

SUBJECT: Student loan repayment for correctional health care providers

COMMITTEE: Corrections — favorable, without amendment

VOTE: 7 ayes — Madden, Cain, Hunter, Marquez, Parker, Perry, Workman
0 nays
2 absent — Allen, White

WITNESSES: For — (*Registered, but did not testify*: Michelle Romero, Texas Medical Association; Jodie Smith, Texans Care for Children)

Against — None

On — Allen Hightower, Correctional Managed Health Care Committee; Owen Murray, University of Texas Medical Branch; (*Registered, but did not testify*: David McNutt, Correctional Managed Health Care Committee)

BACKGROUND: The state’s Physician Education Loan Repayment Program provides funds to doctors to help repay their student loan debt in exchange for the doctors agreeing to practice in a health professional shortage area and provide services to people enrolled in Medicaid and the Texas Children’s Health Insurance Program (CHIP).

The program is administered by the Texas Higher Education Coordinating Board with assistance from the Texas Department of State Health Services. Physicians apply for the program and can receive repayment assistance for up to four years. Funding sources for the loan repayment include general revenue appropriations, a set-aside from medical school tuition, and tobacco tax revenue. Physicians can receive loan repayments of up to \$25,000 in their first year in the program, with the amount increasing to \$55,000 in their fourth year. For fiscal 2010-11, 156 physicians are scheduled to receive loan repayments, estimated to total about \$6.1 million.

The system used to deliver health care to adult offenders is based on a managed care model. It is operated by the Correctional Managed Health Care Committee (CMHCC), which the Legislature created in 1993. The

Texas Department of Criminal Justice contracts through the committee with the University of Texas Medical Branch (UTMB) at Galveston and the Texas Tech University Health Sciences Center (TTHSC) to provide the statewide managed care network. UTMB also provides health care services for juvenile offenders committed to the Texas Youth Commission.

DIGEST:

HB 1908 would expand the eligibility criteria for Texas' Physician Education Loan Repayment Program to include physicians caring for persons incarcerated in facilities operated by the Texas Department of Criminal Justice and the Texas Youth Commission. Repayment assistance would be limited to the first 10 doctors each year who established eligibility for the grants.

The bill also would authorize the state's Correctional Managed Health Care Committee to provide student loan repayment assistance for medical and mental health physicians and other correctional managed health care staff. The repayment assistance could be for any higher education student loan, including undergraduate, graduate, and medical education loans.

Doctors could not receive loan repayment assistance under both the physician loan repayment program administered by the Texas Higher Education Coordinating Board and the new program under HB 1908 that would be developed by the CMHCC.

The CMHCC would be authorized to adopt rules to implement HB 1908 and would have to do so by December 1, 2011. It would have to begin providing loan repayment assistance by January 1, 2012. By December 1 of each year, the CMHCC would have to report to the LBB and the governor on its use of funds for the loan repayment program for the previous fiscal year.

The Higher Education Coordinating Board would have to adopt its rules necessary for HB 1908 by December 1, 2011. By January 1, 2012, the coordinating board would have to begin student loan repayment assistance under the bill.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

**SUPPORTERS
SAY:**

HB 1908 would help the state address a problem with recruitment and retention of doctors and other health care workers who help the state meet its obligation to provide health care for about 156,000 adult offenders and 1,600 juvenile offenders.

The state's Correctional Managed Health Care Committee currently has difficulty recruiting and retaining doctors, physicians assistants, nurse practitioners, and others to work in prisons and juvenile correctional facilities. Many such facilities are located in rural areas where it is difficult to find health care professionals. It can be especially hard to find staff willing to work in a prison or juvenile facility if there is a local hospital. For the Texas Department of Criminal Justice, the statewide vacancy rate for doctors is 15 percent to 25 percent, and for registered nurses it is 10 percent to 20 percent. Correctional health care physicians also are a graying population, with about 60 percent of the doctors over age 60.

HB 1908 would address this problem by making health care providers who agreed to work in the state's adult prisons and juvenile facilities eligible for the state's established education loan repayment program and by authorizing the CMHCC to create its own repayment program with its funds. This would give the CMHCC additional tools to attract and retain medical personnel.

Making correctional health care staff eligible for the state's existing program would recognize that these personnel are as important to the state as those willing to work with special populations in other underserved areas. The existing program does not have a waiting list, so making correctional health care doctors eligible should not take resources away from other health care providers. The rules governing priorities for awarding the repayment funds could be revised to reflect the addition of correctional managed care providers. HB 1908 would cap the number of correctional health care doctors who could receive payment through the existing program to ensure that other physicians eligible for the program continued to receive assistance.

HB 1908 would allow the CMHCC to establish its own loan repayment program so that it had another option for recruiting and retaining correctional health care personnel. Any loans made under such a program would come from the CMHCC's appropriations and would not involve new state spending. The CMHCC sometimes must use its appropriations

to hire doctors at underserved units by offering a supplement for geographic hardships. Sometimes when it is unable to find doctors, it is forced to turn to a staffing agency that provides physicians, usually at a higher cost than a doctor employed by the CMHCC. Spending funds on a loan repayment program could replace some of these expenditures and could save money if it helped retain health care personnel.

Any loan repayment program developed by the CMHCC would be small and easily administered by the committee. When developing the program, the CMHCC could consult the rules for the current loan repayment program and seek guidance from the coordinating board, if necessary.

HB 1908 would not cost the state any money. The bill would not request or appropriate any funds for the current physician loan repayment program, and the House's proposed budget for fiscal 2012-13 would reduce funds for the program. HB 1908 would establish the framework for loan repayments if funds were available.

OPPONENTS
SAY:

Expanding the eligibility criteria for the state's current physician loan repayment program could shift the program's limited resources away from a focus on recruiting Medicaid and CHIP doctors for underserved areas.

OTHER
OPPONENTS
SAY:

It could be difficult for a small entity like the CMHCC to administer a loan repayment program involving many administrative and technical details, such as monitoring loan balances and assessing applications.

HB 1908 would require repayment assistance to begin by January 1, 2012, and it may be better to extend that deadline. Traditionally, loan repayment programs release money to recipients after they have provided one year of service to ensure that the state receives the service.