



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #811

Health Care Provider Loan Assistance Program (UW System)

[LFB 2023-25 Budget Summary: Page 666, #8]

CURRENT LAW

UW System administers the health care provider loan assistance program and a companion program, the physician and dentist loan program, through the Wisconsin Office of Rural Health at the UW-Madison School of Medicine and Public Health. Under the current health care provider loan program, the Board of Regents may repay up to \$25,000 in education loans on behalf of a health care provider, defined as a dental hygienist, physician assistant, nurse-midwife, or nurse practitioner, who agrees to practice in one or more eligible practice areas in this state. To be eligible for loan repayment, the health care provider must enter into a written agreement with the Board in which he or she agrees to practice at least 32 clinic hours per week for three years in an eligible practice area. Loans to health care providers are repaid as follows: (1) 40% of the principal up to \$10,000 in each of the first and second years; and (2) 20% of the principal up to \$5,000 in the third year. Total state funding for the health care provider and physician and dentist loan assistance program is \$798,700 in 2022-23. Of this amount, \$488,700 PR is from tribal gaming revenues and \$310,000 SEG is from the critical access hospital assessment fund with hospital assessment funds limited to repayments on behalf of physicians practicing in rural areas. In addition, approximately \$300,000 in federal funding is provided annually.

DISCUSSION POINTS

1. Economic impact studies show that good local health care services improve a community's ability to attract new businesses and new residents, and, as a result, create local jobs. Rural health organizations employ people directly, purchase products and services from local and area businesses, create additional and secondary employment, and add stability to the economic base of a community. A 2017 USDA study entitled "Employment Spillover Effects of Rural Inpatient Healthcare Facilities" found that inpatient healthcare facilities were responsible for 1.25 million jobs, or 8.5% of wage and salary employment in rural communities at their peak in 2011. Primary care

physicians and nurses are a major part of the health care system. In most rural areas, they are principal providers of local health care services. They also contribute to their communities through educational programs promoting healthy lifestyles. Economically, some health care professionals hire and pay staff for clinics, and provide outpatient services to the local hospital. A 2016 report from the National Center for Rural Health Works (NCRHW) estimates that a rural physician generates more than \$1.4 million in wages, salaries and benefits, and creates 26.3 jobs in a local community with a hospital.

2. Concerns continue to be raised regarding the shortage of healthcare workers in Wisconsin, particularly in rural areas. A report by the Wisconsin Council on Medical Education and Workforce in 2021 projected that demand for many healthcare fields will outpace projected supply by 2035 including advanced practice nurses (nurse practitioners), registered nurses, and primary care physicians. Further, data from the Wisconsin Department of Health Services indicates that there is also a shortage of dentists for low-income, Medicaid-eligible Wisconsin residents. The data show that in September, 2019, 46 of Wisconsin's 72 counties are designated as having a full county shortage based on federal health professional shortage area (HPSA) guidelines, and an additional 11 counties have partial shortages. In addition, dentists in the 11 counties with negative ratios, which would indicate that there is not a shortage, may serve individuals in surrounding counties that do have shortages. An HPSA shortage is defined as having a low-income population to dentist ratio of 4,000 to one or higher, meaning there is one or fewer dentists per 4,000 individuals. The data indicated that an additional 199 dentists would be needed to eliminate the shortage.

3. Shortages persist across other healthcare fields as well. A series of surveys of licensed dental hygienists conducted by the American Dental Association's Health Policy Institute between September, 2020, and August, 2021, found some dental hygienists left the workforce during the COVID-19 pandemic. As of August, 2021, 4.9% of respondents were not currently employed as a dental hygienist. Of these, 74.1% said the reason for non-employment was voluntary. The study concluded there was a measurable degree of hesitancy among U.S. dental hygienists to return to work despite improvements in workplace safety and COVID-19 vaccine availability.

4. Assembly Bill 43/Senate Bill 70 would provide \$500,000 GPR annually in a new, continuing appropriation, for the Health Care Provider Loan Assistance (HCPLA) program. The bill would expand the eligible recipients of HCPLA awards to include medical assistants, dental assistants, and dental auxiliaries [and dental therapists]. The bill would define "medical assistant" as an individual who has received a medical assistant technical diploma from a Wisconsin Technical College System institution or who has successfully completed the national certification examination for medical assistants; define "dental assistant" as an individual who holds a certified dental assistant credential issued by a national credentialing organization; define "dental auxiliary" as an expanded function dental auxiliary holding a certification under section 447.04(3) of the statutes. [The bill would have also defined "dental therapist" as an individual licensed under section 447.04(1m) of the statutes as created by the bill. This item was removed from further budget consideration by Committee motion #10]. In addition, the bill would specify that loans to medical assistants may not exceed \$12,500. Further the bill would specify that repayment for medical assistants may be repaid by the Board of Regents at the following rate: (1) 40% of the principal up to \$5,000 in each of the first and second years of participation; and (2) 20% of the principal up to \$2,500 in the third year.

5. Dental professions differ by educational credentials required and scope of practice. Generally, dentists require a bachelor's degree and four years of dental school to receive a Doctor of Dental Surgery, and are licensed by the state to practice dentistry. Dentists' scope of practice typically includes comprehensive diagnosis and treatment planning, fillings, root canals, bridges, and surgical extractions. Dentists are also responsible for supervising other dental healthcare professionals. A dental hygienist typically involves two years of education. Eight of the Wisconsin Technical College System institutions offer dental hygienist programs. Dental hygienists engage in oral health assessment, teeth cleaning and polishing, cleaning below the gums, oral health education, and prevention and are licensed to practice dental hygiene by the state. A dental assistant educational program may include post-secondary training of nine to 11 months or a high school diploma and onsite job training. Seven WTCS institutions currently offer dental assistant programs which generally take one year to complete. Dental assistant work includes activities such as taking and developing x-rays, providing chairside assistance to dentists, taking teeth impressions, and providing patient aftercare instructions. To receive certification as an expanded function dental auxiliary, current law requires an applicant to have successfully completed an accredited instructional program that provides training in practice as an auxiliary, including completing at least 1,000 hours practicing as a dental assistant and holding a certified dental assistant credential issued by the Dental Assisting National Board, Inc., or its successor; or completing at least 2,000 hours practicing as a dental assistant, as verified by the supervising licensed dentist; and to have completed no fewer than 70 hours of classroom instruction. According to WTCS, the average annual tuition under the dental assistant program is approximately \$4,400. The number of dental assistants completing the WTCS program declined from 550 in 2018 to 351 in 2022, averaging 469 over that time period.

6. Under the bill, medical assistants, defined as individuals who have received a medical assistant technical diploma from a Wisconsin Technical College System institution or who have successfully completed the national certification examination for medical assistants, would also be eligible for loan forgiveness under the HCPLA program. The WTCS program is accredited by the American Medical Association's Commission on Accreditation of Allied Health Education Programs. According to WTCS, the program is designed to acquaint students with the duties of a physician's office employee, including general office procedures, exam room assisting, and elementary medical laboratory techniques. Current law does not expressly state what medical assistants are allowed to do, but generally medical assistants are allowed to perform tasks delegated to them, as long as those tasks do not require professional medical judgment, and they may not perform tasks that require a license, such as writing a prescription. Medical assistant programs are currently offered at all 16 WTCS institutions. The average annual tuition is approximately \$4,400 and the program typically takes one year to complete. The number of medical assistants completing the WTCS program declined from 287 in 2018 to 240 in 2022, averaging 254 over that time period.

7. According to the 2021-22 HCPLA program report, in 2021-22, 106 awards were provided to 100 health care providers including 27 new awards to 14 physicians, six nurse practitioners, three physician assistants, three dentists, and one dental hygienist. The report notes that prior to the COVID-19 pandemic the program received approximately 75 applications each year, but only received 47 applications in 2021-22. According to the report, this may be due to general uncertainty in the health care industry due to the pandemic which may have caused some providers to avoid long-term commitments like the HCPLA's three-year service obligation or perhaps available

pandemic relief funding provided other loan assistance which decreased demand for the HCPLA program. According to the Office of Rural Health, the number of applications received in 2022-23 was also 47. Given recent demand for the program has decreased and anticipated demand for the expanded program is uncertain, the Committee could consider providing a lower annual amount for the 2023-25 biennium. [Alternative 2]

ALTERNATIVES

1. Provide \$500,000 GPR annually in a new, continuing appropriation, for the Health Care Provider Loan Assistance (HCPLA) program. Expand the eligible recipients of HCPLA awards to include medical assistants, dental assistants, and dental auxiliaries. Define "medical assistant" as an individual who has received a medical assistant technical diploma from a Wisconsin Technical College System institution or who has successfully completed the national certification examination for medical assistants; define "dental assistant" as an individual who holds a certified dental assistant credential issued by a national credentialing organization; define "dental auxiliary" as an expanded function dental auxiliary holding a certification under section 447.04(3) of the statutes. In addition, specify that loans to medical assistants may not exceed \$12,500. Further, specify that repayment for medical assistants may be repaid by the Board of Regents at the following rate: (1) 40% of the principal up to \$5,000 in each of the first and second years of participation; and (2) 20% of the principal up to \$2,500 in the third year.

ALT 1	Change to Base
GPR	\$1,000,000

2. Adopt Alternative 1, except provide \$250,000 GPR in a new, continuing appropriation, for the HCPLA program.

ALT 2	Change to Base
GPR	\$500,000

3. Take no action.

Prepared by: Erin Probst