Friends of Indian Health

November 1, 2012

Dear Representative:

Our organizations, as members of the Friends of Indian Health, are writing to urge you to co-sponsor HR 3391, the "Indian Health Service Health Professions Tax Fairness Act of 2013". This bill would amend the tax code to provide health care professionals who receive student loan repayments from the Indian Health Service (IHS) the same tax free status enjoyed by those who receive National Health Service Corps (NHSC) loan repayments. Under the IHS and NHSC programs, health care professionals provide needed care and services to underserved populations.

However, the IHS uses a large portion of its resources to pay the taxes that are assessed on its loan recipients. Currently, the Service is spending 29.7 percent of its Health Professions' account for taxes. Making the IHS loan repayments tax free would save the agency $7.21 million, funding an additional 232 awards.

The loan repayment program has proven to be the IHS's best recruitment and retention tool to ensure an adequate health workforce to serve in the many remote IHS locations. In Fiscal Year 2012, the IHS had 1,226 requests for loan repayment and awarded 504 new contracts and 316 contract extensions. Due to a lack of funds, 406 requests were denied. Changing the tax status of the IHS loans to make them tax free would enable the agency to fill two-thirds or more of the loan repayment requests without increasing the IHS Health Professions' account.

The President's FY 2014 budget recommendation for the Indian Health Service supported this approach noting, "The IHS Health Professions Scholarship and IHS Loan Repayment Programs are very similar to other programs that receive preferred tax treatment, and should therefore receive similar tax treatment."

Please contact Chris Marklund in Rep. David Valadao's office at chris.marklund@mail.house.gov or Ken Montoya in Rep. Ann Kirkpatrick's office at ken.montoya@mail.house.gov if you would like to cosponsor HR 3391.

Thank you for considering this request.

American Academy of Family Physicians
American Academy of Pediatric Dentistry
American Academy of Physician Assistants
American Association for Marriage and Family Therapy
American Association of Colleges of Nursing
American Association of Colleges of Osteopathic Medicine
American Association of Colleges of Pharmacy
American Association of Nurse Anesthetists
Association of American Medical Colleges
American Congress of Obstetricians and Gynecologists
American Dental Association
American Dental Education Association
American Heart Association
American Medical Association
American Nurses Association
American Optometric Association
American Osteopathic Association
American Pharmacists Association
American Physical Therapy Association
American Podiatric Medical Association
American Psychiatric Association
American Psychological Association
Association of American Medical Colleges
Association of Women's Health, Obstetric and Neonatal Nurses
Friends Committee on National Legislation
International Certification and Reciprocity Consortium