MEETING MINUTES
State Loan Repayment Program (SLRP) Workgroup
Wednesday, March 28th, 2018 1:00pm – 2:30pm
Indiana Government Center South, Conference Room B

<u>Members Present:</u>
Jeffery Chapman, *Interim Chair, Office of Medicaid Policy and Planning*
Matt Brooks, *Indiana Council of Community Mental Health Centers*
Jessica Ellis, *Indiana Primary Health Care Association*
Blayne Miley, *Indiana State Nurses Association*
Kevin Moore, *Division of Mental Health and Addiction*
Daniel Wagner, *On Behalf of Colby Shank, Commission for Higher Education*
Angela Thompson, *Coalition of Advanced Practice Nurses of Indiana*
Senator Randall Head, *Indiana Senate*
Joseph Habig, *Indiana State Budget Agency*
Julie Halbig, *On Behalf of Brian Tabor*, *Indiana Hospital Association*
Leila Alter, *Indiana Dental Association*

<u>Members Not Present:</u>
Ann Alley, *Indiana State Department of Health*
Mike Brady, *Indiana State Medical Association*
Jason Kolkmeier, *Indiana Academy of Physician Assistants*

Welcome
Jeff Chapman serves as interim Chair during Chairwoman Allison Taylor's absence. As Chapman calls the meeting to order at 1:00pm. He asks for a motion to approve the meeting minutes from the February 19th meeting. Thompson motions to approve, Miley seconds the motion. All members express consensus to approve. Motion carries. Roll call is taken.

Notice of Funding Opportunity Announcement
Chapman introduces a new funding opportunity. The Health Resources and Services Administration (HRSA) has recently published the fiscal year (FY) 2018 – 2019 federal grant opportunity with the National Health Service Core (NHSC). The grant requires a state funding match source ($1 of federal funds for every $1 of state funds).

Chapman shares that 45 states are eligible for the reward and Indiana intends to apply for the grant, with a deadline of May 6th, 2018. Chapman reviews the eligible professions for reimbursement as defined by the NHSC and reminds the workgroup that it was previously decided to move forward with all masters level and above professions eligible for repayment.

- Brooks asks for clarification on funding requirements. Chapman responds that a state match is required and the workgroup will continue to discuss today regarding how that might be implemented in Indiana.
- Brooks asks if the state already has a funding source available. Chapman responds that he does not believe Indiana has funds currently. Chapman adds that the funding strategy

may be two-pronged; one strategy for the first year, to get the program running, and another strategy that is longer-term.
- Habig asks if this grant is for the federal FY 2019. Chapman responds yes, funding would begin September 1st, 2018 and would continue for four years depending on federal fund availability.
- Brooks asks if the administrative costs are included in the grant. Maxey responds that the grant does not allow the federal funds to be used for any administrative expenses; the federal match is to be used fully for loan repayment of health professionals. Maxey adds that state funds may require additional funds to supplement administrative expenses.

Follow-up: Results from Small Group Discussions on 2/19/18
Chapman discusses the results from the small group discussion from the February 19th meeting regarding the state match funding strategy. Chapman reports that licensing fees and a mixed strategy (including licensing fees and employer match) received the highest recognition for financial feasibility. However, Chapman reports that the group previously had concerns regarding administratively feasibility of a mixed approach. Chapman summarizes that licensing fees appear to be the preferred method of funding for the state match.

- Miley states that if licensure fees is the method of choice, he recommends that the group determine a strategy to ensure that only the professions that could benefit from repayment are charged the additional fee. He states, for example, that if only advanced practice nurses are eligible for repayment, only APNs should be charged the surcharge; as not all registered nurses (RN) would benefit.
    - Chapman states that given some concern about limitations associated with operating the federal match program, he reminds the group that there may be opportunity to operate a state-based program where the state has full sovereignty over administration. Chapman states that if the group had interest in loan repayment for RNs and licensed practical nurses, a state based program could be explored.
- Habig asks if the licensing fees would be an additional surcharge that is specifically to fund the state match or if the group is wanting to divert existing license fee revenue. Maxey responds the research in other states found that they usually use a surcharge approach, as the standard licensing fees are generally already appropriated (for administrative costs of the board, oversite of the occupation, or going into the general assembly budget).
- Habig asks if implementing this strategy would require statutory change. Brooks responds yes, a re-routing of funding or creating a new fund would require statutory change but that the amount could be left as an administrative decision.

Review of Action Items from Previous Meeting
Chapman invites Maxey to discuss the research conducted from the action items from the previous meeting. Maxey shares that California and Missouri both operate state-based loan repayment programs, which is separate from the federal match. She states that this does not exclude these states from also operating the federal match program. However, the fees/funding generated from licensing fees in these states only go to support their state-operated programs (over which the state has full sovereignty).

Licensing Fees Funding Strategy: California
Maxey provides an overview of the funding strategy in California: California a large state and prolific in the work it does in health workforce planning and policy coordination. The Office of Statewide Health Planning and Development (OSHPD) resides within the Department of Health and Human Services Agency and is solely dedicated to health planning and development. Under OSHPD, there is a Health Profession Education Foundation that is a public partnership, where the state loan repayment program resides.

Through key informant interviews that were conducted by the Bowen Center, the Health Profession Education Foundation has 9 staff members who are responsible for: the financial management of the funds, disseminating information to potential loan repayment applicants, monitoring the practice of the recipients, collecting funds from broken contracts, and producing an annual report. OSHPD is governed by a board of 13 members who have been identified by the governor and these individuals make all of the administrative decisions for the foundation such as prioritizing professions in a given application cycle.

The foundation is a non-profit and was established in state statute. The foundation is funded through various grants, donations from other foundations, and also receives licensing fees. The role of the foundation is to provide scholarships and loan repayment to students and graduates in California who agree to practice in California's medically underserved areas. In the state of California, the program ties the practice location to the federally underserved shortage designations.

- Brooks asks how long the service period is for the program.
    - Maxey responds that the service commitments vary based on profession.

Maxey states that one of the questions that had come up in a previous workgroup meeting was in the case of adding a surcharge to both registered nurses and a surcharge to physicians: how would the state ensure that the money the professionals are putting in will go back directly to their professions and would not be routed to support other professions. Maxey states that in California, the 13 member board works with stakeholders and determines which selected health professions will be included in their state loan repayment program. Once the professions are selected a specific amount is established for each of the separate occupations. For example, physicians have a $25 surcharge and nurses have a $5 surcharge. A separate fund was created for each of the professions included in the repayment program (i.e. nurses fund is separate from physicians fund). Each fund is maintained and administered as separate funds within the foundation.

Hannah Maxey directs the workgroup to a publicly available resource on California's program via their annual report.

- Miley asks if the report includes data on broken contracts. Maxey responds that was not reported in the annual report.
- Maxey responds that many states weren't willing to discuss their state loan repayment programs in heavy detail due to a new fiscal year coming up.
- Kevin Moore states that their mental health program looks like it's not a surcharge but rather an operating transfer from the California Department of Mental Health.

- Leila Alter asks what the administrative costs are for the program. Halbig states that administrative information is included on page 12 of the previously referenced annual report. Brooks adds that because the foundation is a classified as a non-profit, there would also be a publicly available 990 Form where that information can be found.

Licensing Fees Funding Strategy: Missouri
Maxey also provides information on Missouri's licensing fee funding strategy. Missouri includes a nurse license surcharge that funds their "Professional and Practical Nurse Student Loan Program," established in 2000. She states that a small surcharge is added to the licensing fee to add funds for "investment" or loans to nurses/nursing students to cover educational costs. The loans are repaid via service in an underserved area or by cash repayment. Maxey clarifies that the program operates as a loan and the awarded individual decides how they would like to repay the state (either by service or by cash). The program is housed in the Department of Health and Senior Services, an agency similar to Indiana's State Department of Health, within Missouri's Primary Care Office (which is where health facility regulation occurs).

In Missouri, registered nurses (RNs) have a surcharge of $5 and licensed practical nurses (LPNs) have a surcharge of $1. The total revenues from the licensing surcharges generates just under $500,000 each licensing cycle. The surcharge goes into two separate funds. Professional nursing students can receive up to $5,000 a year for associate, baccalaureate, masters, or doctoral educational costs. LPN students can receive up to $2,500 per year and the maximum length of time to receive funds for the program is 5 years.

- Matt Brooks asks for clarification – are recipients receive a student loan or loan repayment? Maxey responds that students receive a student loan.

Hannah Maxey states that in reporting, 80% of the licensing surcharge revenue went to nursing students and the 20% went to administrative costs. In order to run the program, Missouri uses 0.8 FTE for a program representative, 0.1 FTE for a broadband manager, and 0.1 FTE for a clerical staff position. Hannah Maxey directs workgroup members to a publicly available document on a report on the program (Link: "Missouri Professional and Practical Nurse Student Loan Program"). Maxey highlights that about 20% of recipients are noted to be in "collections" and "default" status.

- Miley states that Indiana used to have a similar program, with similar results (high occurrence of defaults). As a result, the program was eliminated in 2011.
- Brooks states that their structure for program administration seems to be reasonable in terms of costs to run the program.

Voting on Funding Strategy
Chapman begins to discuss formally voting on a funding strategy for the program. He opens the group up for any further discussion on funding strategies.

The workgroup unanimously indicated a licensing fee surcharge would be the most feasible option for the match source of funding.

- Brooks adds that the specific surcharge amount should be discussed with each stakeholder or profession group.

- Senator Head expressed interest in a further study for feasibility of employer match or a mixed strategy.
    - Maxey describes that in the research conducted by the Bowen Center, employer match requires a high-level of administrative organization. If that is an avenue the state would like to pursue, sufficient resources will be needed to ensure success in administration.
    - Halbig asks in other states using an employer match, how professional-recipients are identified. Maxey responds that generally in the states that were researched, those employers have a voice in selecting the qualified candidates, but the state is still responsible for coordination of federal and employer award.
- Moore states that after demonstration of a successful SLRP using other match funding sources, employers may be more interested in investing and providing match funds in the future. Halbig adds that another factor that will be necessary for employer buy-in are ensuring it is not administratively burdensome for the employer.
- Miley asks if California's program (funded on licensing surcharge fee) has variances in terms of profession eligibility and award amount between the different professions. Maxey responds yes, California's program operates to meet the needs of unique occupations and each fund has an advisory group comprised of representatives of the profession of interest.

Chapman summarizes the discussion that there is general consensus in moving toward using a surcharge on licensing fees to fund a SLRP program. He adds that there was interest in having employers provide funding as well, but this may be a long term goal instead of a feasible immediate option.

Discussion of Next Steps
The workgroup expressed interest in learning more about funding award amounts in other states and how the amount may vary by profession type. They state that this information would be helpful to begin to calculate the potential surcharge amount.

Update on Recent Evaluation: Division of Mental Health & Addiction Services (DMHA) Loan Repayment Assistance Program Results
Maxey states that DMHA operated a loan repayment program for mental health professionals from 2015-2017. The Bowen Center conducted an evaluation of the program and she is presenting key findings to the workgroup. She states the data presented in the report was collected by 1) matching license information to licensure survey data and 2) telephonic phone interviews were conducted to obtain information specific to the loan repayment program. She states that over the three years of program administration, there were 139 unique behavioral health professionals who received repayment. Seventy-five individuals participated in the telephonic interviews (response rate of 54%). The survey respondents included at least one respondent from every mental health profession with the exception of clinical addition counselors. Of the respondents, four in five participants completed their degree in Indiana and have continued to practice in Indiana. The majority of previous recipients continued practicing at the site where they were working when they received the award. Nearly 70% of respondents reported their patient panel is comprised of more than 50% of Indiana Medicaid patients. (Moore

notes that practicing in a HPSA site was not a requirement for eligibility, but an applicant received more points on their application if they were practicing in a HPSA).

Maxey continues to describe the qualitative data collected from the participants. Nearly half of respondents described the program had a positive effect on their decision to practice in Indiana. Most respondents provided open-ended feedback describing their appreciation for the program.

Moore adds that DMHA funded the program through three fiscal years at just over $1.8 million in federal funding. He states that unfortunately, there are currently no funds available to continue the program.

- Habig asks for the administrative cost for running this program. Moore responds that DMHA provided administrative support for the program. There was also a 6-7 person board that advised the program.

Closing & Adjourn
In closing, Chapman opens the floor for any remaining questions or discussion. Maxey states that letters of support are required to support Indiana's application to participate in the NHSC state loan repayment program. Some workgroup members may be asked to provide those letters of support.

- Habig asks if the current plan is to have the SLRP application include the Indiana State Department of Health as the administrative entity. Chapman responds that the administering agency has yet to be determined.

Chapman calls the meeting to adjourn at 2:10pm. Chapman shares with workgroup members that meeting logistics for the next meeting will be announced shortly.