

Testimony in Favor of SB 440
Senate Health Care & Human Services Committee
February 11, 2013

Scott Ekblad, Director
Oregon Office of Rural Health

Chair Monnes Anderson, Vice-Chair Kruse, Members of the Committee:

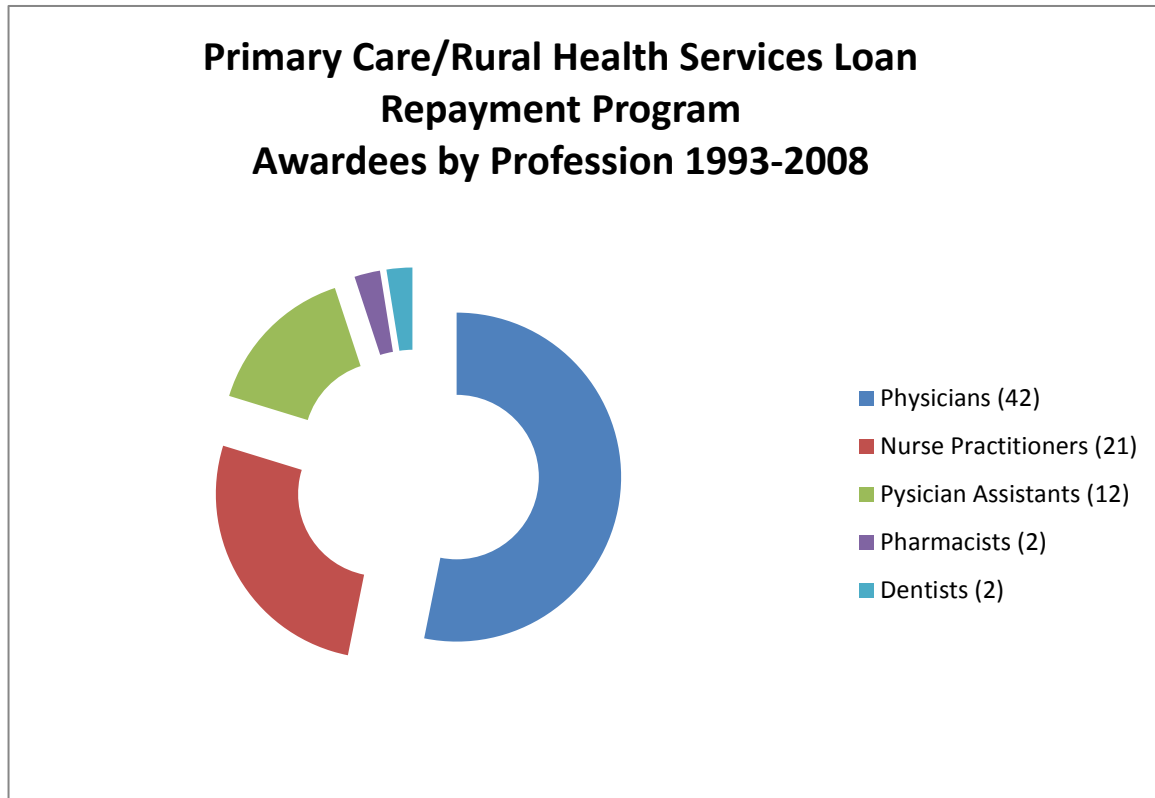
Thank you for the opportunity to testify today in favor of Senate Bill 440, which would create a state loan repayment program for primary care providers within the Oregon Health Authority.

For Members not familiar with the Oregon Office of Rural Health, we are located at Oregon Health & Science University. Our mission is to improve the quality, availability and accessibility of health care for rural Oregonians. State Offices of Rural Health in all 50 states use federal grant dollars and some state funding to provide technical assistance and other services aimed at keeping health care services available and accessible in rural communities. Many, including ours, strive for the same in underserved urban communities as well.

Providing health care to publically insured and uninsured populations is not typically a profitable endeavor. Health care professionals with high student loan debt cannot pay their living expenses and make their loan payments if much of their reimbursement is from Medicaid and Medicare. Those providers often must take positions where providing access to such patients is limited. Loan Repayment programs such as that created by this bill allows health care professionals to practice where they are needed, without concern for the financial burden of student loan debt.

SB 440 creates a loan repayment program to incent providers to see Oregon Health Plan members in rural and other underserved parts of the state. It replaces and builds upon the existing Primary Care Services Loan Repayment Program, which is currently administered by this office. The Primary Care Services (formerly Rural Health Services) Loan Repayment Program made loan repayment awards from 1993 – 2008. Funding for that program was discontinued in 2009.

A total of 79 health care professionals were awarded loan repayment between 1993 and 2008. By the end of this calendar year, all will have completed their service obligations and approximately \$4 million will have been expended during the 20 years of the program. The breakdown of professions awarded is as follows:



The last page of this testimony is a map showing where awardees practiced to meet their service obligations, and where many remain in practice today.

The Primary Care/Rural Health Services Loan Repayment Program has an impressive track record of retention among its recipients. Of the 79 providers awarded loan repayment since 1993, we know of 41 who are still practicing in rural Oregon. There are likely more, but they are difficult to track after their period of obligated service is done. I believe that a high rate of retention was achieved by making awards to those who want to practice where they are needed, rather than those who see a loan repayment site as a necessary detour on the path to some other goal.

SB 440 allows the Oregon Health Authority to contract for the administration of the newly created loan repayment program. The Oregon Office of Rural Health has the experience required to work with OHA to get this program up and running as soon as possible. In

addition to the Primary Care Services program, we also administer the Oregon Partnership State Loan Repayment Program - a federal match grant program, and the Primary Health Care Loan Forgiveness Program established by the Oregon Legislature in 2011. The Oregon Office of Rural Health offers its expertise in prioritizing community need, developing application forms and service contracts, facilitating the awards decision making process, enforcing program requirements and monitoring service obligation completion. We are ready to partner with the Oregon Health Authority and the Oregon Healthcare Workforce Institute to ensure this loan repayment program meets its goal of ensuring access to care for Medicaid recipients in every part of the state

Thank you for the opportunity to speak with you today regarding this bill. I would be happy to answer any questions.