



March 28, 2023

Chair Lively, Vice Chairs McIntire and Ruiz, Members of the Committee, for the record my name is David Robinson, I serve as the Executive Vice Provost at Oregon Health & Science University.

The Scholars for a Healthy Oregon Initiative – or SHOI - was established in 2013 by the Oregon Legislature to address two critical challenges that exist when educating health providers for the state of Oregon: the high cost of tuition for students and the maldistribution of providers throughout the state. The program provides a scholarship which covers full tuition and fees for a selected OHSU students. Recipients sign a service commitment to practice in an underserved community for the number of years of their education plus one.

In pursuit of addressing both of these challenges, SHOI has been successful. Through the 2021-2022 academic year, 156 students have enrolled in SHOI and been awarded full tuition and fee funding for the entire length of their program:

- 38 in Medicine,
- 29 in Dentistry,
- 36 in our Physician Assistant program,
- And 53 in Graduate Nursing.

142 of these 156 students have continued in the program. SHOI has secured a service obligation of 567 years of practice in a rural or underserved community in Oregon. It has reduced potential indebtedness by a grand total of approximately \$20.13 million. At a time of health care workforce shortages all over the state of Oregon, SHOI is one important tool in our toolbelt.

While the scholarship is a decade old, as more students begin to graduate we are identifying areas for improvements. One of these came to our attention last year when several physicians who committed to the program as medical students opted not to complete the service commitment. This meant they would need to repay the cost of their education. OHSU is not a loan service provider, nor is SHOI a loan program, so outstanding balances, which is the cost of education with a 25% penalty, are sent to the Oregon Department of Revenue for repayment. OHSU is ultimately not a loan service provider, nor do we have the capabilities to be one.

In this case, a SHOI recipient raised questions about what repayment with the Department of Revenue would look like that we unfortunately did not have answers to. She wanted to know

how long she would have to repay, whether or not it would impact her credit score, and if her wages would be garnished. While we worked to address these questions, we paused on advancing any SHOI repayments to the Oregon Department of Revenue.

After consultation with the Department of Revenue and discussion with Rep. Bynum, we produced a frequently asked questions document to help students better understand the repayment process. Ultimately, we have taken a conservative approach in the debt collection tools we allow DOR to use. While that will likely mean slower repayment, we want to ensure we're supporting our students' success in their ultimate career goals and in terms repayment should that occur.

We have shared those FAQs for the record and have sent them to each of you via email. In particular, I wanted to note the answers to a couple of them.

Our understanding is that standard payment plans from DOR range from 2-36 months however longer repayment terms are provided on an individual basis for SHOI recipients based on financial circumstances. SHOI recipients are expressly permitted to work with DOR to arrange longer repayment terms. SHOI recipients are not charged interest or fees. The total amount a SHOI recipient owes for repayment is included on the official SHOI Reimbursement Obligation Form and will not change. The DOR does not report debt on your credit report. And, if they choose not to set up a payment plan or does not make the payments agreed to, the DOR will take additional action which could include garnishment of wages and/or applying any state tax refund. It would not include liens on property or a suspension of a license.

Additionally, to ensure SHOI recipients are able to make informed decisions, we are offering recipients who breached their service Commitment at a time when the repayment FAQ with this information wasn't readily available a one-time 90-day extension to consider the FAQ and perhaps reconsider fulfilling their service commitment to care for Oregonians – especially in this time of health profession shortages.

Every year there are more applications for SHOI scholarships that we're able to provide based on the legislative funding for the program. We work hard to ensure that SHOI achieves the legislatively directed outcomes of more independent health care providers in rural and underserved Oregon communities. Because this is a scholarship program, SHOI recipients breaching their service commitment limits our ability to achieve this outcome until those commitments are repaid.

In a recent conversation, Rep. Bynum identified the repayment length as an area of concern. I want to be clear that OHSU supports the Department of Revenue offering repayment terms longer than 36 months, as they determine appropriate, for individual SHOI recipients in repayment. We expect the Department of Revenue to balance ensuring repayment terms are fair while also ensuring repayment occurs to support the next SHOI recipient. We are happy to continue working with the Representative and the Department of Revenue to address it.

We are incredibly proud of SHOI and appreciate the commitment of the Oregon Legislature and the State of Oregon to its ongoing success. We also appreciate the sponsor of the bill, Rep. Bynum, for bringing it forward and the ongoing engagement we have had with the SHOI recipients who are in this circumstance. I'm hopeful we have been able to address the issues raised by HB 2471.

Thank you for your time and thoughtful consideration.

Dr. David Robinson, Ph.D.
Executive Vice Provost
Oregon Health & Science University