

## House Appropriations Human Services Resources Division

*Testimony by:*

### **Community HealthCare Association of the Dakotas**

*March 15, 2021*

Good afternoon, Chairman Nelson and Members of the Committee. My name is Pam Sharp, and I am representing the Community HealthCare Association of the Dakotas (CHAD). Thank you for the opportunity to be here today to speak in support of House Bill 2004.

As you may know, CHAD is a non-profit membership organization that serves as the Primary Care Association for North Dakota and South Dakota, supporting community health centers across both states in their efforts to provide health care to underserved and low-income populations. Community health centers are non-profit, community-driven primary care clinics that provide high-quality primary and preventive care to all individuals, regardless of their insurance status or ability to pay. Health centers are in health professional shortage areas (HPSA), including both rural and urban areas across North Dakota. In rural communities, health centers support a community's ability to retain local health care, supporting access to health care where rural North Dakotans live and work.

Thank you for your support for state loan repayment in SB 2004. Loan repayment programs are a great investment. A study by the American Medical Association makes the case that each physician generates an average of \$1.8 million in total economic output and \$47,655 annually in state and local tax revenue per physician. We know that nurse practitioners, physicians' assistants, dentists and behavioral health providers can have similar economic impacts. Access to local health care is also a key part of making rural areas great places to live and work and to recruiting new businesses and residents to those communities.

We are asking additional funds to be added to SB 2004, which would allow the Department of Health to provide the 1:1 match for the State Loan Repayment Program or SLRP, which is a program that allows states to receive 1:1 federal matching funds to support a state-directed program for student loan repayment. Currently, 100% of SLRP match is provided by the facility or a community organization in North Dakota. The match is a challenge for our community health centers as well as other rural clinics, therefore limiting participation in this program.

The Health Resources and Services Administration's (HRSA) Federal State Loan Repayment Program (SLRP) provides cost-sharing grants to all U.S. states and territories to operate their own loan repayment programs. These state programs offer loan repayment to primary care providers working in Health Professional Shortage Areas (HPSAs). Historically HRSA has allowed states to apply receive up to 1 million dollars, but the American Rescue Plan recently passed by Congress included a significant increase in funding for this program. North Dakota was awarded \$540,000 yearly from 2018-2022. The state had not applied for the full \$1 million that was available due to concern about inability to use the funds due to the community match. We were unable use even the \$540,000 in 2020 due to the challenge communities had with providing the match. The missed opportunity for federal match will only increase



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with the increased funding that will become available. In addition, HRSA is currently slated to host another open funding round in 2022. Without action from the legislature during this session, North Dakota may miss the window to increase its participation in the program for years to come.

We have an unmet need for providers in our rural areas and health professional shortage facilities in the state. This program is critical to recruit and retain ALL health care providers serving in underserved areas of ND.

In summary, CHAD supports SB 2004 with additional funds allocated to support the SLRP match to maximize this federal program. I am willing to answer any questions the committee may have.