FY 2006 – FY 2008

Michigan Essential Health Provider Program:

Report to the Michigan Legislature

PUBLIC HEALTH CODE (EXCERPT)
Act 368 of 1978

333.2723 Rules; status report.

Sec. 2723. (1) The department may promulgate rules necessary for the implementation of the department's functions under this part.

(2) The department shall report biennially to the legislature, the governor, the state health planning council, and the public health advisory council on the status of the Michigan essential health provider recruitment strategy for the preceding 2 years. In addition to the status report, the report shall include, but not be limited to, all of the following:

(a) Review of state and federal legislation, rules, guidelines, and policy directives affecting the health personnel of health resource shortage areas.

(b) Recommendations concerning physician specialty areas or other health professions for inclusion in the Michigan essential health provider recruitment strategy based upon a determination of the need for various types of health care providers in this state.

History: Add. 1990, Act 16, Eff. Oct. 1, 1990.

Popular name: Act 368

MICHIGAN ESSENTIAL HEALTH PROVIDER (MEHP) RECRUITMENT STRATEGY: RESPONSE TO ACT 336 OF 1994 (MICHIGAN COMPILED LAW 333.2723)

Introduction

The Michigan Essential Health Provider Recruitment Strategy, also known as the Michigan State Loan Repayment Program (MSLRP), provides loan repayment assistance to medical, dental and mental health care professionals who are willing to provide full-time health care services in a Health Professional Shortage Area (HPSA) at a not-for-profit or public health clinic for two to four years. Federal funding through the National Health Service Corps of the Health Resources and Services Administration (HRSA) is equally matched with state of Michigan or Local Match Funds contributed by health care employers to provide this loan repayment assistance. This paper will report on the status and accomplishments of the program over FY 2006-2008 (10/1/2005-9/30/2008) as well as provide a review of state and federal directives that affect health professional shortage areas.

Status of the Michigan Essential Health Provider Recruitment Strategy

Providers

In order for a provider to be eligible for MSLRP, he or she must provide primary care services for 40 hours a week with at least 32 being direct patient care, and this service must be at an approved MSLRP Practice Site. The following is a list of eligible providers, their minimum education level, and maximum loan repayment contract amount.

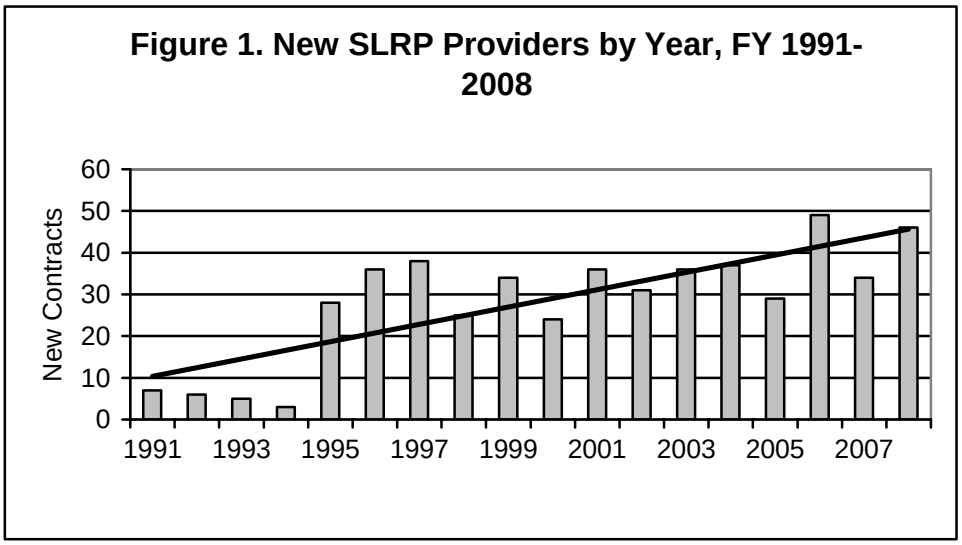
Doctorate - $25,000/year

- Dentists
- Physicians: Family Practice, Internal Medicine, OB/GYN, Pediatrics or Psychiatry
- Clinical or Counseling Psychologists
- Licensed Professional Counselors
- Marriage and Family Therapists

Master's Degree - $15,000/year

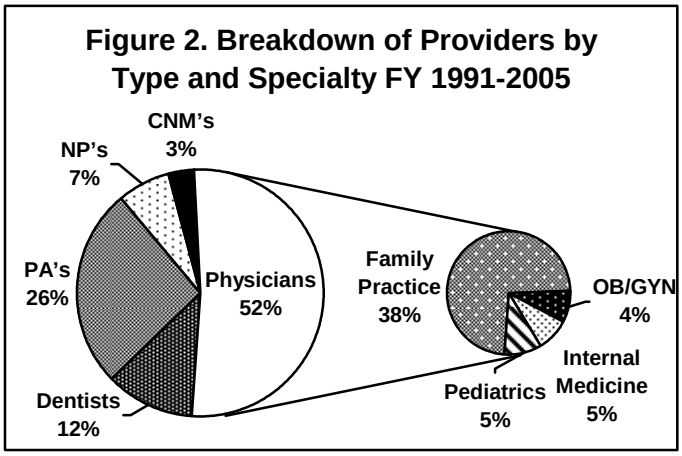
- Certified Nurse Midwives (CNM)
- Physician Assistants (PA)
- Nurse Practitioners (NP)
- Clinical Social Worker
- Licensed Professional Counselors
- Marriage and Family Therapists
- Mental Health Counselors
- Psychiatric Nurse Specialists

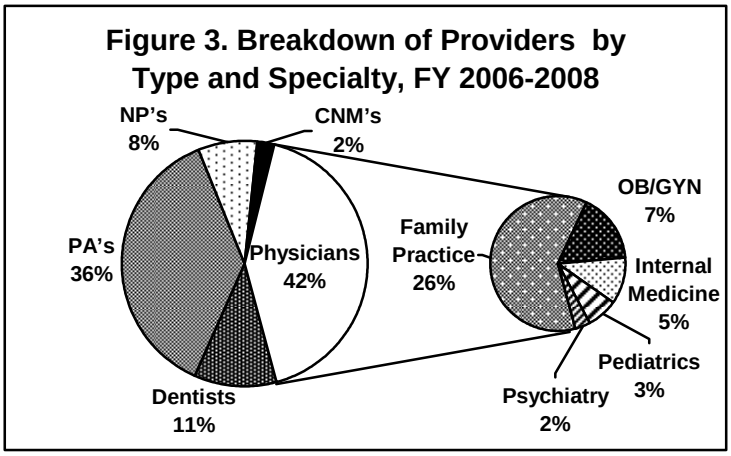
From FY 1991 to FY 2008, the Michigan Essential Health Provider Program has placed 504 providers in 68 of Michigan's 83 counties. The number of providers supported by the program has grown significantly from 7 providers in its first year to 46 providers in the most recent year. Figure one shows the growth of the program over its 18 year history. The table in Appendix A gives a more detailed account of the providers in the program over these same years.



In the past three fiscal years, the Michigan State Loan Repayment Program has placed 129 providers into Health Professional Shortage Areas. Fourteen (11%) were dentists, 54 (42%) were physicians, and 61 (47%) were mid-level practitioners (PA, NP, CNM). Family practice was by far the most prevalent physician specialty, representing 61 percent of the total physicians. From most represented to least represented, physicians practicing obstetrics and gynecology, internal medicine, pediatrics, and psychiatry make up the remaining 39 percent of physicians.

Over the past three fiscal years, the proportion of nurse practitioners, dentists, and certified nurse midwives as well as the breakdown of physicians by specialty have remained similar to historical levels. The proportion of physician assistants in the program has increased in recent years, whereas the proportion of physicians overall has decreased. This may reflect shifting demographics in the primary care work force. Figures 2 and 3 show the changes in provider type, including the increasing utilization of the program by physician assistants. During FY 06-08, the proportion of females in the program was 65%, an increase from 49% over the period FY 01-05 (this information was not documented prior to 2001).



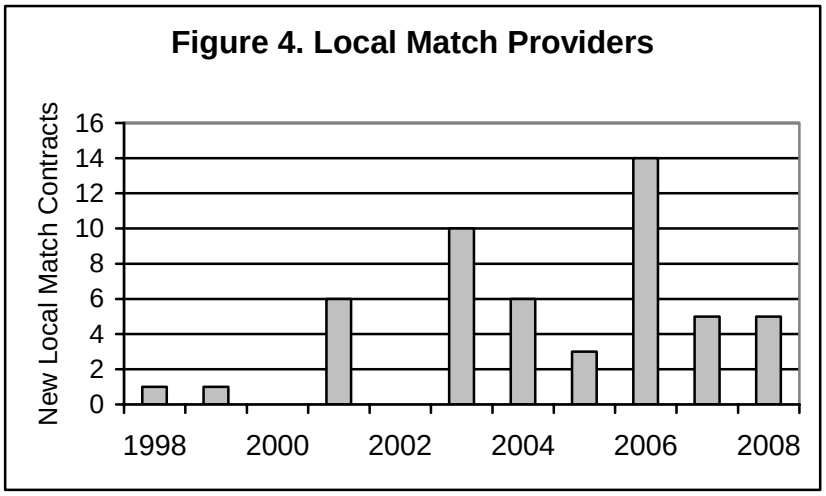


The accomplishments section (beginning page 7) describes the Michigan State Loan Repayment Program's efforts to best utilize its resources over the last three fiscal years. These efforts included policy changes designed to increase participation by certain provider types that are already incorporated in the program. Federal program requirements limit eligible health professional types. MDCH does not recommend that other health professions or physician specialties be included in the program.

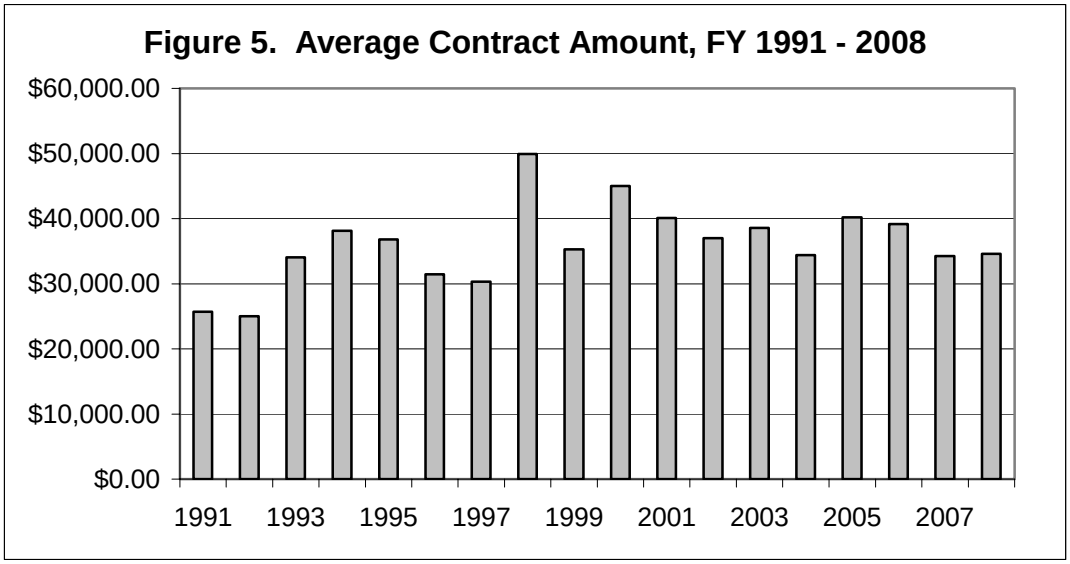
Contracts

The Michigan State Loan Repayment Program awarded three types of contracts during the reporting period. Competitive Contracts were funded with 50% federal and 50% state funds, and did not require a local employer match. Because these contracts required no employer contribution, many providers applied, and the majority of awards went to providers given priority status because of their profession or practice location. The second type of contract was the Local Match Contract. Local Match Contracts were available to providers whose employer was willing to contribute 50% of the amount of their Local Match Contract. These contracts were awarded on a first-come, first-served basis. The third type of contract was the CMH/DOC State Match Contract. This type of contract targeted the priority mental health care practice sites that chose to use their state Community Mental Health or Department of Corrections funds to provide the required matching dollars.

In FY 06 and FY 08, the program awarded the first two CMH/DOC State Match Contracts since the program was opened to mental health providers in 2005. In addition, the Michigan State Loan Repayment Program awarded Local Match Ccontracts to 24 providers over FY 2006-2008 (Figure 4).



The average length and award amount of all contracts has remained near the historical average at approximately two years and $36,000-37,000 respectively, or approximately $18,000 per year.



The amount of student debt is increasing across the health professions. For example average allopathic medical graduate debt has increased from $86,000 at public schools and $120,000 at private schools in 2001, to $120,000 and $160,000 respectively in 2006[1], and average dental graduate debt increased from $132,704 in 2001 to $186,218 in 2007[2]. The educational debt of providers entering the program in FY 08 and 09 is as follows:

Provider (n-value) - Average Incoming Debt ($):

- CNM(3) – 37,684
- NP(6) – 56,382
- PA(27) – 62,907
- MD(12) – 88,290
- DO(9) – 122,172
- DDS(11) – 141,648

Practice Sites

For a site to be eligible for MSLRP, it must:

- Be located in a federally designated HPSA.
- Be a public or private not-for-profit agency with an IRS code designation of 501(c)(3).
- Accept Medicaid and Medicare patients.
- Agree to employ any participating MSLRP provider for an average of 40 or more hours per week throughout the MSLRP contractual period.
- Participate in, or accept all members of a Qualified Health Plan (QHP), if one exists in the county in which it is located. A QHP is a managed health care plan,

[1]Association of American Medical Colleges: Medical School Tuition and Young Physician Indebtedness, 2007.

[2] American Dental Education Association: Survey of Dental School Seniors 2007 Graduating Class.

such as an HMO or PPO which is enrolled as a provider with the Michigan Medicaid Program.

- Make a sliding fee scale, which is based on federal poverty guidelines, available to all patients.

The Michigan State Loan Repayment Program categorizes practice sites into 10 categories for reporting purposes. The 129 providers from 2006-2008 practiced at the sites shown in Table 1. Figures 6 and 7 show how the recent years compare to historical program placements.

Table 1. Provider Practice Sites, 2006-2008

Practice Sites	2006-2008	
	# of providers	Percentage of Total Providers
Hospital-Affiliated Primary Care Clinic (PCC)	37	29%
Critical Access Hospital-Affiliated PCC	18	14%
Private Nonprofit PCC	1	1%
Tribal PCC	1	1%
Federally Qualified Health Centers (FQHC)	53	41%
Rural Health Clinic (RHC)	3	2%
Rural Health Clinic/HPSA	10	8%
Local Public Health Department (LPHD)	4	3%
State/Federal Correctional Facility (DOC)	0	0%
Community Mental Health (CMH)	2	2%

Figures 6 and 7 present the number of providers placed at different practice site types over the reporting period compared to the programs total previous placements. Throughout the history of the MSLRP, providers have primarily practiced at Federally Qualified Health Centers or hospital affiliated primary care clinics (many of which are affiliated with critical access hospitals).

Figure 6. Provider Placements by Practice Site Type, FY 1991-2005

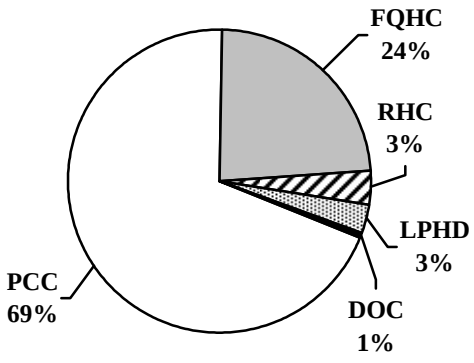
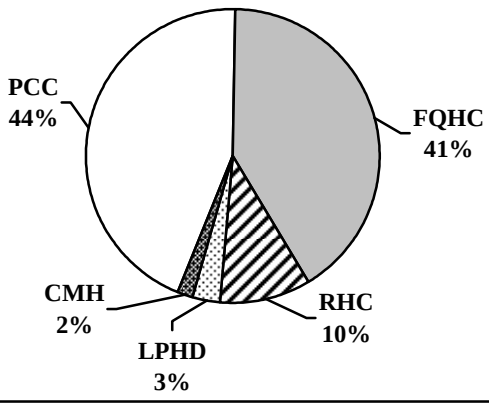
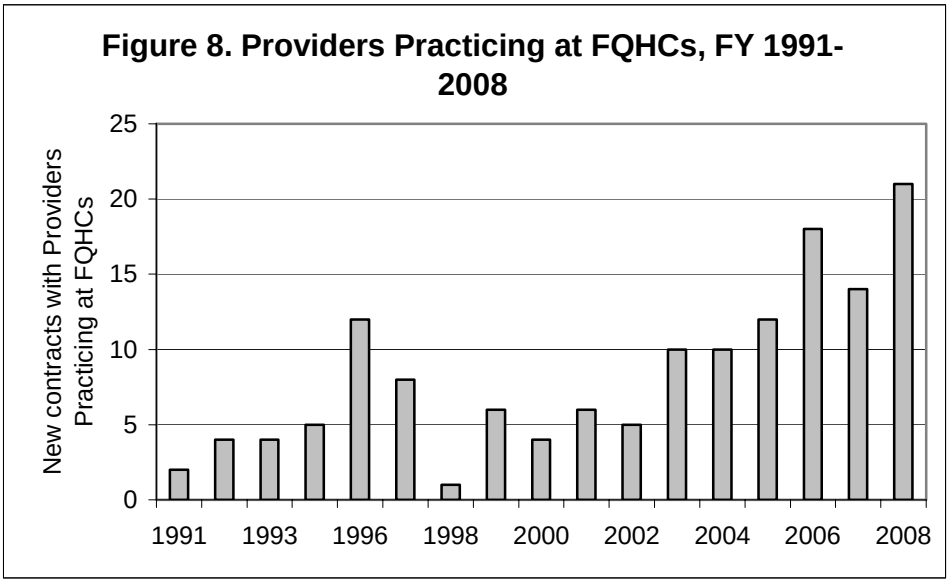


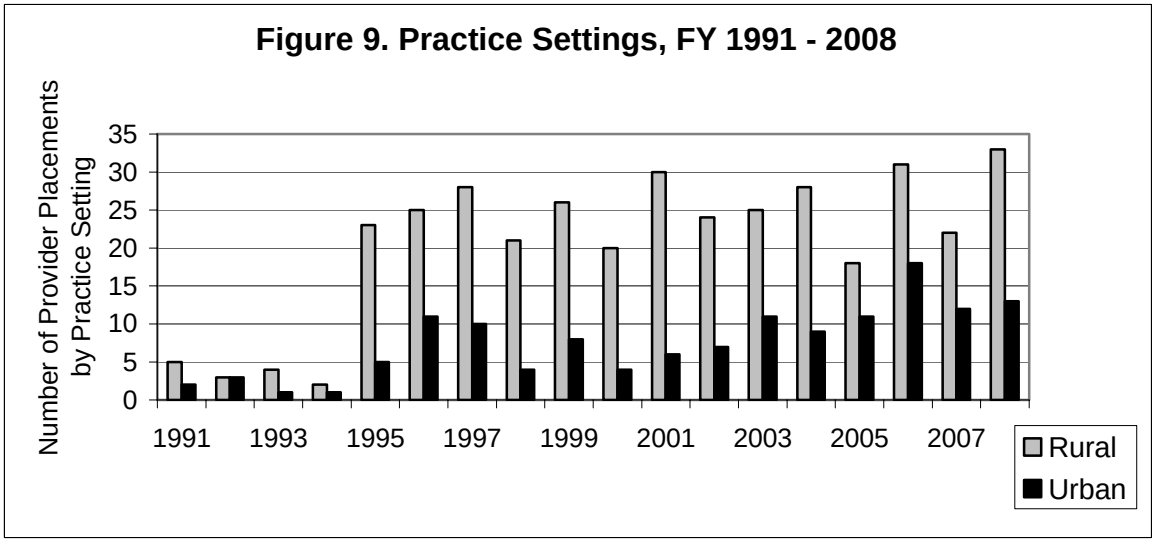
Figure 7. Provider Placements by Practice Site Type, FY 2006-2008



The proportion of providers who practiced at FQHCs has increased from 24%, FY 1991-2005, to 41%, FY 2006-2008. The increase in FQHC use is documented in Figure 8.



Throughout the program's history a greater proportion of providers have practiced in rural areas compared to urban. However, in recent years, the proportion of urban providers in the program has grown (Figure 9). Appendices B-D map provider placements by county over the three year reporting period and the fifteen years prior to the reporting period. Appendix E shows the number of providers by county over the programs entire history.



Program Accomplishments During FY06-FY07 (10/1/05 – 9/30/07)

Goals:
During FY06, the department established the following MSLRP Goals to guide the growth and development of the program:

1. Increase program efficiency and effectiveness.
2. Periodically reassess and modify provider selection criteria in response to the changing provider needs of residents in Michigan's Health Professional Shortage Areas.
3. Maximize each of the four current sources of program funding in order to place a greater number of providers:
   - Federal funds awarded by the Health Resources and Services Administration,
   - State funds appropriated by the Michigan Legislature,
   - Local Match Funds contributed by the non-profit employers of eligible health care providers, and
   - CMH/DOC State Match Funds contributed by employers of eligible mental health care providers who receive Michigan Community Mental Health or Department of Correction funds.
4. Identify new sources of non-federal funding to sustain and expand the program.
5. Commit all available funding to maximize the number of providers placed in Michigan HPSAs.

Program accomplishments discussed below are the result of initiatives designed to achieve these goals.

Developing Contact Management and Marketing Systems:
During FY06, the department implemented contact management and marketing systems. The contact management system allows program staff to efficiently communicate with program participants, as well as with employers and providers requesting program information. It enables program staff to easily record, retain and retrieve employer and provider information, including summaries of past conversations. Establishing records on each new program contact has increased efficiency in working with providers and employers during the inquiry, application, contracting and contract management phases of program participation.

The marketing system consists of a Marketing List and MSLRP Opportunity Notifications. The marketing list is a subset of employer contact management records consisting of employers who have participated in the program and employers with practice sites at which providers may be eligible for future loan repayment. MSLRP Opportunity Notifications are e-mails sent to those on the marketing list to describe approaching application periods, as well as changes in program policy and application procedures. MSLRP staff first used the marketing system in February, 2007 to promote the April 2007 Application Period.

Policy Changes and Clarifications Project (Completed 3/7/07)
The MSLRP Policy Changes and Clarifications Project revised application periods and procedures. It also revised and clarified selection criteria, terms, and processes. It was designed to improve program communications with applicants and to improve the quality of applications received during the April 2007 Application Period.

- Revised MSLRP Application Periods and Procedures:
  In the past, MSLRP offered two application periods each year. The April Application Period was offered for those applying for Competitive Contracts, funded with 50% federal and 50% state dollars. A second application period was offered the following January for those applying for Local Match Contracts, funded with 50% federal and 50% local match dollars contributed by providers' employers. Effective with the April 2007 Application Period, providers could apply for any one of three types of contracts: Competitive; Local Match; or MDCH/DOC State Match Contracts. Moving to a single application period for all types of contracts requires non-priority applicants to select the type of contract for which they are applying, instead of delaying commitment to a Local Match Contract in hope of receiving a Competitive Contract requiring no employer contribution. A single application period also eliminates the administrative burden of multiple application periods. Program staff did, however, leave open the possibility of offering a November Application Period if an insufficient number of applications were received during the April Application Period to commit all program funds.

- Revision and Clarification of Selection Criteria, Terms and Process:
  MDCH revised and clarified selection criteria, defined selection terms and more completely described the MSLRP selection process. In the past, non-priority applicants were selected for Local Match Contracts based on the order in which their employers' Letters of Intent were received. Confused by this process, providers and their employers found it difficult to coordinate submission of required forms and, over time, the process began to favor a few employers who understood the importance of submitting their Letters of Intent as soon as possible. This was resolved by allowing non-priority applicants to apply for Local Match Contracts during the same application period in which priority providers apply for Competitive Contracts, as mentioned above, and by awarding Local Match Contracts based on randomly-assigned lottery numbers.

FY07 Annual Review of Primary Health Care Providers and Practice Sites:
As part of the department's annual review of the primary health care providers and practice site types needed by residents of Michigan HPSAs, the department added Rural Health Clinics (RHCs) designated as facility HPSAs (RHC/HPSAs) to the list of priority practice sites. Priority practice site status is significant, because it gives applicants practicing at RHC/HPSAs priority in the contract selection process. These facilities were included as priority practice sites in recognition of their important and continuing role in serving the health care needs of residents in rural HPSAs. The department believes this policy will assist RHCs in their efforts to recruit and retain health care providers.

Also, in an attempt to increase the number of mental health care workers participating in MSLRP, the department expanded the types of funds that could be used for the required 50% employer contribution from only Community Mental Health (CMH) dollars appropriated from the General Fund, to Department of Corrections (DOC) funds used by employers of DOC facilities that do not receive CMH funds.

Application Form Revision Project (Completed 3/7/07)
This project also provided revised material for the MSLRP Website Rewrite Project. The revised forms discussed below became effective for the April 2007 Application Period.

- MSLRP Practice Site Application and Declaration of Intent:
  This form replaced and combined the former individual *MSLRP Site Application* and *Letter of Intent.* Employers use this document to declare their intention to employ their MSLRP provider throughout the term of their loan repayment contracts and to certify that the practice sites in which they will fulfill their service obligations meet all program requirements.

- MSLRP Provider Application, Part A Revision:
  Part A of the MSLRP Provider Application was revised to include a section at the beginning of the form which requires providers to select the type of contract for which they are applying - a Competitive Contract, a Local Match Contract, or a CMH/DOC State Match Contract. The form was also revised to collect age-related information required for federal reporting.

- New Part A for Provider Application to Re-Contract with MSLRP:
  This new form is only used by current MSLRP providers applying to re-contract with MSLRP. It replaces Part A of the MSLRP Provider Application used by providers applying for MSLRP for the first time. It requires providers to include information about their current MSLRP Contract and requests age-related information required for federal reporting.

Website Rewrite (Completed 3/7/07)
The MSLRP Website Rewrite incorporated new material from the projects described above for the April 2007 Application Period. In addition, new sections were added to the website and it was reorganized as described below.

The new "MSLRP Update" section informs readers of new application periods, as well as important program policy and procedural changes. To get readers' attention, the department placed the "Update" near the beginning of the website, along with the program introduction and navigational title headings. Visitors are encouraged to read the website's content in the same order as the navigational headings to quickly learn about basic program requirements, including provider and practice site eligibility requirements.

To assist providers and employers in determining the best type of contract for which to apply, the department included a new "MSLRP Strategies and Considerations for Providers and Employers" section. Applicants are also encouraged to print and refer to the new "Successful MSLRP Application Check List," as they complete their application packages. The "Check List" has proven helpful to providers during the application process, and has improved the quality of their application packages.

Finally, the department included the new "Information for Current MSLRP Providers" section, where program participants can easily locate information on how to make name and address changes and how to re-contract with the program for a third year. In this section, the department also included federally-required contract default language and scenarios aimed at reminding providers of their service obligations.

FY08 Competitive Grant Application (Completed 5/1/07)
Each third program year, states participating in the Federal Grants to States for Loan Repayment must submit a Competitive Federal Grant Application to the Health Resources and Services Administration in order to continue receiving federal funds and to support the need for requested additional funding. States submitting competitive grant applications not approved by HRSA lose their federal funding. During March and April 2007, staff and management drafted the grant application which was submitted on 5/1/07.

While writing the grant during FY07, the program's budget was $1,224,836, consisting of $612,418 federal funding, $545,400 State GF and $67,018 local match funding collected through employer matching contributions. The grant requested an additional $132,982 in federal funding for FY08, as well as further increases in federal funding of $50,000 for each FY09 and FY10. The department received a Notice of Grant Award (NOGA) on 9/19/07 providing $745,400 in federal funds for FY08 and recommending federal support of $795,400 for FY09 and $845,400 for FY10, subject to the availability of funds and satisfactory program progress. The department received a subsequent NOGA on 7/15/08 providing the recommended $795,400 for FY09 and again recommending $845,400 for FY10.

MSLRP funding over these years is summarized in the following chart. Years beyond FY08 are included in this chart to demonstrate the positive impact of accomplishments during this reporting period on future program years.

Michigan State Loan Repayment Program Funding FY06 – FY10*

Fiscal Year	Total Funding($)	Federal Funding($)	State Funding($)	Employer Funding($)
FY06 **(10/1/06 - 9/30/07)**	1,228,694	683,294	545,400	137,894
FY07 **(10/1/06 - 9/30/07)**	1,224,836	612,418*	545,400	67,018
FY 08 **(10/1/07- 9/30/08)**	1,490,800	745,400	545,400	200,000
FY 09 **(10/1/08 - 9/30/09)**	1,590,800	795,400	545,400	250,000
FY10 **(10/1/09 - 9/30/10)**	1,690,800**	845,400**	545,400**	300,000**

*The funding reduction experienced in FY07 was the result of a reduction made to all State Loan Repayment Programs.
**Projected funding

Provider Contract Language Update (Completed 9/20/07)
Revision of language to be used in MSLRP contracts awarded to new participants from the April 2007 application period for 10/1/07 start dates was completed in late September 2007. The department revised the contract language because providers occasionally need to transfer to a different practice site to complete their MSLRP service obligation. In order to create greater administrative flexibility in these situations, the department modified contract language to clarify the exceptional circumstances for which such a change can be considered.

Program Accomplishments During FY08 (10/1/07 – 9/30/08)

Database Revision:
In October and November 2007, staff redesigned the MSLRP Database and created the MSLRP Database Input Template, along with several new reporting formats. The MSLRP Database was redesigned from a single table containing all program data into several linked tables, each containing a common set of provider information such as "contract" or "professional" information. The Input Template was designed to input information in the same order as it is received on provider and employer applications. Time saved using the new input template now allows staff to input all provider and employer information into the MSLRP database as applications are received. This, in turn, has increased the efficiency with which staff can review applications and approve them for contracting.

Transition Marketing Plan:
Also, early in FY08, staff began implementing the MSLRP Transition Marketing Plan. The plan's long-term goals include increasing program sustainability by collecting additional employer contributions and increasing the number of providers serving in Michigan HPSAs. The transitional aspect of the plan is an expected future change from awarding *Competitive Contracts*, currently funded by 50% federal and 50% state funds, to *20% Employer Contribution Competitive Contract*s, with a funding mix of 20% employer contributions, 40% federal and 40% state funds. Additional funds generated by these employer contributions will allow the program to contract for loan repayment with additional providers serving residents of Michigan HPSAs. Moving to 20% Employer Contribution Competitive Contracts will also lessen the current discrepancy between the 50% employer contribution requirement on Local Match Contracts and no contribution requirement on FY08 Competitive Contracts. This discrepancy has made marketing Local Match Contracts difficult. The program also hopes that the 20% employer/40% federal/40% state funding mix will help sustain its federal and state program funding by offering both funding sources a higher return (150% return vs. a 100% return) on each federal and state dollar invested in the program.

Implementation of the new 20% Employer Contribution Contracts is scheduled for the FY10 January – May 2009 Application period. Efforts during FY08 focused on building the Competitive and Local Match Contract application volume that the department believes may be required to absorb any decrease in volume that may result from implementing the 20% employer contribution requirement in FY10. Efforts in FY08 to increase application volume fell into three initiatives: Increasing the length of MSLRP application periods; Developing Marketing Partners; and, Differentiating Local Match from Competitive Contracts to meet the special needs of market segments.

- Increasing the Length of MSLRP Application Periods:
  The department expanded its traditional annual April application period into the FY09 April – June 2008 Application Period, which allowed the program two additional months to promote the opportunity and for providers to submit their application packages. Extending the MSLRP application period also helped to better integrate it with that of the National Health Service Corps (NHSC). Now, providers who missed the annual mid-November to March 31st NHSC application period, could still apply during the MSLRP application period, which extended through June.

- Developing Marketing Partners:
  Developing Marketing Partners naturally flowed from FY07 program efforts at developing a contact manager and marketing system. The MSLRP Transition Marketing Plan called for developing marketing partnerships with provider and employer associations, as well as with organizations concerned with access to primary care. Program staff began meeting with these organizations to determine how best to increase their memberships' participation in MSLRP. This cooperative approach continues to create opportunities for MSLRP staff to speak with partner members about loan repayment. Marketing partners are included in the MSLRP Contact Management and Marketing Systems, described above, and receive all MSLRP Opportunity Notification E-mails, which they, in turn, forward to members through their respective channels of communication. This "leveraging" of the program's marketing system through its partners greatly increases the number of providers and employers receiving program information.

- Differentiating Local Match from Competitive Contracts:
  One such marketing partnership developed during FY08 was that with the Michigan Recruitment and Retention Network (MRRN). In January 2008, staff presented information on MSLRP and the NHSC during their monthly meeting. The concept of the Sign-On Bonus Loan Repayment Contract (SB/LRC) emerged from discussions with physician recruiters after the meeting. The concept was further developed into a new contract product during a later workshop with MRRN members. The SB/LRC is designed to meet the needs of employers offering sign-on bonuses, as well as those of the high-demand providers they attempt to recruit. SB/LRCs allow HPSA employers to successfully compete for high-demand providers by doubling the amount of their bonuses and converting them into tax-free loan repayment benefits.

  Like SB/LRCs, Local Match Contracts have always required a 50% employer contribution. Prior to developing the SB/LRC, the program had initiated the First-Come, First-Served Application Period to draw attention to Local Match Contracts, create a sense of urgency, and to differentiate them from Competitive Contracts requiring no employer contribution. Now, by offering the SB/LRCs through the First-Come, First-Served Application Period, the department can quickly determine eligibility and approve loan repayment giving employers and recruits the information they need to reach quick employment decisions. From a program perspective, these contracts are designed to capture employers' "bonus money in motion" and have proven effective in collecting the additional employer contributions (local match dollars) required to equally match increases in federal funding, as described above in **FY08 Competitive Grant Application.**

FY08 Annual Review of Primary Health Care Providers and Practice Sites:
During the annual review of primary health care provider and practice site types needed by residents of Michigan HPSAs, the department decided to focus marketing efforts on bringing a greater number of dentists into the program. In addition, the department decided to further expand mental health care policy.

- Increased Marketing to Dentists:
  Due to the shortage of dentists in underserved areas, staff met with the Michigan Oral Health Counsel (MOHC), whose membership includes the Michigan Dental Association (MDA),

Delta Dental, the Michigan Primary Care Association (MPCA) and representatives from the Michigan Department of Community Health, to discuss how the department could best use MSLRP to increase the number of dentists working in the state's underserved areas. The department decided to create a special MSLRP Opportunity Notification to promote the FY09 April – June 2008 MSLRP Application Period to dentists and dental students. The Opportunity Notification focused on the amount of loan repayment dentists could receive, their status as priority providers, and how working for priority practice sites, such as Federally Qualified Health Centers (FQHCs) or Local Public Health Department (LPHDs), would give them "double priority status" assuring them a high probability of receiving a contract. Having become MSLRP Marketing Partners, all of these organizations forwarded this information to their respective members including those at Michigan's dental schools. Since those initial meetings, the Michigan Oral Health Coalition has also provided several opportunities for MSLRP staff to speak about the program at its meetings and conferences and directly to dental students. These FY08 marketing efforts resulted in an increase from 4 contracts with dentists in the previous year, to 10 contracts resulting from the FY09 April – June 2008 Application Period.

- Mental Health Care Provider Policy Expansion:
  As part of the FY07 annual review of primary health care provider and practice site types, effective April 1, 2007 the department expanded the types of funds that could be used for employer contributions from only CMH dollars appropriated from the General Fund, to DOC funds used by employers of DOC facilities that do not receive CMH funds. As this initiative did not result in additional mental health care provider applications during the April 2007 Application period, the department decided to further develop the policy. In FY 09, the department will expand the types of funds that can be used by employers to pay the 50% contribution requirement to include "any non-federal funds". In addition, the department will expand eligible practice sites for mental health care workers from State Psychiatric Hospitals, Forensic Medicine Centers, CMH Agencies and State Correctional Facilities to include the complete list of MSLRP priority practice sites, adding State-Funded Primary Care Clinics, Federally Qualified Health Centers (FQHCs) and FQHC Look-Alikes, Critical Access Hospital (CAH)-Affiliated Primary Care Clinics and Certified Rural Health Clinics (RHCs) designated as Facility HPSAs.

Revised Retention Survey

During FY08, staff developed and implemented a new MSLRP Retention Survey which improves upon past methodology. The Retention Survey is now designed to evaluate the effectiveness of loan repayment contracts in both provider recruitment and in retention beyond the completion of loan repayment. The survey groups program participants into cohorts based on common contract ending dates. Each cohort is interviewed six months after contract completion and then annually for up to 10 years.

Although the retention study is in early stage implementation, it should help identify variables that predict provider retention beyond the completion of loan repayment in the future. Variables that the department will evaluate include contract length, total loan repayment and percentage of debt repaid. The department will use survey results to evaluate the effectiveness of future policy changes related to such variables.

Review of Legislation, Rules, Guidelines, and Policy Directives Affecting Health Resource Shortage Areas

HPSA designation rule changes

Rules governing the designation of Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas and Populations (MUA/Ps) are established and implemented by the Health Resources and Services Administration within the Department of Health and Human Services. On February 29, 2008, HRSA proposed a new rule intended to improve the way primary medical care HPSAs and MUA/Ps are designated.

Under the proposed rule, the criteria for designating HPSAs and MUA/Ps (currently two separate processes) would be consolidated into one method. This consolidation would require that facilities, areas, and population groups applying for designation meet or exceed a minimum population to provider ratio requirement (as is currently a requirement for HPSA designation) but it would allow for adjustment of that ratio based on a series of high need indicators (resembling characteristics from the current method for MUA/P designation). Other differences between the proposed rule and the current rule include:

- Addition of non-physician provider types (physician assistants, nurse practitioners, and certified nurse midwives) in the population to provider ratio.
- Introduction of a two-tier designation system allowing priority classification for designations in areas with the most severe physician shortages.
- The current rules for designation of primary care clinics as facility HPSAs would be replaced with a safety-net facility HPSA designation based on service provision to Medicaid and uninsured patient populations.

If implemented, this rule would likely affect the distribution of HPSA and MUA/P designations in Michigan. Federal estimates indicate that although the placement of designations throughout Michigan may change, the overall area and population designated will change very little under the proposed rule. State impact analysis of the proposed rule is consistent with the federal analysis.

Implementation of the proposed rule could potentially change the MSLRP eligibility status of a number of Michigan's medical practice sites. It is likely that a number of areas will lose access to the program through the loss of a current HPSA designation. However, it appears that other areas will likely gain access to the Michigan State Loan Repayment Program for the first time.

Overall, MDCH views the proposed rule as an improvement over the existing criteria for designating HPSAs and MUA/Ps. MDCH is supportive of the rationale behind the proposed rule and is generally supportive of the proposed methodology itself. Following a period of public comment on the proposed rule, HRSA has determined there is a need for several changes to the original proposal. HRSA will not be issuing a final regulation based on the original proposal. Instead, HRSA plans to release a revised Notice of Proposed Rulemaking for further review and public comment prior to issuing a final rule. MDCH is prepared to participate in this review process and to contribute during any available comment period.

Primary Care Loans

The Health Resources and Services Administration Primary Care Loan (PCL) program is a low cost federal loan program for medical students committed to primary health care practice. Students receiving the PCL agree to enter and complete a residency training program in primary health care. They also agree to practice primary health care in the US through the date on which the loan is repaid in full (10-25 years), and to certify to the school on an annual basis that he or she is practicing primary health care.

The intent of the PCL program is detailed in the Conference Report accompanying the Health Professions Education Extension Amendments of 1992 (P.L. 102-408). According to the report, the PCL program was established to "place greatest emphasis upon activities that will *improve health care access and delivery* by increasing the training of health care providers most important to the provision of primary care services."

Recently, MDCH needed to deny an otherwise qualified candidate loan repayment because of her Primary Care Loan. The "Grants to States for Loan Repayment" federal guidelines include a clause explaining that providers receiving loan repayment "must not have an outstanding contractual obligation for health professional service to the Federal Government, or to a state or other entity." This clause, although not explicitly, excludes providers who have primary care loans due to their service obligation to practice primary care.

This conflict in programs removes any incentive for these providers to practice in the often less lucrative shortage areas because their primary care loans remain a significant financial responsibility, and the providers are ineligible for loan repayment. In addition, the overlap between these service obligations is minimal and may not justify ineligibility since the PCL only requires that a provider practice primary care, whereas the State Loan Repayment Program requires that a provider practice primary care full-time at a non-profit organization in a HPSA.

The department is concerned that the Primary Care Loan Program attracts the same individuals who are attracted to state loan repayment, and that this conflict in policy may hinder the cause of access to care. MDCH has brought this issue to the attention of colleagues at the U.S. Department of Health and Human Services, Health Resources and Services Administration, and will continue to seek a favorable resolution.

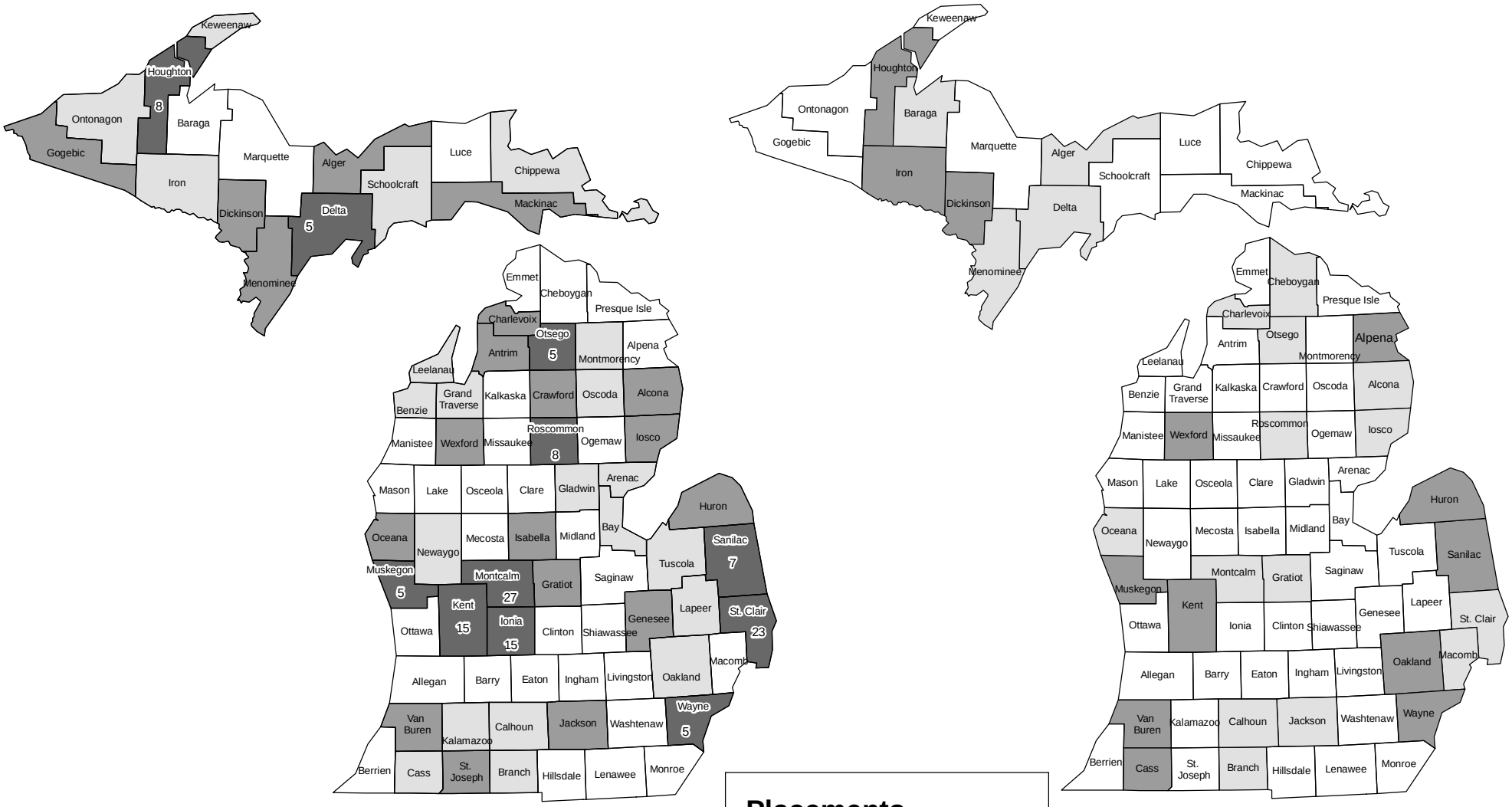
Appendix A: Providers and Practice Sites 1991-2008

MSLRP Placements Broken Down by Type of Provider and Practice Sites (1991-2008)

		FY91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	91-05	06-08	91-08
Total Providers		7	6	5	3	28	36	38	25	34	24	36	31	36	37	29	49	34	46			504
MD's		4	2	1	1	9	8	14	7	6	6	9	10	5	9	7	9	4	12	98	25	123
DO's		2	1	3	1	13	6	5	9	7	6	9	8	13	5	9	12	10	7	97	29	126
Specialty	Family Practice	4	1	3	1	14	11	16	14	9	12	15	12	12	14	5	12	10	11	143	33	176
	OB/GYN	2	0	0	0	1	1	2	1	3	0	2	1	1	0	2	4	1	4	16	9	25
	Internal Medicine	0	2	0	0	5	2	0	1	0	0	1	4	1	0	1	1	2	3	17	6	23
	Pediatrics	0	0	1	1	2	0	1	0	1	0	0	1	4	0	8	3	1	0	19	4	23
	Psychiatry															0	1	0	1	0	2	2
Dentists		0	0	0	0	0	6	4	3	1	5	5	3	7	5	5	5	4	5	44	14	58
PA's		0	1	1	1	4	10	8	4	13	5	11	8	10	14	8	19	11	18	98	48	146
NP's		0	1	0	0	1	3	7	0	5	2	1	2	1	3	0	4	4	2	26	10	36
CNM's		1	1	0	0	1	3	0	2	2	0	1	0	0	1	0	0	1	2	12	3	15
PhD/MA Clinical Psychologist																	0	0	0	0	0	0
MSW																	0	0	0	0	0	0
Psychiatric Nurse Practitioner																	0	0	0	0	0	0
																				0	0	0
																				0		
Local Match Providers									1	1	0	6	0	10	6	3	14	5	5	27	24	51
CMH Match Providers																0	1	0	1	0	2	2
Provider Practice Sites																						
CAH-Affiliated PCC										0	0	0	0	1	1	8	6	6	6	10	18	28
CMHA																0	1	0	1	0	2	2
FQHC		2	4	4	0	5	12	8	1	6	4	6	5	10	10	12	18	14	21	89	53	142
Hospital-Affiliated PCC		3	2	1	3	23	19	22	19	26	14	25	20	22	20	8	22	10	5	227	37	264
LPHD		0	0	0	0	0	0	1	0	0	0	3	2	3	2	1	1	2	1	12	4	16
Private Nonprofit PCC		1	0	0	0	0	5	0	1	1	0	2	0	0	2	0	0	1	0	12	1	13
Rural Health Clinic		0	0	0	0	0	0	3	1	1	1	0	1	0	0	0	0	1	2	7	3	10
Rural Health Clinic/HPSA		0	0	0	0	0	0	2	1	0	1	0	2	0	0	0	0	0	10	6	10	16
Correctional Facility		0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	2	0	2
Tribal PCC		1	0	0	0	0	0	2	2	0	2	0	1	0	2	0	1	0	0	10	1	11
																					Total	504
Urban		2	3	1	1	5	11	10	4	8	4	6	7	11	9	11	18	12	13	93	43	136
Rural		5	3	4	2	23	25	28	21	26	20	30	24	25	28	18	31	22	33	282	86	368

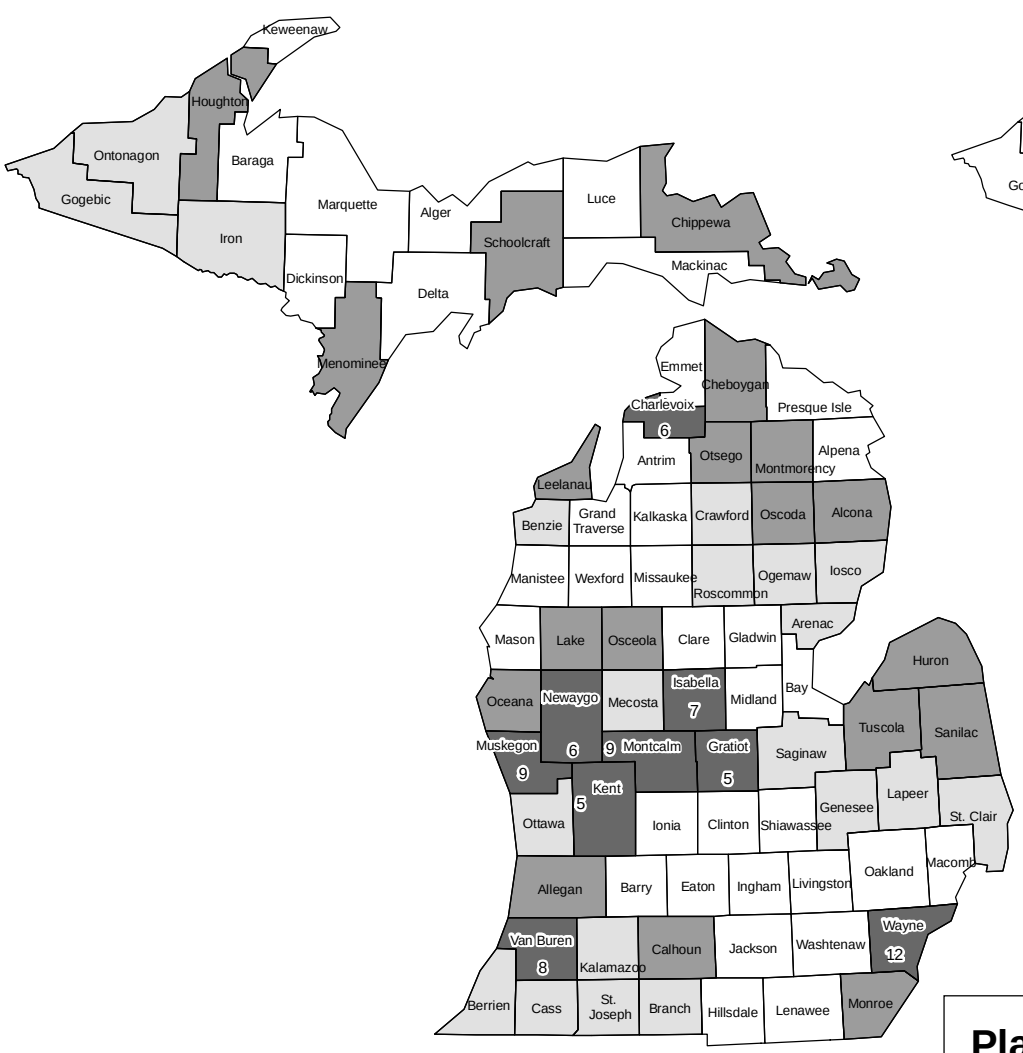
Appendix B: Physician Practice Site Locations by County

MSLRP: Physician Placements By County

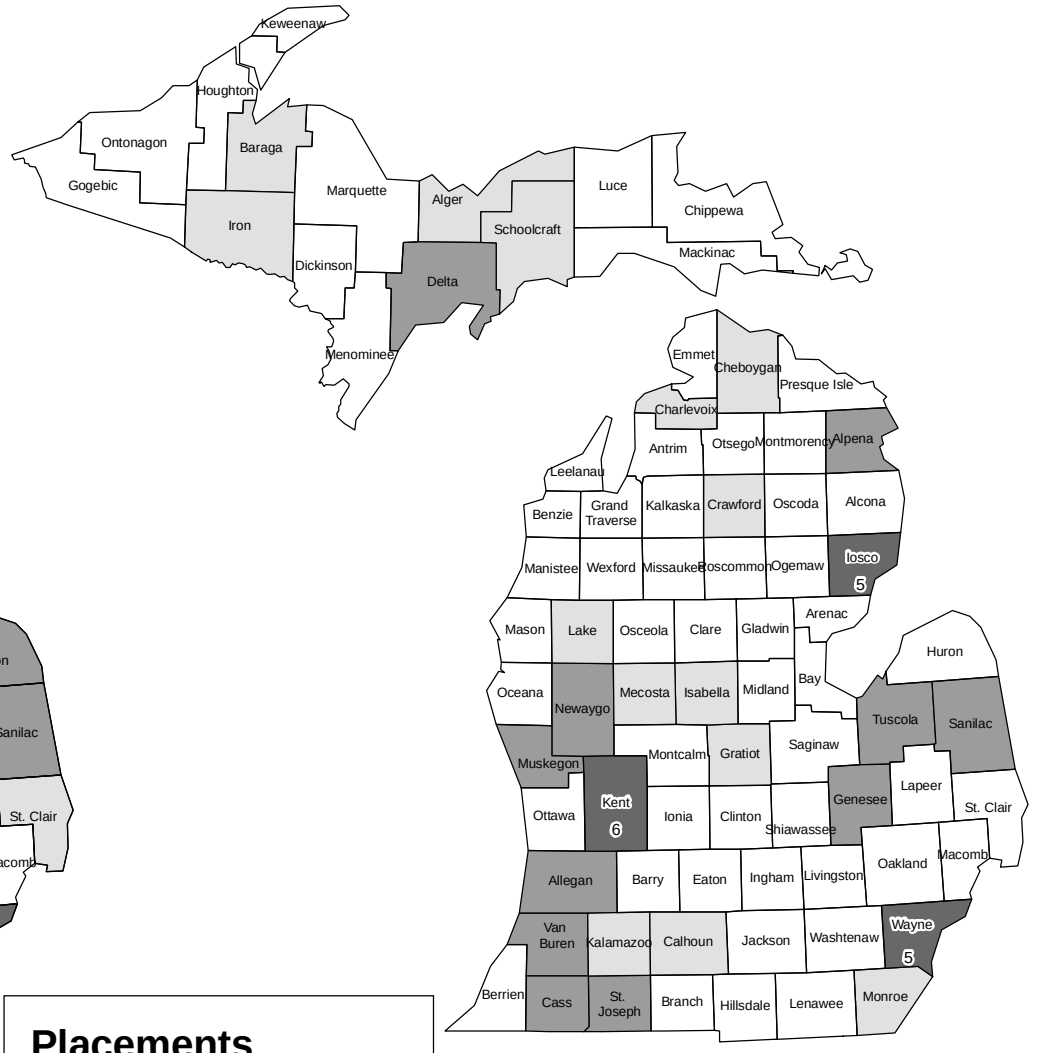


Appendix C: Mid-Level Practitioners Practice Site Locations by County

MSLRP: Mid Level Practioner Placements By County



1991-2005



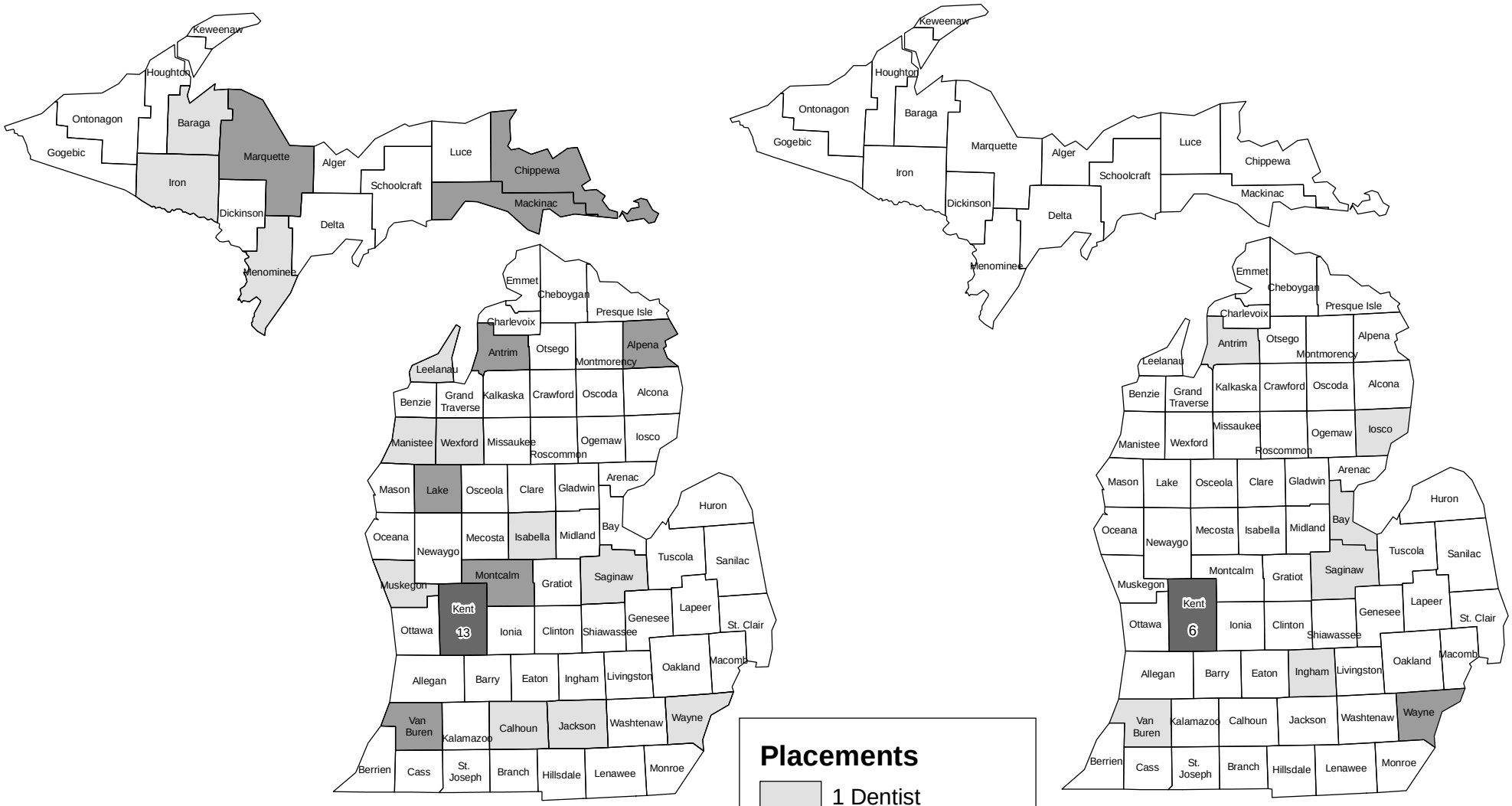
2006-2008

Placements

- 1 Practioner
- 2 - 4 Practioners
- 5 or more Practioners

Appendix D: Dentist Practice Site Locations by County

MSLRP: Dentist Placements By County



Appendix E: Provider Placements for Each County 1991-2008

Total Provider Placements by County (1991-2008)

Practice Site County	Physicians	Mid level Practitioners	Dentists	Total Providers
Alcona	3	3		6
Alger	3	1		4
Allegan		4		4
Alpena	2	2	2	6
Antrim	2		3	5
Arenac	1	1		2
Baraga	1	1	1	3
Bay	1		1	2
Benzie	1	1		2
Berrien		1		1
Branch	2	1		3
Calhoun	2	5	1	8
Cass	3	3		6
Charlevoix	3	7		10
Cheboygan	1	3		4
Chippewa	1	2	4	7
Crawford	4	2		6
Delta	6	4		10
Dickinson	6			6
Genesee	2	5		7
Gladwin	1			1
Gogebic	3	1		4
Grand Traverse	1			1
Gratiot	3	6		9
Houghton	12	2		14
Huron	6	3		9
Ingham			1	1
Ionia	15			15
Iosco	3	6	1	10
Iron	4	2	1	7
Isabella	2	8	1	11
Jackson	5		1	6
Kalamazoo	1	2		3
Kent	19	11	19	49
Keweenaw	1			1

Practice Site County	Physicians	Mid level Practitioners	Dentists	Total Providers
Lake		3	2	5
Lapeer	1	1		2
Leelanau	1	4	1	6
Mackinac	2		2	4
Macomb	1			1
Manistee			1	1
Marquette			2	2
Mecosta		2		2
Menominee	4	2	1	7
Montcalm	28		2	30
Monroe		3		3
Montcalm		9		9
Montmorency	1	3		4
Muskegon	7	13	1	21
Newaygo	1	9		10
Oakland	3			3
Oceana	3	2		5
Ogemaw		1		1
Ontonagon	1	1		2
Osceola		3		3
Oscoda	1	4		5
Otsego	6	2		8
Ottawa		1		1
Roscommon	9	1		10
Saginaw		1	2	3
Sanilac	11	5		16
Schoolcraft	1	3		4
St. Clair	24	1		25
St. Joseph	3	3		6
Tuscola	1	4		5
Van Buren	6	12	4	22
Wayne	8	17	3	28
Wexford	6		1	7
State Total	249	197	58	504

*Unlisted counties have had no provider placements