AMERICAN ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

STUDENT LOAN REPAYMENT PROGRAMS

AAFP Recommendation

The AAFP promotes the expansion of the workforce needed to ensure that all Americans have access to a primary care patient-centered medical home. Currently, debt incurred by pursuing medical training (including leading up to, during and following medical school) serves as a barrier to addressing access challenges. To address these workforce challenges, the AAFP supports efforts that assist in reducing the debt burden caused by choosing family medicine.

Cost of Medical School

Per the Association of American Medical Colleges (AAMC) 2016 Medical School Graduation Questionnaire, 74% of medical school students graduate with debt and 35.7% enter medical school already carrying educational debt. The median medical school debt was reported at $180,000, but when factoring in the total education debt, the median reported by students grew to $190,000. For those in medical debt, 44% stated that they planned on entering a loan forgiveness program.

Federal Efforts

In the past ten years, Congress has passed several pieces of legislation targeted at revising student loan reforms: *Health Care and Education Reconciliation Act*, the *Higher Education Opportunity Act (HEOA)*, the *College Cost Reduction and Access Act (CCRAA)*. The Public Service Loan Forgiveness (PSLF), which was authorized under the CCRAA, allows loan forgiveness to physicians after 10 years of loan repayment while practicing in a "public service." This is an important tool to recruit new doctors to public service in non-profit settings. Additionally, in the AAMC questionnaire of the 44% of students who planned on entering a loan forgiveness program, 71.4% of them identified the PSLF program as the program they planned on entering in. Although an important program, the 2018 White House budget calls for its elimination. The HEOA created a new loan forgiveness program for service in areas of national need. Since its inception in 2008, Congress has not appropriated any funding for it and therefore the program has not been implemented.

National Health Service Core

The National Health Service Corps (NHSC) offers loan repayment assistance to support health care providers who work in a health professional shortage area. Under the program licensed health care providers may earn up to $50,000 towards student loans for a two-year commitment at an approved area. The participants must serve as a primary care medical, dental, or mental/behavioral health clinician and can choose to serve longer for additional loan repayment support.

The NHSC also offers a State Loan Repayment Program which provides cost-sharing grants to states to assist them in funding loan repayment programs for primary care providers working in health professional shortage areas in their state. However, states have to opt in to this program, therefore requiring matching funds from the state and administration of the program by a state agency. According to the Association of American Medical Colleges' State and Federal Repayment, Loan and Scholarship data base there are 39 different loan

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repayment, forgiveness, and scholarship programs in 24 different states operating under the NHSC's state loan repayment program.

Federal funding for the NHSC program expired September 30, but the AAFP and others are advocating for the reauthorization of the program's annual $310 million budget. Despite the lapsed funding deadline, the NHSC is moving forward with applications for its next round of awards for the 2018 Students to Service Loan Repayment Program, and it stands ready to make awards when Congress funds the program. Funding for the program has been approved by the House Energy and Commerce Committee, but has not been addressed in the Senate.

State Efforts

Many states may have their own, non-federal student loan repayment assistance plans for physicians. Currently, 42 states have programs that offer student loan repayment or special pay for doctors who commit to practice in medically underserved areas. For example, Iowa has two separate programs – the Primary Care Recruitment and Retention Endeavor (PRIMECARRE) and the Rural Iowa Primary Care Loan Repayment Program. The PRIMECARRE offers full-time family physicians $50,000 per year in return for a two-year practice commitment working in a public or non-profit site located in a health professional shortage area. The Rural Iowa Primary Loan Repayment Program provides $40,000 per year in loan repayment incentives to individuals that practice in specified locations with a five-year commitment. The program is limited to students who attend the Des Moines University College of Osteopathic Medicine or the University of Iowa Carver College of Medicine.

Most programs serve as incentives to recruit physicians to populations of need and most are targeted toward rural programs. However, Minnesota, in addition to their Minnesota Rural Physician Loan Forgiveness Program, has a program specifically targeting urban areas of need via their Minnesota Urban Physician Loan Forgiveness Program. Participants must actively practice for three years in an urban community in Minneapolis or St. Paul.

Legislation

Unfortunately, despite times of economic growth states have experienced revenue shortfalls and resulting budget problems. Close to half of states lacked the revenue needed to maintain services at existing levels in 2018 when they began their budget deliberations. Thirty states addressed revenue shortfalls in fiscal years 2017, 2018, or both. States have cut spending, increased revenues, or dipped into rainy day funds or other reserves to address these shortfalls. In times of economic hardship, it's important to not cut funds to these important programs for primary care professionals.

In 2017, seven states made advances in addressing their primary care workforce needs. In particular, the Oregon legislature passed legislation which creates the Health Care Provider Incentive Fund to support providers practicing in rural and urban underserved communities. The Oregon Health Authority is working to develop rules to implement these new programs. Oregon appropriated $4 million for their Primary Care Provider Loan Repayment Fund, $2.5 million for the Scholars for a Healthy Oregon Initiative, and $500,000 to the Primary Health Care Loan Forgiveness Program.