

Friends of Indian Health

March 9, 2015

Dear Senator:

Our organizations, as members of the Friends of Indian Health, are writing to urge you to co-sponsor S.536, Indian Health Service Health Professions Tax Fairness Act of 2015. The bill seeks to 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 25 percent of its Health Professions' account for taxes. Making the IHS loan repayments tax free would save the agency \$5.71 million, funding an additional 115 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 2014, the IHS had 1,296 requests for loan repayment and awarded 379 new contracts and 331 contract extensions. Due to a lack of funds, 586 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 2016 budget recommendation for the Indian Health Service supported this approach noting, "The IHS Health Professions Scholarship and IHS Loan Forgiveness Programs are very similar to other programs that receive preferred tax treatment, and should therefore receive similar tax treatment."

Please contact Fern Goodhart in Senator Tom Udall's office at Fern_Goodhart@udall.senate.gov or Megan Alvanna-Stimpfle in Senator Lisa Murkowski's office at Megan_Alvanna-Stimpfle@murkowski.senate.gov if you would like to cosponsor S. 536.

Thank you for considering this request.

Academy of Nutrition and Dietetics
American Academy of Family Physicians
American Academy of Pediatric Dentistry
American Academy of Pediatrics
American Association of Colleges of Osteopathic Medicine
American Association of Colleges of Pharmacy
American Association of Colleges of Podiatric Medicine
American Association of Nurse Anesthetists
American Congress of Obstetricians and Gynecologists
American Dental Association
American Dental Education Association
American Heart Association
American Occupational Therapy Association
American Optometric Association
American Pharmacists Association
American Physical Therapy Association
American Podiatric Medical Association
American Psychiatric Association
Friends Committee on National Legislation
Men's Health Network
National Kidney Foundation