

Testimony
Health Services Committee
Wednesday, September 26, 2012
North Dakota Department of Health

Good afternoon Chairperson Lee and members of the Health Services Committee. My name is Arvy Smith, and I am the Deputy State Health Officer for the North Dakota Department of Health. I am here to provide information regarding the utilization of and funding available for the physician, dental, and mid-level loan repayment programs.

The Department of Health administers several loan repayment programs for health professionals on behalf of the State Health Council who is authorized to establish eligibility and qualifications for the programs and approve awards to applicants. The maximum amount of award, years of service required, payment parameters, match requirements, appropriation authority and penalties for leaving the program early are different for each program. The attached schedule summarizes the various requirements for each loan repayment program.

As the summary indicates, the authorized number of awards allowed per year by law is as many as funding will support for physicians and mid-level practitioners, three for dentists, and two for dental new business grants. We budget for three new awards each year for each loan repayment program and two per year for dental new business grants. With the exception of the dental new business grant, the loan repayment programs are being utilized as budgeted. Occasionally, due to delays in filing of paperwork by awardees or in being able to identify a recipient early enough to process the paperwork, all of the slots won't be filled for a certain year. Because of this, we have developed standardized procedures and deadlines, which have been approved at the last Health Council meeting, so that the timing works in a way that enables us to award all slots, if candidates are available, and better control the budget for this program.

At the May 2012 Health Council meeting we reported that the revenue for the Community Health Trust Fund (CHTF), which funds portions of the loan repayment programs, was coming in lower than needed to fund all the expenses from the fund and that we were at that time uncertain what the affect was on the loan repayment programs. The Health Council chose to delay approving new recipients, with the exception of a physician in the Williston area, until that information was available. At the August meeting we informed the Health Council that because of the delay in time, the first payment for new applicants would fall in the next biennium so they would now be able to approve additional candidates for the programs. In addition, we are using some federal grant funding to help cover

the shortage for loan repayments in the CHTF. A special meeting of the Health Council has been set to approve new awards on October 16, 2012. We have 1 physician and 7 dental applicants for the Health Council to consider.

Chairman Lee, members of the committee, this concludes my testimony. I am happy to answer any questions you may have.

Summary of North Dakota Loan Repayment Programs for Health Professionals - August 2012

	Physician (MD)	Nurse Practitioner/Physician Assistant/Certified Nurse Midwife (NP/PA/CNM)	Dentist (DDS)	Dentist New Business Grant	Veterinarian (DVM)
Year program began	1991	1993	2001	2007	2007
Max Amount of award per individual from State	\$45,000	\$15,000	\$80,000	\$25,000	\$80,000
Years of service Required	2	2	4	5	4
State Payment parameters	1st pymt- after at least 6 mo. service; pymt can be no later than the end of the fiscal yr in which the yr of service obligation was met - 22,500 / pymt	1st pymt- after at least 3 mo. service; pymt can be no later than the end of the fiscal yr in which the yr of service obligation was met - 7,500 / pymt	1st pymt- after at least 6 mo. service; pymt can be no later than the end of the fiscal yr in which the yr of service obligation was met - 20,000 / pymt	Distributed in equal amts over 5 yr period	1st pymt (15,000)- upon completion of 6 mo the 1st yr of service; 2nd pymt (15,000) - upon completion of 2nd yr of service; 3rd pymt (25,000) upon completion of 3yrs; 4th pymt (25,000) upon completion of 4 yrs
State / Community match	50%/50%	50%/50%	None	50%/50%	None
Number of awards/year	As many as funding will support	As many as funding will support	3	2	As many as funding will support - <i>see footnote 1</i>
2011 - 2013 Biennial budget	337,500	82,500	440,000	30,000	445,000
General	262,500	82,500	180,000	20,000	135,000
CHTF	75,000	0	260,000	10,000	310,000
Century code	43-17.2	43-12.2	43-28.1	43-28.1	43-29.1
Penalty if leave early	Twice uncredited amount on prorated monthly basis	Twice uncredited amount on prorated monthly basis	Total amount received	Law is Silent	Prorated for amount of time served for the specific yr. service was not fulfilled
Continuing Approp. Authority to grant additional awards if gifts, grants or donations are rec'd	No	No	Yes	No	Yes

1 - 2011 Session Laws change requirement of funding of "no more than 3 veterinarians" to being limited to the number supported by moneys available.