

SENATE BILL REPORT

SB 5010

As of February 10, 2015

Title: An act relating to the health professional loan repayment and scholarship program fund.

Brief Description: Restoring funding to the health professional loan repayment and scholarship program fund.

Sponsors: Senators Frockt, Rolfes, Kohl-Welles, Hasegawa, Jayapal, Keiser and Ranker.

Brief History:

Committee Activity: Health Care: 1/26/15, 1/29/15 [DPS-WM].
Ways & Means: 2/11/15.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 5010 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Becker, Chair; Frockt, Ranking Minority Member; Angel, Bailey, Baumgartner, Brown, Cleveland, Conway, Jayapal, Keiser, Parlette and Rivers.

Staff: Evan Klein (786-7483)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Michael Bezanson (786-7449)

Background: Washington State Health Professional Loan Repayment and Scholarship Program. The Washington State Health Professional Loan Repayment and Scholarship Program (Program) was established in 1989. The Program is administered by the Washington Student Achievement Council (WSAC) in collaboration with the Department of Health (DOH). The Program offers two funding sources: the state-funded Health Professional Loan Repayment Program (HPLRP); and the federally match-funded U.S. Department of Health and Human Services State Loan Repayment Program (SLRP).

The Washington State Legislature appropriated \$4,350,000 to the Program fund in 2008-09 and again in 2009-10. The Washington State Legislature has appropriated approximately \$530,000 annually from 2010-14 to the Program fund. The first \$530,000 appropriated to the Program has been used as a state match for federal loan repayment dollars under SLRP.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

HPLRP is funded by any state appropriations to the Program fund over the \$530,000 used for federal match funding.

The Program offers loan repayment, assistance with community-based recruitment and retention projects, and loan forgiveness to health professionals working in health shortage areas.

Eligibility. Program eligibility is determined using both site application scoring and provider application scoring to calculate where health care shortage areas are in the state and the types of providers needed in those areas. DOH may determine what professions are eligible based upon their determination that a profession is or is not in shortage.

Award Allocation. Loan repayment awards under HPLRP were allocated proportionately among eligible service groups that applied for awards and then awarded to the providers that scored highest on the WSAC provider application scoring. Health professionals, upon receiving an award, must agree to a three-year commitment to serve in the health care shortage area for which they applied. Providers must pay back their award if they fail to meet their service requirement.

Summary of Bill (Recommended Substitute): A nurse educator loan repayment and scholarship program is established. Under the program, the Office of Student Financial Assistance must:

- select eligible nurses to participate in the loan repayment portion of the program;
- adopt rules and develop guidelines for the program;
- collect and manage repayments;
- publicize the program;
- solicit and accept grants and public donations;
- establish annual award amounts for eligible nurses;
- determine any scholarship awards for eligible nurses in an eligible nursing education program;
- establish a teaching service obligation for eligible nurses of between 3 and 5 years; and
- determine eligible nursing education programs.

The Office of Student Financial Assistance may grant loan repayment and scholarship awards from the health professional loan repayment and scholarship program fund, or from any private or public funds given to the office for this purpose. The office must annually establish the total amount of funding to be awarded.

Nurse participants must agree to meet the service obligation in exchange for a loan or scholarship award. Nurse participants who serve less than the required teaching obligation are obligated to repay to the program twice the total amount they received from the program.

The amount of \$4 million is appropriated to the Scholarship fund for the fiscal year ending in June 30, 2016, from the state general fund. The amount of \$4 million is appropriated to the Scholarship fund for the fiscal year ending in June 30, 2017, from the state general fund.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Substitute): Adds a nurse educator loan repayment and scholarship program to the health professional loan repayment and scholarship program.

Appropriation: \$8 million.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Health Care): PRO: There is a need for more health professionals to practice in health care shortage areas around Washington. The Program would help provide rural patients, especially those on Medicaid, access to primary care. The Program is an important recruitment and retention tool for getting physicians to rural communities, and physicians are likely to stay in their community after they have met their obligations. The Program could be an important tool for providing access to mental health professionals, if mental professionals are included in the Program fund disbursements. The Program would also be an important tool for helping nurses practice in rural communities, considering how nursing program tuitions have gone up over the last ten years.

OTHER: The scholarship portion of the Program provides a pipeline of providers into rural communities by providing a scholarship during school in exchange for a three-year service commitment after graduation.

Persons Testifying (Health Care): PRO: Lisa Thatcher, WA State Hospital Assn.; Lindsey Grad, Legislative Director, Service Employees International Union 1199 NW; Joan Miller, WA Community Mental Health Council; Sofia Aragon, WA State Nurses Assn., Advanced Registered Nurse Practitioners United of WA State, School Nurse Organization of WA; Donna Russell-Cook, President, St. Elizabeth Hospital; Ian Goodhew, Director of Government Relations, University of WA Medicine; Lis Houchen, National Assn. of Chain Drug Stores; Dr. Russell Maier, Community Health of Central WA; Dr. Josef Milde, Peninsula Community Health Services; Genesee Adkins, University of WA.

OTHER: Rachelle Sharpe, WA Student Achievement Council.