

Flux in Loan Repayment Programs for Healthcare Professionals With States' Budget Cuts and National Health Service Corps Budget Increases

Donald Pathman, MD MPH, Lynda Goldberg, MBA, MSPH, Thomas R. Konrad, PhD
Kelly Kerwin, BS, Jennifer Craft Morgan, PhD

OVERVIEW

Repaying education loans is the most popular incentive now used to attract early-career healthcare practitioners into rural and other shortage areas. The federal National Health Service Corps Loan Repayment Program (NHSC LRP), by far the largest loan repayment program for health professionals, recently doubled in size with increased funding from the American Recovery and Reinvestment Act of 2009 and the Affordable Care Act of 2010. In addition to the federally-funded NHSC program, many states have developed and funded their own programs with state or foundation dollars (hereafter "state-only programs"), and still other programs are funded jointly with NHSC and state dollars ("joint state-NHSC programs"). States use both state-only and joint state-NHSC programs to complement the NHSC LRP, but in the face of challenging state budgets and the increased size of the NHSC LRP, both types of state programs are facing a changing environment.

In this project we gathered data to learn how states' loan repayment programs are weathering the current economic conditions and competition with the expanding NHSC LRP. Through Internet searches and verifying calls to programs, we identified all loan repayment programs in all states that support any type of health practitioner (other than the somewhat different group of programs intended only for nurses). This brief also presents survey results from directors of 96 of the 98 identified state programs addressing questions on year-by-year changes in the size and composition of their workforce and budget changes.

KEY FINDINGS

- Funded state-only loan repayment programs have more than doubled from the 29 such programs in 1996¹ to 63 in 2010, while the number of joint state-NHSC programs has remained relatively unchanged at 28.
- There were 2,057 clinicians participating in 59 of the 63 (94%) state-only loan repayment programs that reported data for 2010, which is more than three times the 605 participants in state-only loan repayment programs as of 1996. There were 817 participants in the 25 of 28 joint state-NHSC programs that reported data for 2010. For comparison, there were approximately 7,000 clinicians serving in the NHSC LRP in 2010.
- From 2007 to 2010, states' loan repayment programs for health professionals continued to increase in numbers (from 81 to 91) and cumulative workforce size.

¹ Donald E. Pathman, et al. State scholarship, loan forgiveness, and related programs: the unheralded safety net. *JAMA*. 2000;284:2084-2092.

RESULTS

Number of Programs

In 2010, there were 91 funded state-level loan repayment programs for health care practitioners. The 63 state-only programs were more than double the 29 such programs identified nationally in 1996 (Table 1).² The number of joint state-NHSC programs in 2010 (n=28) was similar to the number identified as of 1996 (n=29).

Numbers of funded programs—including state-only and joint state-NHSC programs—increased each year from 2007 to 2010 (Table 1). The number of programs each year that had no funding remained fairly constant at about 5; some of these received funding in subsequent years.

Table 1. Number of Funded Joint State-NHSC and State-Only Loan Repayment Programs*, 2007-2010

	2007	2008	2009	2010
Total Funded Programs	81	84	86	91
Joint State-NHSC	24	24	24	28
State-only	57	59	62	63

* Data based on 96 (of 98) programs for which survey data are available.

Funding Changes for Programs, 2007-2010

Among programs that reported year-by-year proportional changes in their funding, more state-only programs saw funding decreases in 2009 (n=11) and 2010 (n=17) than did in 2007 (n=7) and 2008 (n=8) (Table 2). The median funding decrease for these programs in both 2009 and 2010 was 25%, which was within the range of funding decreases seen in the preceding years. The number of state-only programs with funding increases each year from 2007 through 2010 was approximately the same as the number with decreases, ranging from 8 to 13. For programs experiencing funding increases in a given year, the median amount of increase was about 60%, and for programs experiencing decreases in a given year the median amount of decrease was 25%.

² Donald E. Pathman, et al. 2000.

Table 2. State and State-NHSC Loan Repayment Programs with Increased, Decreased and Stable Funding Each Year from 2007 – 2010

Joint State-NHSC Programs				
	2007 (n=26)	2008 (n=26)	2009 (n=27)	2010 (n=30)
Number of programs with <i>no change</i> in funding from previous year	13	14	15	12
Number of programs with <i>increase</i> in funding from previous year *	2	4	2	9
Median increase	65%	24%	33%	100%
Range of increase	3 – 100%	20 – 100%	33 – 33%	3 – 148%
Number of programs with <i>decrease</i> in funding from previous year	4	3	6	7
Median decrease	34%	63%	23%	15%
Range of decrease	14 – 100%	15 – 100%	10 – 100%	4 – 100%
Number of programs with missing data	7	5	4	2
State-Only Programs				
	2007 (n=59)	2008 (n=63)	2009 (n=64)	2010 (n=66)
Number of programs with <i>no change</i> in funding from previous year	37	35	36	32
Number of programs with <i>increase</i> in funding from previous year *	8	13	11	13
Median increase	80%	50%	57%	60%
Range of increase	1 – 500%	1 – 100%	1 – 450%	10 – 604%
Number of programs with <i>decrease</i> in funding from previous year	7	8	11	17
Median decrease	8%	59%	25%	25%
Range of decrease	1 – 100%	9 – 100%	2 – 100%	1 – 100%
Number of programs with missing data	7	7	5	4

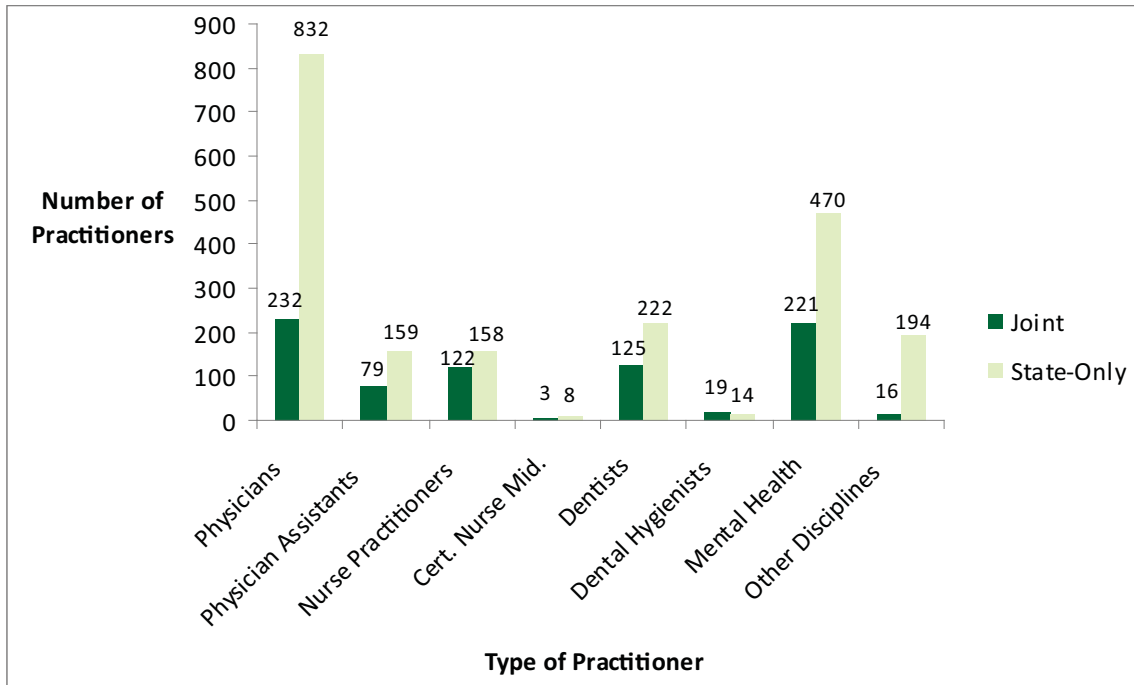
* Funding increase for programs that are new or regained funding in a given year are included as 100%.

Among programs that reported year-by-year funding amounts, the number of joint programs with funding decreases in 2009 and 2010 (n=6 and 7, respectively) was somewhat greater than 2007 and 2008 (n=4 and 3) (Table 2). However, median funding decreases were smaller in 2009 and 2010 (23% and 15%) than in the earlier two years (34% and 63%). Nine joint state-NHSC programs saw funding increases in 2010, up from only 2 in 2009. The median increase in funding for these 9 programs in 2010 was 100%.

Differences in Practitioners Supported by Type of Programs

In 2010, 2,874 clinicians were supported by the 83 of the 91 (91%) state loan repayment programs reporting workforce data. Clinicians in solely state programs outnumbered those in joint state-NHSC programs 2,057 vs. 817, respectively. Physicians and mental health providers were the most common practitioners in both program types. Physicians constituted a greater proportion of the workforce of state-only programs than joint state-NHSC programs (40% vs. 29%).

Figure 1: Number of Practitioners Supported by Joint State-NHSC and State-Only Loan Repayment Programs (2010)



DISCUSSION

States' loan repayment programs are an increasingly popular state remedy for health care workforce shortages, particularly programs supported entirely by in-state funding sources. The number of funded state-only programs increased from 29 in 1996 to 57 in 2007 and to 63 in 2010. States' loan repayment programs field a growing workforce of a diverse mix of healthcare disciplines. State-only programs disproportionately support physicians whereas joint state-NHSC programs demonstrate more even support for mental health, dental health and physician and non-physician primary care providers. State-only programs saw greater growth in numbers and workforce during the current recession than joint state-NHSC programs. In 2010 with supplement funds through ARRA, five additional joint state-NHSC programs were funded and nine programs reported a median 100% increase in funding.

These data showing the continued growth in numbers and workforce size of loan repayment programs within states at a time of tight budgets suggests that loan repayment is greatly valued as a remedy for the misdistribution of health professionals. It is important for the field, program directors and legislators to learn more about how well these state programs function, best designs for favorable outcomes, and how they can relate most effectively to the larger federal National Health Service Corps Loan Repayment Program.

