Susie Pouliot, CEO of Idaho Medical Association (IMA) and a member of the board of the Rural Physician Incentive Program (RPIP), spoke in support of **H 178**. She said passage of the legislation would help cure the physician workforce shortage in Idaho.

Ms. Pouliot explained the physician workforce pipeline has three distinct parts: medical education, residency training, and recruitment and loan repayment. Thanks to the support of the Legislature, the IMA has succeeded in improving the first two parts of the pipeline by increasing the number of medical school seats available for Idaho students and expanding education and residency programs over the years. Physician loan repayment has been a weak link, and it has hurt Idaho's competitiveness in recruiting physicians to practice in Idaho.

Ms. Pouliot said passage of **H 178** would help bring more physicians to rural and underserved areas of the State. RPIP is currently funded by fees paid by medical students who attend the Washington-Wyoming-Alaska-Montana-Idaho (WWAMI) or University of Utah Medical Education Programs. No state funds are allocated.

- The annual fee per student is 4 percent of the state funding provided for each WWAMI or University of Utah student in state-supported states. For fiscal year (FY) 2015, Idaho is providing \$41,700 per student for these programs, and 4 percent (\$1,668) is going into the RPIP Fund.
- There are currently 117 students paying into RPIP, generating approximately \$191,000 per year.

She noted there is a provision in the law to allow local communities, hospitals, or other organizations to contribute to physician recruitment efforts, but no entity has taken advantage of the opportunity so far.

Ms. Pouliot said the existing eligibility and prioritization of funding provisions will stay the same.

RPIP eligibility requirements include:

- Must be a primary care physician in family medicine, internal medicine, pediatrics, or a demonstrated need in the area of OB-GYN, psychiatry, general surgery or emergency medicine.
- Must provide care in a medically underserved area or health professional shortage area.
- Must accept Medicaid and Medicare patients.

Applicants for RPIP funding must be, in priority order:

1. Idaho residents who attended WWAMI or the University of Utah and paid into the RPIP Fund.
2. Idaho residents who attended medical school in other states and did not contribute to RPIP.
3. Physicians from other states who aren't Idaho residents and did not contribute to RPIP.

Ms. Pouliot said physicians must provide documentation of their outstanding loan balance to ensure RPIP does not give an award that exceeds it.

Ms. Pouliot said the legislation would do three things:

- Double the amount of the awards over a 4-year period from the current \$12,500 per year (\$50,000 total) to \$25,000 per year (\$100,000 total).
- Increase the number of awards given by allowing the total awards to exceed the amount of fees being generated in a given year.
- Require the RPIP Board to maintain an appropriate fund balance in the account.

RPIP is not as effective as it could be because the current loan repayment limit of \$12,500 per year over 4 years is not as attractive as incentives from states with more robust funding and higher thresholds. For example:

- Oregon offers \$35,000 per year over 5 years (\$175,000 total).
- Montana offers \$20,000 per year over 5 years (\$100,000 total).
- Wyoming offers \$30,000 per year over 3 years (\$90,000 total).
- National Health Service Corps (NHSC) offers \$25,000 per year over 2 years (\$50,000 total).

Physicians are not eligible for Idaho's RPIP awards if they receive loan repayment from another state or federal program. Additionally, the NHSC and State Loan Repayment Program do not allow their recipients to participate in other loan repayment programs.

Ms. Pouliot said great resources are flowing in from medical student fees, but the funds are only trickling out to serve the recruitment and loan repayment needs. There are currently only 12 physicians in the program. A fund balance of approximately \$1.4 million has built up due to program constraints. She stood for questions and said Mary Sheridan was in the audience to answer questions as well.

Vice Chairman Martin asked what determines a rural physician. **Ms. Pouliot** said the United States Secretary of Health and Human Services has designated geographic locations by specialty for particularly underserved areas. **Vice Chairman Martin** asked what parts of Idaho are under this definition. **Ms. Pouliot** deferred to Mary Sheridan.

Mary Sheridan, Bureau Chief, Idaho Office of Rural Health and Primary Care (Bureau), Division of Public Health, said approximately 90 percent of Idaho is federally designated as a health professional shortage area in primary care. The only areas not eligible for this program are Ada and Blaine counties, so physicians in almost the entire state are eligible to apply.

Ms. Sheridan said RPIP was first established by Idaho Code in the Idaho Board of Education (BOE). The BOE was the recipient of the funds, but they did not have contact information for the physicians, so they asked the Bureau to implement the RPIP for them. The BOE receives the fees, deposits them into a trust, then the Bureau implements the program. She said it is a great partnership with a high-functioning board that is working well.

Senator Schmidt asked Ms. Sheridan what the increase in payments will do to the fund balance. He also asked if RPIP had a business plan. **Ms. Sheridan** said they have a big picture plan that shows at what point the balance will shrink the program. She said the RPIP Board will manage that, being careful not to grow the program too fast and create unrealistic expectations. **Senator Schmidt** asked if there are competing loan repayment plans and therefore a lack of eligible applicants. **Ms. Sheridan** said they have more applicants than they have been able to fund. Last year they had approximately 18 and they could only fund 4. The limitation, as the statute is written, is they cannot pay out more than they receive in a year. When they get to four or five, they start feeling uncomfortable because they are hitting the receipt point.

Chairman Heider commented that they will never draw down on the \$1 million principal if they cannot pay out more than they receive in a year. **Ms. Sheridan** said **H 178** strikes the limiting provision so they will be able to tap into the balance.

Ms. Pouliot closed by saying **H 178** will help recruit new physicians and retain Idaho-trained physicians by allowing a better outflow of funds and increasing the amount and the number of the loan payment awards. She thanked the Committee and urged them to approve **H 178**.

MOTION: **Senator Lee** moved to send **H 178** to the floor with a **do pass** recommendation. **Vice Chairman Martin** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business, **Chairman Heider** adjourned the meeting at 3:16 p.m.

Senator Heider
Chair

Erin Denker
Secretary

Paula Tonkin
Assistant Secretary