

# Workforce Development: Health Care Professionals

MARCH 2019 LEGISLATIVE REQUEST FOR INFORMATION—FY20 STATE BUDGET



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**THE VERMONT AHEC NETWORK**

# FY20 Governor's Budget Proposal and Funding History

## **AHEC Program**

- \$500,000 (source: state, GC)—FY20 Governor's Budget Proposal
- Level funding since FY06
- No indirect fee taken
- In December 2017, AHEC reduced from 3 to 2 regional centers (cut 5 staff positions) for efficiency and as a necessary strategy to sustain VT AHEC Network programs statewide

## **Educational Loan Repayment (ELR) Program for Health Care Professionals**

- \$667,111 (source: state, GC)—FY20 Governor's Budget Proposal
- Level funding since FY16
- 100% of funds used for awards, no indirect or direct administrative fee taken
- \$970,000 funding in FY15, funding peaked at \$1,460,000 in FY09

## **State Loan Repayment Program (SLRP) for Health Care Professionals**

- \$215,500 (source: federal HRSA grant)
- 100% of funds used for awards, no indirect or direct administrative fee taken
- New in FY15 (via federal grant), funding peaked at \$250,000 in FY15-FY17

## **VT Academic Detailing**

- \$450,000 (source: special fund—Pharmaceutical Manufacturer Fee, Act 80)—FY20 Governor's Budget Proposal
- FY18 funding increase to: expand (doubled the # of academic detailing sessions delivered), add opioid-related curricula, and implement Project ECHO tele-education program
- \$200,000 level funding from FY06 to FY17

## **MD Placement Program**

- \$62,000 (source: \$50,000 state, \$12,000 federal HRSA grant)—FY20 Governor's Budget Proposal
- Level funding since FY15

# AHEC Health Workforce Development Highlights

- **2018-19 (FY19)**, in progress.
- In **2017-18 (FY18)**, VT AHEC provided continuing education to 2,579 health professionals, generated more than 1,244 high school student connections, and involved all medical students at the UVM LCOM. VT AHEC worked with 176 primary care practice sites in the state, almost half of which precepted UVM LCOM students. VT AHEC supported 607 health professions student clinical rotations. Additionally, VT AHEC's physician recruitment program directly facilitated 19 new physician placements (signed employment contracts) in VT: 11 primary care and 8 specialty care physicians, one of which was psychiatry; 6 placed in rural counties; and 2 placed at Federally Qualified Health Centers (FQHCs).
- In **2016-17 (FY17)**, VT AHEC provided continuing education to 2,088 health professionals, generated more than 2,290 high school student connections, and involved all medical students at the UVM LCOM. VT AHEC worked with 191 primary care practice sites in the state, almost half of which precepted UVM LCOM students. VT AHEC supported 646 health professions student clinical rotations. Additionally, VT AHEC's physician recruitment program directly facilitated 16 new physician placements in VT: 11 primary care and 5 specialty care physicians, one of which was psychiatry; 9 placed in rural counties; and 2 placed at FQHCs.
- In **2015-16 (FY16)**, VT AHEC provided continuing education to 2,904 health professionals, generated more than 4,090 high school student connections, and involved all medical students at the UVM COM. VT AHEC worked with 195 primary care practice sites in the state, almost half of which precepted UVM COM students. Additionally, VT AHEC's physician recruitment program directly facilitated 18 new physician placements in VT: 12 primary care and 6 specialty care physicians, one of which was psychiatry/child; 10 placed in rural counties; and 3 placed at FQHCs.
- In **2014-15 (FY15)**, VT AHEC provided continuing education to 3,815 health professionals, reached 3,473 high school students, and involved all medical students at the UVM COM. VT AHEC worked with 215 primary care practice sites in the state, almost half of which precepted UVM COM students. Additionally, VT AHEC's physician recruitment program directly facilitated 15 new physician placements in VT: 7 primary care and 8 specialty care physicians; 10 placed in rural counties; and 3 placed at FQHCs or designated Rural Health Clinics (RHCs).

# Vermont Educational Loan Repayment (ELR and SLRP) for Health Care Professionals

Loan repayment is a recruitment and retention tool; it can be used to strategically respond to state workforce needs. Loan repayment is most effective when part of a comprehensive workforce development strategy. Understanding impact requires longitudinal tracking of the workforce.

## ELR Funding Summary (state appropriation)

**FY16, 17, 18, 19, and 20 projected based on Governor's Budget Proposal**

\$442,111 primary care, geriatrics, psychiatry (MDs/DOs, APRNs, PAs, CNMs)

\$125,000 dentists (DDS/DMD)

\$100,000 nurses (LPNs and RNs)

**\$667,111 total**

**Adding new eligible disciplines, specialties, or programs requires additional funding for direct awards and administration. Unmet need remains in existing programs.**

## SLRP Funding Summary (federal HRSA grant, new grant period started FY19)

**FY19, and 20 projected**

\$212,500 primary care, geriatrics, psychiatry (MDs/DOs, APRNs, PAs, CNMs), dentists (DDS/DMD) working at federally designated FQHCs or RHCs or in a federally designated health professions shortage area (HPSA) or Medical Underserved Community (MUC).

# Vermont's Educational Loan Repayment Program for Health Care Professionals

## Medical Practitioners (MD, DO, APRN, PA, CNM)\*

- ✓ Primary Care: Family Medicine
- ✓ Primary Care: Internal Medicine/Adult Primary Care
- ✓ Primary Care: Pediatrics
- ✓ Primary Care: Obstetrics/Gynecology

### And

- ✓ Psychiatry
- ✓ Geriatrics

## Dentists (DDS, DMD)

- ✓ All specialties, including oral surgeons

## Nurses (LPN, RN)\*

- ✓ Psychiatric
- ✓ Nursing Homes
- ✓ Home Health
- ✓ Public Health/State of Vermont
- ✓ Primary Care/FQHCs

Note: High priority applicants include those providing substance use disorder treatment.

# Loan Repayment and Competing Nationally

This program is critical for recruitment and retention of primary care physicians, psychiatrists, nurse practitioners, physician assistants, nurses, and dentists. We currently face workforce challenges and shortages. Most states have loan repayment programs for health professionals. Without the Educational Loan Repayment Program, Vermont would be placed at a disadvantage competing nationally for the same highly trained workforce.

# Educational Loan Repayment (ELR/SLRP): A Workforce Development Tool, with Longitudinal Tracking, Outcomes, and Program Evaluation

- ✓ Started by the State of Vermont in 1995
- ✓ Administered by UVM and AHEC since 1997
- ✓ Tailored to Vermont
- ✓ Information- and data-driven
  - ✓ Guided by local, regional, state, and federal data and information
- ✓ An effective workforce pipeline development, recruitment, and retention tool when combined with other AHEC services
- ✓ A workforce development partnership between the State of Vermont, federal HRSA, AHEC, health care sites/employers, and individual health professionals—*in it together*

# Educational Loan Repayment Program

(visit [www.vtahec.org](http://www.vtahec.org) to review program overview, flyers, and application materials)

- A strategic approach--this program's administration and award priorities are adjusted annually based on data, information, and prior year(s) experience and results
- 100% of funds are used for direct awards, to reduce educational debt
- Educational debt is verified (not self-reported)
- Awards are in exchange for a contractual service obligation (e.g., 12-months service/award; 24-months for SLRP)
  - The recipient and the employer are co-signers of the contractual service obligation
  - Breach of contract has serious financial consequences
- AHEC raises 1:1 match funds from community organizations and employers
- State/federal and match funds are bundled into one award
  - The bundled funds are sent directly to lenders to reduce educational debt
- The federal Affordable Care Act passed on March 23, 2010 treats debt repayment under state-sanctioned Educational Loan Repayment Program for Healthcare Professionals as exempt for income tax purposes
  - This income tax exclusion provides an even greater incentive for health care professionals to work in areas that need it most
  - Programs operated separately from the state program result in taxable income transactions (i.e., employee or non-employee compensation)

FY15-18 Educational Loan Repayment Awards Disbursed (not unique people); FY19 is in progress

Awards <u>Disbursed</u> by Program and Type				
	Job Seeker	Retention	Recruitment	Total
Primary Care:	14	232	10	256
Dental:	6	73	0	79
Nursing:	0	88	0	88
Total:	20	393	10	423

Loan repayment awards purchase time-dependent service commitments (i.e., a contractual obligation). They are not “rewards” or “gifts.” Contractual obligations are monitored to ensure service delivery.

Awards <u>Disbursed</u> by County and Program				
	Primary Care	Dental	Nursing	Total
Addison	5	12	0	17
Bennington	9	0	0	9
Caledonia	17	5	7	29
Chittenden	49	22	24	95
Essex	3	2	0	5
Franklin	21	10	8	39
Grand Isle	4	0	0	4
Lamoille	11	5	2	18
Orange	28	0	3	31
Orleans	21	2	3	26
Rutland	33	7	17	57
Washington	23	12	19	54
Windham	11	0	3	14
Windsor	21	2	2	25
Out-of-State	N/A	N/A	0	0
Total	256	79	88	423

# FY15-18 Educational Loan Repayment Awards Disbursed--Total Unique Awardees, FY19 is in progress

## *Retention (Primary Care Practitioners, Dentists, Nurses)*

233 Total Unique Awardees	Working in VT in 2019	Not working in VT or Unknown	Total	% in VT to Total Unique Awardees
PC Awardees Working in VT	126	13	139	91%
Dental Awardees Working in VT	35	2	37	95%
Nursing Awardees working in VT	57	0	57	100%
<b>Total</b>	<b>218</b>	<b>15</b>	<b>233</b>	<b>94%</b>

Unique Awardees 2015-2018 Working in 2019	Rural and/or worksite has a federal designation	% to total	Urban and/or no federal designation (worksite needs still exist and disadvantaged populations are served by these sites)	% to total	Total
Primary Care	99	79%	27	21%	126
Dental	25	71%	10	29%	35
Nursing *	*	--	*	--	*
<b>Total</b>	<b>124</b>		<b>37</b>		<b>161</b>

Data indicate that active contractual service obligations are effective. Long-range retention or “residual benefit” following completed service obligation is likely, possibly influenced by community assimilation and established roots.

AHEC will continue to examine short- and long-term retention.

\* Nursing data are unavailable. A new, re-designed AHEC database was implemented in FY17; we migrated select data for FY97 to FY16 and nursing worksite information was not populated. These data, FY17+, will be available in the future.

## FY2000 - 2018

### Educational Loan Repayment (ELR/SLRP) Awards

### Psychiatry—Physicians, Nurse Practitioners, Physician Assistants

# awards made (disbursed):	172
# of unique award recipients:	67 (0 contract breaches during service obligation—100% retention)
# of recipients practicing in VT*:	45 (67%, long-term/residual <u>retention</u> beyond contractual service obligation)

\*source: AHEC data, March 2019

## FY2011 to 2018

The AHEC Physician Placement Program facilitated 10 psychiatrist placements statewide.

# 2019 Loan Repayment (ELR/SLRP) Program Applications in Progress

2019 Program Type (3/6/19 data)	Number of Applications (1)	Total Debt (2)	Average Debt	Range of Debt (lowest)	Range of Debt (highest)	Difference between lowest and highest	Range of Monthly Payment Lowest (3)	Range of Monthly Payment Highest (4)	Average Monthly Payment (4)
Primary Care	100	\$15,091,647	\$150,916	\$15,776	\$747,199	\$731,423	\$0	\$4,183	\$956
Dental	26	\$6,860,406	\$263,862	\$27,024	\$601,642	\$574,618	\$0	\$6,589	\$1,592
Nursing	47	\$1,792,442	\$38,137	\$6,068	\$120,527	\$114,459	\$0	\$1,400	\$314
<b>Total</b>	<b>173</b>	<b>\$23,744,495</b>	<b>\$137,251</b>	<b>\$6,068</b>	<b>\$747,199</b>	<b>\$741,131</b>	<b>\$0</b>	<b>\$6,589</b>	<b>\$877</b>

(1) The above table does not include 8 recruitment applications since the person/debt information is unknown. 2019 total applications received is 181 (173 +8).

(2) Debt is verified via documentation from educational lending institutions across the country.

(3) \$0 monthly payment—still in deferment, payment amount TBD.

(4) Most educational loan repayment funds are sent to out-of-state lenders and centralized processing centers; supports broader workforce infrastructure and economy out-of-state. When these loans are repaid, dollars are freed up to be invested locally. Education debt is a real concern to these individuals and is a consideration that influences employment decisions.

2019 Program Type (3/6/19 data)	Number of Awards in Process (5)
Primary Care	65
Dental	20
Nursing	22
<b>Total</b>	<b>107</b>

(5) Awards in process (contract may not be fully executed, or funds disbursed), includes recruitment applicants: 107 offers to 181 applicants (59% of applicants). Significant unmet need remains.

# Community and Employer “Match” Funds Raised by AHEC

FY 2019

In progress

FY2015-2018

Actual match funds raised by AHEC and disbursed \$2,685,380

Match funds include employer and private match funds raised specifically for loan repayment.

The significant work that AHEC does to raise and administer these funds is a crucial part of the VT Educational Loan Repayment Program’s success. It is by instilling a shared commitment, and by leveraging pooled resources, that AHEC and this program are making a difference in health workforce recruitment and retention, and educational debt reduction.

# AHEC Recruitment & Retention

*Your career-long healthcare workforce partners*

**Diversity & Distribution** of the healthcare workforce in Vermont

## Physician Placement Services for Vermont positions

- Vermont physician openings
- Educational Loan Repayment
- Annual Recruitment and Networking Day

**Jennifer Savage**, Physician Placement Professional

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# AHEC Physician Placement Services for Vermont positions

## *A Targeted Approach, Long-range Initiative*

- Targets individuals with a connection to Vermont
- Leverages connections to all VT AHEC programs; cultivates rapport, provides support programs during training
- Completes longitudinal tracking and regular outreach
- Provides resources and support
- Matches UVM LCOM graduates/UVMMMC residents to Vermont physician openings/needs
- Uses loan repayment incentive to encourage MDs to move back to VT or stay in VT to practice medicine
- Warm/hot leads referred to practices

“Vermont: A great place to live and work” is laced throughout every workforce recruitment and retention effort, but is not enough. Marketing gimmicks are not going to work for this highly-trained, highly-indebted, and in-demand workforce.

Example from another state:

South Dakota offers \$219,000 in physician/dentist loan repayment over 3 years (web page accessed 3/6/19)

<https://doh.sd.gov/providers/ruralhealth/recruitment/RAP.aspx>

# Physician Openings Posted with AHEC (March 1, 2019):

## *Vermont Openings*

**120 physician openings in 27 different specialties in the state**

**48 are in Primary Care**

25 – Family Medicine

10 – Family Medicine or Internal Medicine (willing to hire either)

4 – Internal Medicine

2 – Obstetrics/Gynecology

7 – Pediatrics

**72 are in Specialty Care** (of the 72, 10 are Psychiatry, 8 are Hospitalist, 8 are Emergency Medicine)

**VT County breakdown:**

Addison	5
Bennington	8
Caledonia	10
Chittenden	34
Essex	2
Franklin	4
Grand Isle	0
Lamoille	10
Orange	6
Orleans	2
Rutland	10
Washington	9
Windham	9
Windsor	11
<b>Total</b>	<b>120</b>

**Of the 120 openings, by federal designation or facility type:**

FQHC	21
RHC	2
Critical Access Hospital	25
Community Hospital	28
Academic Medical Center	28
Private Practice	8
Mental Health Agency	1
Other Hospitals*	7

\*Includes: the VA Hospital and the Brattleboro Retreat

# AHEC Physician Placements and Ed Debt Reduction

**FY18:** 19 physicians placed (11 in primary care and 8 in specialty care)—Final year with active Freeman funding recipients in our pipeline  
**11 of 19 (58%) placed received educational debt reduction assistance via AHEC**

**FY17:** 16 physicians placed (11 in primary care and 5 in specialty care)  
**7 of 16 (44%) placed received educational debt reduction assistance via AHEC**

**FY16:** 18 physicians placed (13 in primary care and 5 in specialty care)—ELR/SLRP 1:1 employer match now required  
**13 of 18 (72%) placed received educational debt reduction assistance via AHEC**

**FY15:** 15 physicians placed (7 in primary care and 8 in specialty care)—First year including SLRP funding  
**11 of 15 (73%) placed received educational debt reduction assistance via AHEC**

**FY14:** 20 physicians placed (12 in primary care and 8 in specialty care)  
**14 of 20 (70%) placed received educational debt reduction assistance via AHEC**

**FY13:** 21 physicians placed (12 in primary Care and 9 in specialty care)  
**17 of 21 (81%) placed received educational debt reduction assistance via AHEC**

**FY12:** 23 physicians placed (13 in primary care and 10 in specialty care)—Final year of scholarship/loan repayment awards via Freeman Funding  
**17 of 23 (74%) placed received educational debt reduction assistance via AHEC**

# Educational Cost and Debt

Undergraduate time, costs and debt

4 years

+

Medical/dental school time, costs and debt

4 years

Cost of attendance ~ \$243,000 to \$356,000 for 4 years of medical school

Cost of attendance ~ \$464,000 for 4 years of dental school

+

Medical Residency/fellowship program(s) time

3-4+ years, reduced earnings during this training period

=

Total educational debt accumulates, interest accrues (may be *compounding interest* during periods of deferment or forbearance)

Not atypical to be in mid-30s before beginning full earnings

Educational debt repayment begins

Family needs

Educational debt impacts ability to finance private practice, and homeownership

**Many health professionals incur significant educational debt, impacting compensation requirements and expectations for loan repayment assistance.**

**Educational costs and debt are factors in career path, specialty, and employment decisions.**

**Current higher education financing policies, educational costs and debt, have a future impact on employers, cost of services, workforce make up, and access to services.**

# VT AHEC Network: Experienced Leaders in Health Workforce Development

- The VT AHEC Network is committed to investing its resources in health workforce development.
- The VT AHEC Network has limited and decreasing capacity due to insufficient funding. Increased state investment in VT AHEC is recommended.
- Investment in early pipeline development work is critical to growing the next generation of health professionals.
- We need tools, committed partners, and teamwork.
- Educational Loan Repayment is one tool. It is an important tool, but not a standalone solution. Exploration of additional, complementary and innovative programs and tools is recommended.
- VT's Educational Loan Repayment Program, as administered by AHEC, works and is a best-value program.
- Longitudinal tracking of students, program participants, and workforce trends is necessary for program evaluation and understanding broader impact and outcomes; it is also challenging, labor intensive, and requires robust data systems.

# More information is available at:

[www.vtahec.org](http://www.vtahec.org)

Information about AHEC Workforce Recruitment and Retention Programs:

<http://www.med.uvm.edu/ahec/healthprofessionsstudentsandresidents/workforce-recruitment-retention>

Educational Loan Repayment Program Overview and Eligibility:

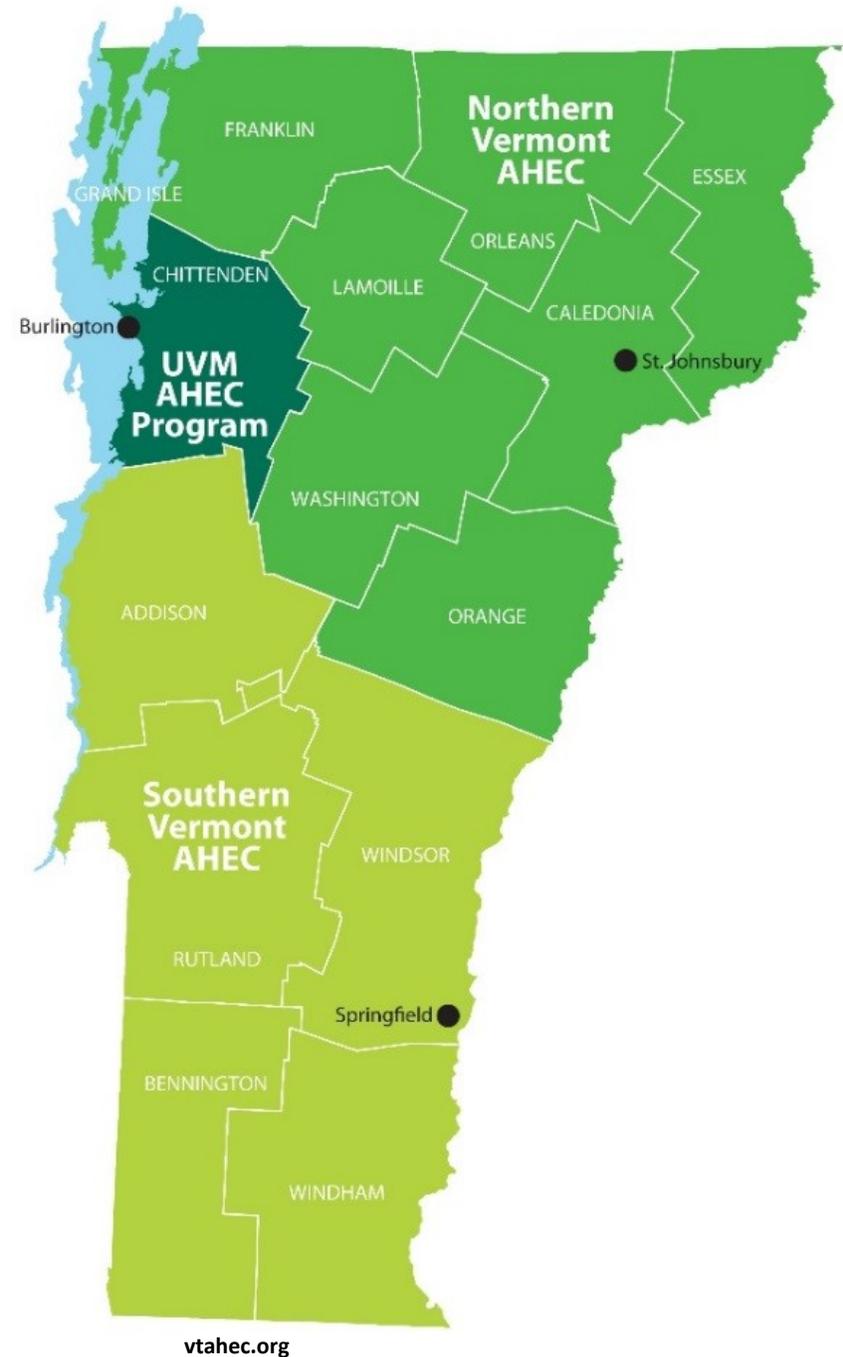
<http://www.med.uvm.edu/ahec/forms/educational-loan-repayment>

AHEC Primary Care Workforce Snapshot and Nursing Workforce Reports:

<http://www.med.uvm.edu/ahec/workforceresearchdevelopment/reports>

# Background: VT AHEC Network: Two Regional AHECs and a Program at UVM

VT AHEC is a network of academic and community partners working together to increase the supply, geographic distribution, diversity, and education of Vermont's healthcare workforce.



# VT AHEC Network

*Workforce is the Foundation  
of our Health Care System*

The overarching goal of VT AHEC is to provide statewide programs that support an appropriate, current and future, health workforce so that all Vermonters have

## Access to Care.

**Healthy Vermonters** through a focus on  
health workforce development.

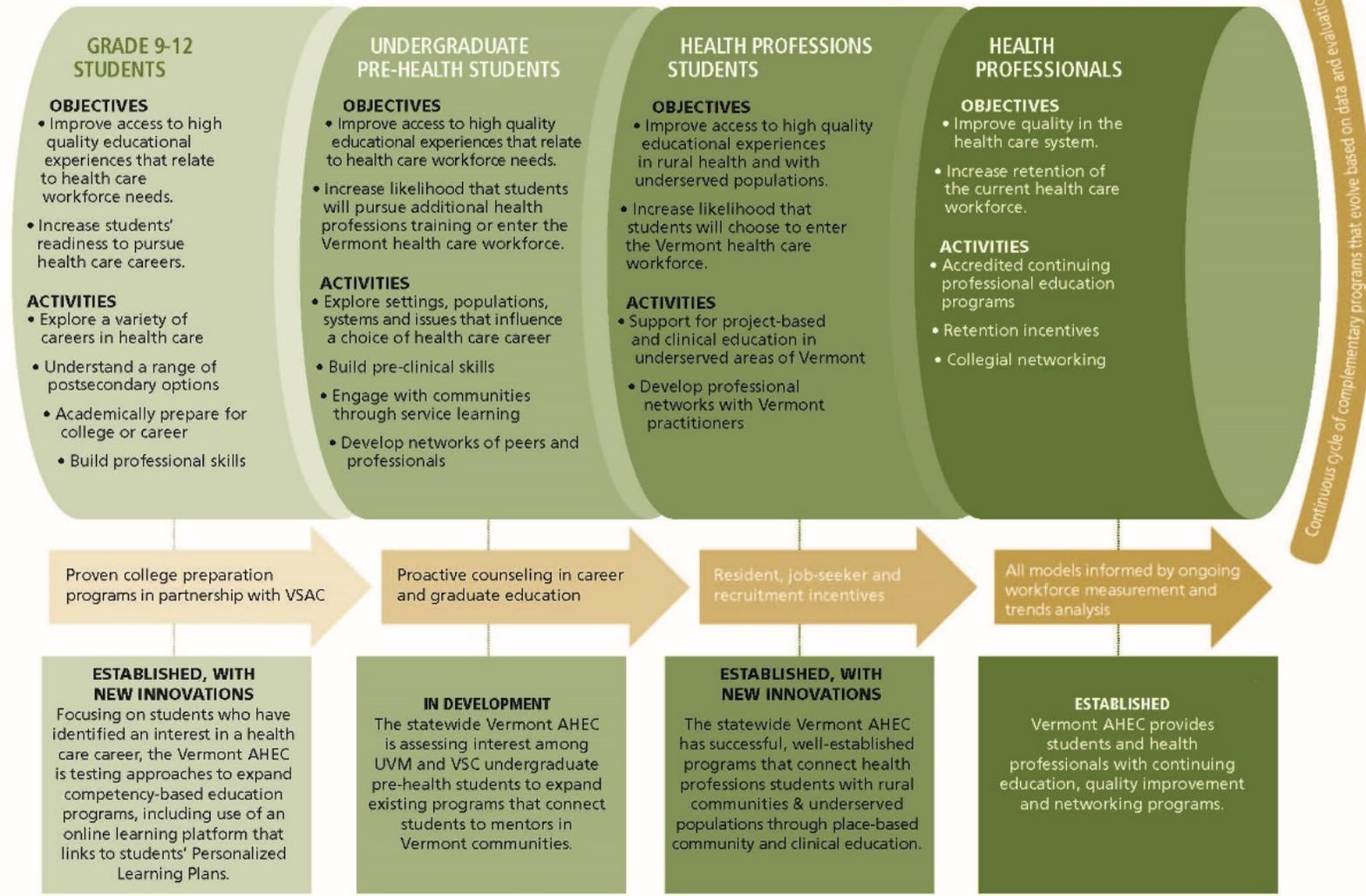
# AHEC's Health Workforce Development Strategy: A Continuum—Outreach, Awareness, Education, Activities, and Tools

VT AHEC works across the healthcare workforce pipeline from middle school to practicing health professionals (e.g., medical, nursing, dental, social work, public health), on programs such as:

- ✓ Health careers awareness and exploration
- ✓ Preceptor recruitment for student clinical rotations
- ✓ Interprofessional and community-based projects
- ✓ Workforce recruitment and retention (e.g., educational loan repayment programs, physician recruitment)
- ✓ Quality improvement projects
- ✓ Continuing education for health professionals

VERMONT AHEC HEALTH CARE WORKFORCE DEVELOPMENT

# Education & Career Pipeline



AREA HEALTH EDUCATION CENTERS [www.vtahec.org](http://www.vtahec.org) | [www.nvtahec.org](http://www.nvtahec.org) | [www.svtahec.org](http://www.svtahec.org)  
 Connecting students to careers, professionals to communities and communities to better health

3/2/17

# Contact Information

University of Vermont  
Larner College of Medicine

Area Health Education Centers  
(AHEC) Program

1 South Prospect Street  
Arnold 5  
Burlington, VT

802-656-2179

[vtahec.org](http://vtahec.org)

## AHEC's Purpose: Healthcare Workforce Development

For information about the Vermont Educational Loan Repayment Programs and other health workforce development initiatives, contact Liz Cote at [elizabeth.cote@uvm.edu](mailto:elizabeth.cote@uvm.edu) or 802-656-0030.

- ✓ *Workforce Diversity, Distribution, and Practice Transformation*
- ✓ *Connecting students to careers, professionals to communities, and communities to better health*

# Glossary

Federal Designations ([www.hrsa.gov](http://www.hrsa.gov)):

**Critical Access Hospital (CAH):** A hospital certified under a set of Medicare Conditions of Participation. Some (not a comprehensive list) of the requirements for CAH certification include having no more than 25 inpatient beds and being located in a rural area.

**Federally Qualified Health Center (FQHC):** Health centers receiving grants under Section 330 of the Public Health Service Act (PHS). FQHCs must serve an underserved area or population, offer a sliding fee scale, provide comprehensive services, have an ongoing quality assurance program, and have a governing board of directors.

**Rural Health Clinic (RHC):** Health centers must be in a non-urbanized area, as defined by the U.S. Census Bureau, and be in an area currently designated by the Health Resources and Services Administration as one of the following types of federally designated or certified shortage areas:

- Primary Care Geographic Health Professional Shortage Area (HPSA) under Section 332(a)(1)(A) of the Public Health Service (PHS) Act;
- Primary Care Population-Group HPSA under Section 332(a)(1)(B) of the PHS Act;
- Medically Underserved Area under Section 330(b)(3) of the PHS Act; or
- Governor-designated and Secretary-certified shortage area under Section 6213(c) of the Omnibus Budget Reconciliation Act of 1989.

**Medically Underserved Community (MUC):** A geographic location or population of individuals that is eligible for designation by a state and/or the federal government as a health professions shortage area, medically underserved area (MUA), and/or medically underserved population (MUP). Training settings are not mutually exclusive.