

**Michigan State Loan Repayment Program
Michigan Essential Health Provider Recruitment Strategy
FY 2015 - 2017 Report**

January 30, 2018

The Michigan Department of Health and Human Services (MDHHS) administers the Michigan State Loan Repayment Program, also known as the Michigan Essential Health Provider Recruitment Strategy, pursuant to Public Act 368 of 1978, Part 27. Per 2723, MDHHS must report to the Legislature on the status of the Michigan Essential Health Provider Recruitment Strategy biennially. This report is intended to fulfill this requirement.

Table of Contents

Michigan State Loan Repayment Program Overview:	2
MSLRP Outreach:	2
MSLRP Objectives and Policy	2
Results of the FY 2015 Application Period:	3
Results of the FY 2016 Application Period	5
Results of the FY 2017 Application Period	7
Trends in the MSLRP Program	9
MSLRP Retention Study	12
MSLRP Compared with other State Loan Repayment Programs:	13
Forecast for the FY 2018 & 2019 MSLRP Application Periods:	14

Michigan State Loan Repayment Program Overview:

The Michigan State Loan Repayment Program (MSLRP) is known in state statute as the Michigan Essential Health Provider Recruitment Strategy. This program assists employers in the recruitment and retention of medical, dental, and mental health care providers by providing loan repayment to those who enter into MSLRP service obligations. These service obligations require participants to provide full-time, primary health care services at an eligible nonprofit practice site located in a Health Professional Shortage Area for two years. MSLRP loan repayment agreements are funded by a federal/state/local partnership. Federal funds are awarded by the National Health Service Corps ([NHSC](#)) of the Health Resources and Services Administration ([HRSA](#)).

This report covers three program years; 2015, 2016 and 2017. The FY 2015 MSLRP year began with the January 1, 2014 to April 30, 2014 application period offering loan repayment agreements starting October 1, 2014 through September 30, 2016. The FY 2016 MSLRP year began with the January 1, 2015 to April 30, 2015 application period offering loan repayment agreements starting October 1, 2015 and continuing through September 30, 2017. The FY 2017 MSLRP year began with the January 1, 2016 through April 30, 2016 application period offering loan repayment agreements starting October 1, 2016 through September 30, 2018. The FY 2017 MSLRP also held a separate application process for Genesee County providers, and offered \$200,000 in loan repayment without any employer contribution for primary care providers in Genesee County.

MSLRP Outreach:

MDHHS Services and its partners marketed the application period to employers at eligible practice sites with Health Professional Shortage Area designations. The Michigan Department Health and Human Services distributed its 'Michigan SLRP Opportunity Update' each year through its accumulated list of health care training and education programs, healthcare employers in underserved areas and other interested organizations. All information is also posted on the MSLRP Website at www.michigan.gov/mslrp.

MDHHS responded to program inquiries from providers and employers and provided individual consultations. Assisting employers to recruit obstetric service providers was the program's top priority for FY 2015, 2016 and 2017; and MDHHS made a special effort to market the application period to all known practice sites employing obstetric service providers, to provider schools and residency programs.

MSLRP partners used their unique communication channels to market the program to their member and constituent practice sites. The Michigan Primary Care Association marketed to all Community Health Centers and Federally Qualified Health Center Look-Alikes; the Michigan Center for Rural Health marketed to all Rural Health Clinics and Critical Access Hospital primary care clinics; and the Michigan Health Council marketed the program to primary clinics at larger hospitals. The Michigan Area Health Education Center marketed the application periods through its growing number of regional centers.

MSLRP Objectives and Policy:

The primary program objective for FY 2015 was increasing the number of obstetric service providers in shortage areas. However, in FY 2015, MDHHS further refined this priority to be specific to obstetric service providers practicing in the northern Lower Peninsula and the Upper Peninsula. This included providers practicing in or north of Mason, Lake, Osceola, Gladwin and Arenac counties. The program also maintained psychiatrists and Michigan Student Experiences

and Rotations in Community Health (M-SEARCH) participants as priority provider types and made no changes to its list of priority practice sites reflecting Michigan's network of safety net clinics providing access to primary care in underserved areas.

In the FY 2016 MSLRP application cycle, program policy and procedures were altered to accommodate Legislation that was passed to allow providers to participate in the program for up to eight years and receive up to \$200,000 in loan repayment assistance. This Legislative change constitutes a major modernization of the program. With this change, providers who previously served four years in the MSLRP program could now serve an additional four years for a total of eight years in this program. As such, MSLRP saw a sharp increase in providers reapplying to the program. The priority providers remained the same as those described above in the FY 2015 MSLRP program cycle.

The FY 2017 MSLRP application cycle brought a major change to the MSLRP program, building upon the changes instituted in the FY 2016 cycle. Due to greatly increased demand, the initial two-year agreement amounts were determined by dividing the amount of the providers' eligible debt up to the \$200,000 maximum, by the eight years of eligible participation in the program. This change limited the amount of each individual award, but it also maximized the number of providers that could participate in the program both as new participants and those that successfully re-applied to the program. Priority providers remained northern Michigan obstetric providers and psychiatrists. Additionally, a special MSLRP application cycle was held for primary care providers in Genesee County to bolster the workforce needed in that area.

Policies implemented to achieve program objectives are described in the MSLRP Opportunity Update, which is distributed through all outreach partners and is posted on the MSLRP website. The MSLRP Opportunity Update announces the application period, eligibility requirements, employer contribution requirements, and contract amounts, as well as the selection criteria and process in place during each program year.

Results of the FY 2015 Application Period:

MSLRP FY 2015 Applications

During the FY 2015 application period, the program received a record-breaking 97 applications. Sixty four applicants were awarded loan repayment agreements; seven eligible applicants were not awarded due to a lack of funds; and 26 were either ineligible or withdrew their applications.

MSLRP FY 2015 Funding

MSLRP is funded by a federal, state, and local partnership. For FY 2015, the program obligated a total of \$2,807,250. This included a \$746,000 federal program award, \$1,433,800 state general funds, and \$627,450 in employer contributions. Most provider agreements were funded by 40 percent federal, 40 percent state, and 20 percent employer contributions.

MSLRP FY 2015 Provider Information

The table below depicts the FY 2015 providers participating in the MSLRP program. Of the 64 providers awarded, 17 were physicians; ten were Medical Doctors (MD) and seven were Doctors of Osteopathic Medicine (DO). Six providers were Masters of Social Work, 17 were nurse practitioners, 17 were physician assistants, four were dentists, one was a Certified Nurse Midwife, and two were clinical psychologists.

FY 2015 MSLRP Providers	
<i>Provider Type</i>	<i>Number</i>
Primary Care Provider – MD	10
Primary Care Provider – DO	7
Masters of Social Work	6
Nurse Practitioners	17
Physicians Assistants	17
Dentists	4
Certified Nurse Midwife	1
PhD/MA Clinical Psychologist	2
Total	64

The program met its objective of increasing the number of obstetric service providers in underserved areas. Eight, or 12.5 percent, of new FY 2015 participants were obstetric service providers.

For primary providers receiving awards, including physicians and dentists, average educational debt was \$202,639 with a range of \$49,561 to \$464,123. Average educational debt for awarded mid-level providers, including nurse practitioners, physician assistants, psychologists and Masters of Social Work was \$99,198 with a range of \$19,240 to \$252,681.

MSLRP FY 2015 Practice Site Information

All of the providers awarded were either top priority obstetric service providers or were working at priority practice sites. The largest number (27) were working at not-for-profit hospital affiliated primary care clinics, 19 were at Federally Qualified Health Centers, 10 were at a Critical Access Hospital affiliated primary care clinic, six were at correctional facilities, one was at a local health department, and one was at a rural health clinic.

Of the 64 providers awarded loan repayment agreements, 43 were working at rural practice sites and 21 were working at urban practice sites.

MSLRP FY 2015 Funds Obligated by County

MSLRP awarded loan repayment agreements to providers in the following counties.

County	Obligated Amount
Alcona	\$ 50,000
Antrim	50,000
Arenac	100,000
Berrien	80,000
Calhoun	200,000
Cheboygan	50,000
Chippewa	25,000
Delta	170,000
Dickinson	28,000
Eaton	50,000
Gladwin	194,000
Gratiot	92,000
Houghton	120,000
Ionia	80,000
Iosco	75,000
Iron	50,000
Jackson	227,250
Kent	260,000
Lapeer	30,000
Lenawee	50,000
Montcalm	150,000
Newago	100,000
Osceola	50,000
Otsego	339,000
Van Buren	70,000
Wexford	120,000
Grand Total	\$2,807,250

Results of the FY 2016 Application Period:

MSLRP FY 2016 Applications

During the FY2016 application period, the program received 105 applications. Sixty two applicants were awarded loan repayment agreements; 24 eligible applicants were not awarded due to a lack of funds; and 19 were either ineligible or withdrew their applications.

MSLRP FY 2016 Funding

MSLRP is funded by a federal, state, and local partnership. For FY 2016, the program obligated a total of \$2,790,000. This included a \$746,000 federal program award, \$1,434,300 in state general funds and \$609,700 in employer contributions. Most provider agreements were funded by 40 percent federal, 40 percent state, and 20 percent employer contributions.

MSLRP FY 2016 Provider Information

The table below depicts the FY 2016 providers participating in the MSLRP program. Of the 62 providers awarded, 21 were physicians. Eleven were Medical Doctors (MD) and ten were Doctors of Osteopathic Medicine (DO). One provider was a Masters of Social Work, 17 were

nurse practitioners, 17 were physician assistants, two were dentists, two were Certified Nurse Midwives, and two were psychiatric nurse practitioners.

FY 2016 MSLRP Providers	
<i>Provider Type</i>	<i>Number</i>
Primary Care Provider – MD	11
Primary Care Provider – DO	10
Masters of Social Work	1
Nurse Practitioners	17
Physicians Assistants	17
Dentists	2
Certified Nurse Midwife	2
Psychiatric Nurse Practitioner	2
Total	62

The program met its objective of increasing the number of obstetric service providers in underserved areas. Twelve, or 20 percent, of new FY 2016 participants were obstetric service providers.

For primary providers receiving awards, including physicians and dentists, average educational debt was \$182,993 with a range of \$47,685 to \$427,956. Average educational debt for awarded mid-level providers, including nurse practitioners, physician assistants, Masters of Social Work, and psychologists was \$82,611 with a range of \$28,402 to \$167,209.

MSLRP FY 2016 Practice Site Information

All of the providers awarded were either top priority obstetric service providers or were working at priority practice sites. The largest number (26) were working at not-for-profit hospital affiliated primary care clinics, 16 were at Federally Qualified Health Centers, six were in Rural Health Clinics, four were at correctional facilities, four were at a rural health clinic, two were at a Critical Access Hospital affiliated primary care clinic, two were at a private, not-for-profit primary care clinics, one was at a community mental health clinic, and one was at a local health department.

Of the 62 providers awarded loan repayment agreements, 41 were working at rural practice sites and 21 were working at urban practice sites.

MSLRP FY 2016 Funds Obligated by County

MSLRP awarded loan repayment agreements to providers in the following counties.

County	Obligated Amount
Alpena	\$ 30,000
Antrim	50,000
Berrien	122,000
Calhoun	335,000
Cass	104,000
Charlevoix	104,000
Chippewa	138,000
Clare	100,000
Gladwin	50,000
Gogebic	152,000
Huron	50,000
Ionia	30,000
Iosco	60,000
Jackson	130,000
Kalamazoo	50,000
Kalkaska	50,000
Mecosta	196,000
Midland	100,000
Montcalm	170,000
Muskegon	200,000
Newago	80,000
Oakland	50,000
Ontonagon	36,000
Oscoda	50,000
Otsego	100,000
Saginaw	50,000
St. Joseph	30,000
Van Buren	130,000
Wayne	50,000
Grand Total	\$2,797,000

Results of the FY 2017 Application Period:

MSLRP FY 2017 Applications

During the FY2016 application period, the program received a record 161 applications. Sixty seven applicants were awarded loan repayment agreements; 55 were ineligible or withdrew their application; and 39 applications were not awarded due to funding.

MSLRP FY 2017 Funding

MSLRP is funded by a federal, state, and local partnership. For FY 2017, the program obligated a total of \$2,645,125. This included a \$746,000 federal program award, \$1,430,800 in state general funds and \$468,325 in employer contributions. Most provider agreements were funded by 40 percent federal, 40 percent state, and 20 percent employer contributions, with the exception of Genesee county providers which were funded 100 percent state. The major decrease in employer contributions in FY 2017 is due to the special Genesee County program that did not include a 20 percent employer contribution.

MSLRP FY 2017 Provider Information

The table below depicts the FY 2017 providers participating in the MSLRP program. Of the 67 providers awarded, 19 were physicians. Eleven were Medical Doctors (MD) and eight were Doctors of Osteopathic Medicine (DO). Nine providers were a Masters of Social Work, 16 were nurse practitioners, 11 were physician assistants, eight were dentists, two were Certified Nurse Midwives, and two were clinical psychologists.

FY 2017 MSLRP Providers	
<i>Provider Type</i>	<i>Number</i>
Primary Care Provider – MD	11
Primary Care Provider – DO	8
Masters of Social Work	9
Nurse Practitioners	11
Physicians Assistants	16
Dentists	8
Certified Nurse Midwife	2
Clinical Psychologist	2
Total	67

The program met its objective of increasing the number of obstetric service providers in underserved areas with seven participants being obstetric providers. Further, one participant was as Psychiatrist. Eleven participants were from Genesee County.

For primary providers receiving awards, including physicians and dentists, average educational debt was \$249,091 with a range of \$57,167 to \$625,380. Average educational debt for awarded mid-level providers, including nurse practitioners, physician assistants, Masters of Social Work, and psychologists was \$90,320.50 with a range of \$33,598 to \$240,228.

MSLRP FY 2017 Practice Site Information:

All of the providers awarded were either top priority obstetric service providers or were working at priority practice sites. The largest number (25) were working at rural health clinics, 16 were at Federally Qualified Health Centers, 10 were in hospital affiliated primary care clinics, eight were in community mental health clinics, four were at correctional facilities, two were at a Critical Access Hospital affiliated primary care clinic, and two were at a local health department.

Of the 67 providers awarded loan repayment agreements, 46 were working at rural practice sites and 21 were working at urban practice sites.

MSLRP FY 2017 Funds Obligated by County

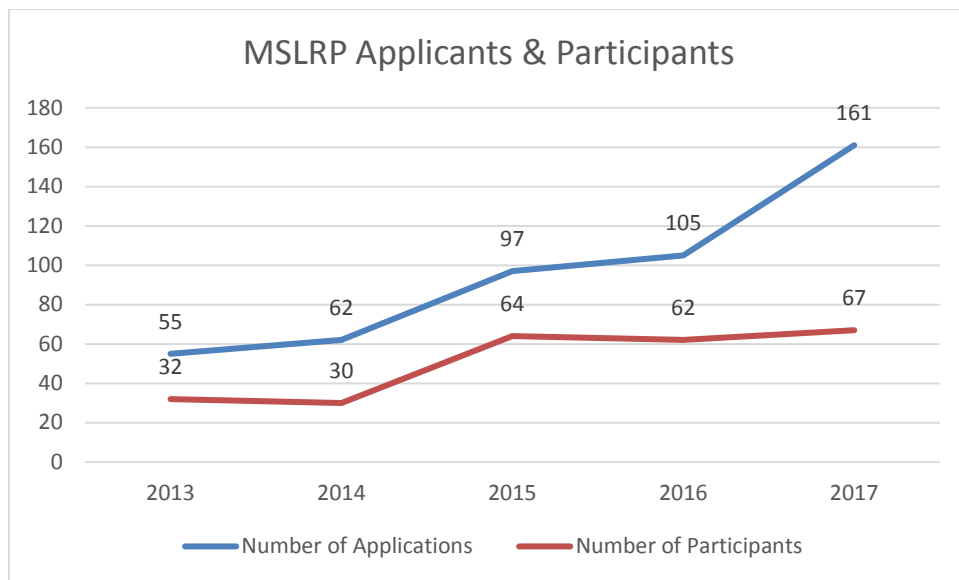
MSLRP awarded loan repayment agreements to providers practicing primarily in the following counties.

County	Obligated Amount
Alcona	\$26,000
Alger	\$50,000
Alpena	\$50,000
Antrim	\$80,000
Berrien	\$28,125
Calhoun	\$116,000
Cass	\$22,000
Cheboygan	\$116,000
Chippewa	\$70,000
Clare	\$50,000
Crawford	\$55,000
Delta	\$70,000
Emmet	\$23,000
Genesee	\$500,000
Hillsdale	\$20,000
Houghton	\$70,000
Ionia	\$111,000
Jackson	\$160,000
Kalkaska	\$70,000
Kent	\$40,000
Lake	\$44,000
Lapeer	\$21,000
Lenawee	\$50,000
Luce	\$50,000
Mecosta	\$75,000
Montcalm	\$20,000
Montmorency	\$20,000
Newaygo	\$80,000
Ogemaw	\$29,000
Ontonagon	\$20,000
Otsego	\$20,000
Roscommon	\$26,000
Saginaw	\$50,000
Tuscola	\$50,000
Van Buren	\$100,000
Wayne	\$50,000
Wexford	\$213,000
Grand Total	\$2,645,125

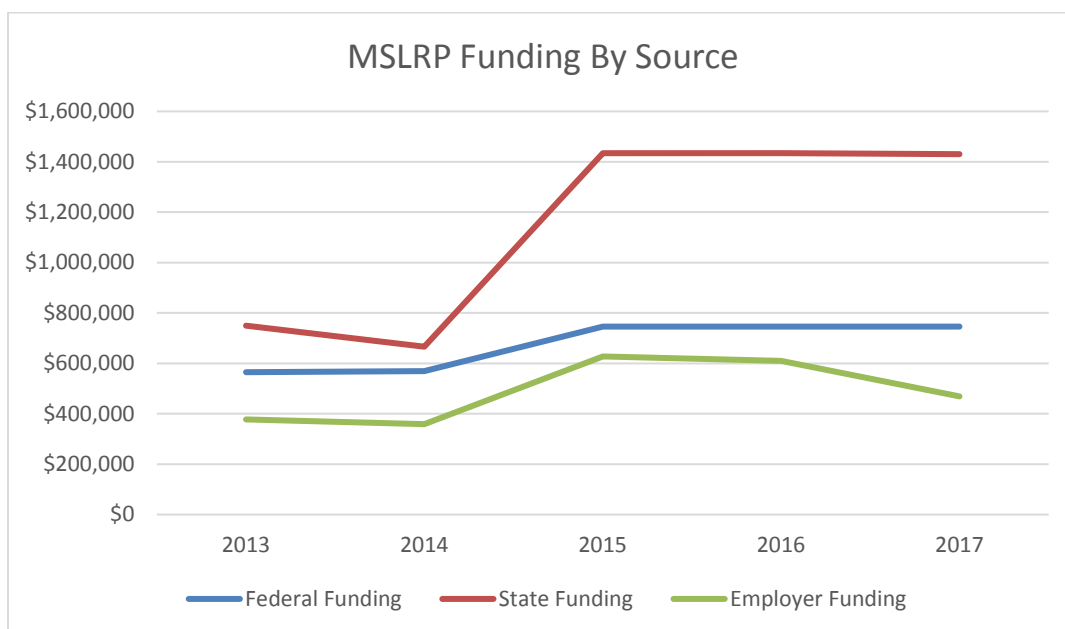
Trends in the MSLRP Program:

One major trend in the MSLRP program has been a dramatic growth in the number of applications received. In 2013, the program received 55 applications and in 2017 the program received 161. The number of participants has remained stable as the funding has remained stable since 2015. With the amount of funding the same and the number of applications ever increasing, the MSLRP program has become extremely competitive. The graph below depicts

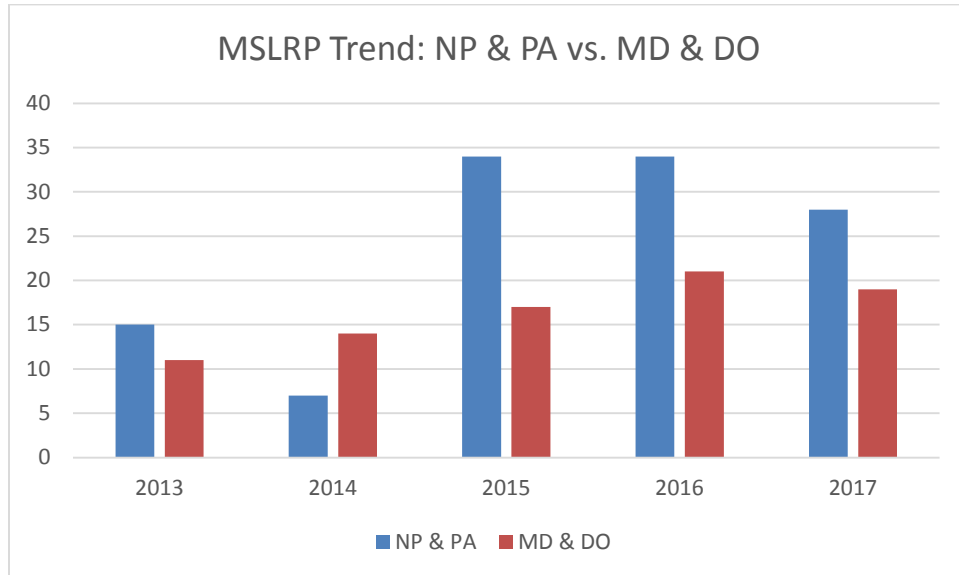
the number of MSLRP applications from 2013 to 2017 and the number of participants that successfully joined the program from each application period



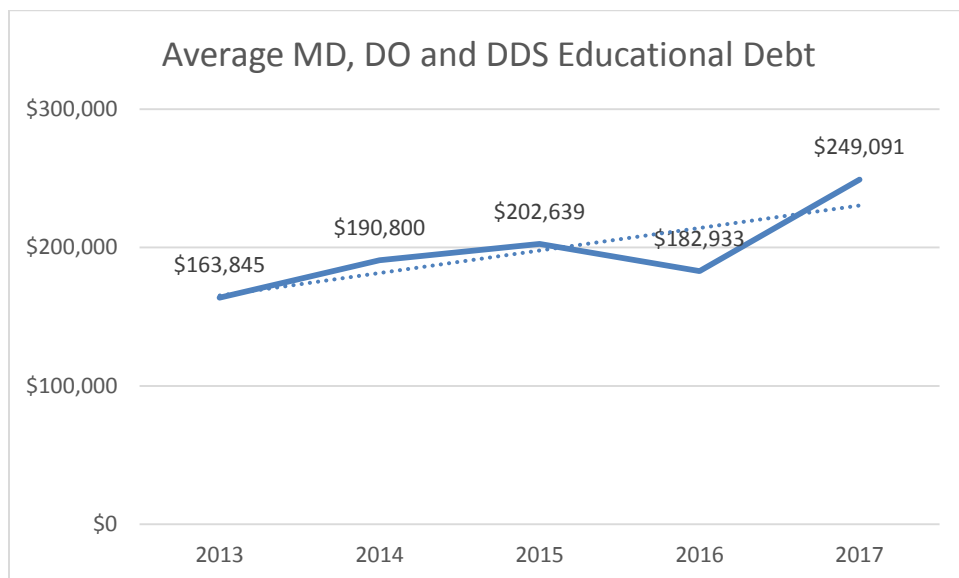
The graph below illustrates the funding trends for the MSLRP program. In 2015, MSLRP competitively bid for additional federal dollars and received \$176,600 additional federal dollars for a total of \$746,000 each year until the next competitive cycle in 2018. In the same year state general funds for the program doubled from approximately \$750,000 to \$1,500,000. Together these increased funds have been used together to maximize the amount of participants in the program.



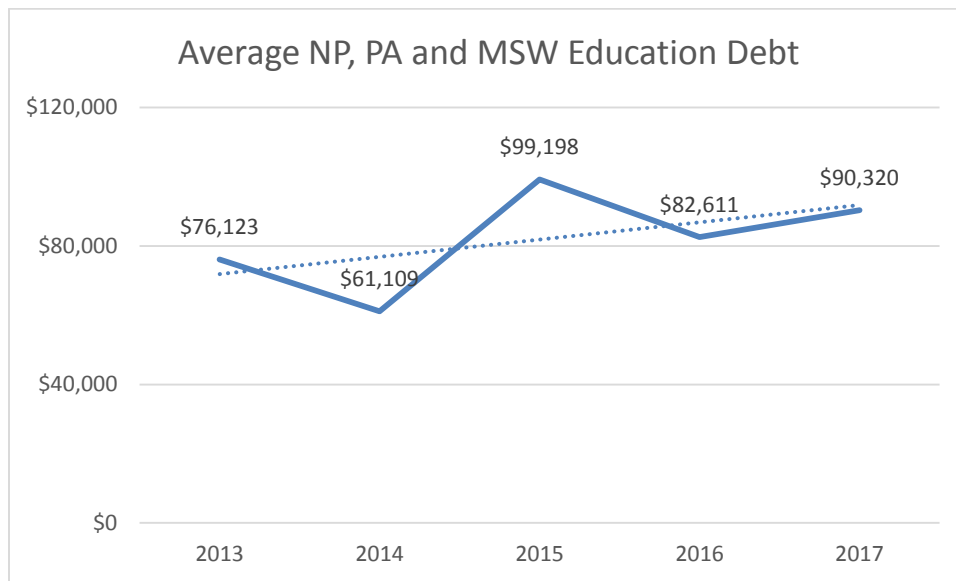
Another interesting trend in this program is the number of Nurse Practitioners (NP) and Physician Assistants (PA) using the program versus the number of Medical Doctors (MD) and Doctors of Osteopathic Medicine (DO). The graph below shows that in recent years, the number of NP and PA participants in MSLRP have outnumbered the number of MD and DO participants.



Finally, MSLRP has documented an upward trend in the average amount of education debt being reported by MSLRP participants. Generally, MSLRP participants that are MD, DO or Doctor of Dental Surgery (DDS) have had more educational debt than the mid-level providers. Looking only at the MD, DO and DDS participants, there is a trend in providers starting their professional practice with increasing educational debt. The 2017 MSLRP participants reported significantly more debt than the 2013 MSLRP participants.



Looking at mid-level providers with NP, PA or MSW credentials, a similar increase in debt is evidenced in the graph below.



MSLRP Retention Study

In October of 2013 MDHHS contracted with the Michigan Area Health Education Center (MI-AHEC) to determine if the program is effective in retaining providers short-term and long-term and is the MSLRP Program effective in recruiting and retaining primary care providers in the underserved communities as well as to determine if any MSLRP application data could serve as a predictor for retention.

The providers received three surveys during their initial two year MSLRP commitment. The first survey, Phase I, collected additional demographic data than previously collected from the MSLRP application. The second survey, Phase II, collected data regarding the provider's initial interest in MSLRP. The third and final survey, Phase III, collected data regarding the provider's experiences (employment and with Primary Care Office) while in MSLRP and future MSLRP plans. There were 30 participants in this survey process.

The Phase I survey was completed by 21 of 30 participants and included 10 MD/DO, two DDS, four NP, two MSW, one Midwife, and two PA. Ninety percent of the survey respondents were raised in Michigan. The majority of these respondents (71 percent) were raised in a small town or rural community. Of those respondents who reported to have a partner at the start of their MSLRP service commitment, 15 percent reported that their partner was also raised in Michigan and the majority of the partners (47 percent) were raised in a small town or rural community. The majority (30 percent) of the providers were categorized in the age group 28-32 years.

The Phase II survey was completed by 22 of 30 participants and included 11 MD/DO, one DDS, four NP, three MSW, one Midwife, and two PA. Most of the participants indicated that they were working in their practice site (71.4 percent) when they applied for MSLRP. Most of the participants indicated that they would have worked in the same practice (61.9 percent) if they had not participated in MSLRP and 42 percent of the participants worked at their practice site for over a year before applying for loan repayment. Most of the participants indicated the need for financial assistance (95.2 percent) and the urge for providing care to underserved

populations (90.5 percent) as the primary reasons for applying to MSLRP. The majority of the participants indicated that working near family (71.4 percent) or in a specific area (42.9 percent) was an extremely or very important employment factor that contributed to the selection of the MSLRP practice site. Most of the participants indicated that working with an underserved or ethnic population (95.2 percent) met their needs at their first MSLRP practice site. The participants indicated that they were satisfied with the practice administrator, financial stability of the practice site, physical condition of the facility, their salary, cross coverage availability, mission and goals of the practice, access to specialist consultations, support by other clinicians, and support they received from MSLRP staff while fulfilling their first MSLRP service obligation. Most of the participants indicated that their spouses and children were happy in the community and satisfactory educational opportunities were available for their children while working in their first MSLRP practice site.

The Phase III survey questions asked participants about their intent to continue to practice at their current clinical site and their views about MSLRP. We received a completed Phase III survey from five of 30 participants of which two of five participants indicated that they were nurse practitioners. The results indicated that 100 percent (five of five) of participants are still working in the same practice where they first fulfilled their MSLRP obligation. Overall, participants were very satisfied with MSLRP and indicated they the program exceeded their expectations. Certain participants indicated that they would have preferred the full payment upfront so that the clinician does not have to continue the monthly payment and/or accruing interest during the course of the contract. Finally, participants indicated that MSLRP provides a huge incentive and is highly rewarding for a clinician to practice in an underserved area.

A major limitation for all three years of the study included the inability to obtain survey completions by all participants, especially for Phase III. Another limitation was that the surveys were optional for the participants. MDHHS plans to re-design the survey approach and work with a larger cohort of MSLRP participants to overcome the identified limitations.

MSLRP Compared with other State Loan Repayment Programs:

There are 37 other states that offer medical education debt loan repayment programs through a HRSA grant, similar to MSLRP. The grant awards vary from \$1,000,000 to \$80,000. Michigan receives the fourth largest award at \$746,000. Each state is required to provide a \$1 to \$1 federal funds match. States are given some latitude in the design and implementation of their programs in order to meet state-specific needs, but all must follow a set of federal grant requirements.

Each year HRSA collects the number of providers that are currently serving in each state with the assistance of the State Loan Repayment Program. Michigan has consistently ranked second among all State Loan Repayment programs in number of providers benefitting from our program. Below is a chart of the top 10 largest State Loan Repayment Programs as of September 30, 2017:

State	SLRP Providers in Service
California	114
Michigan	94
Illinois	92
Massachusetts	76
Colorado	65
Alaska	61
Wisconsin	52
Tennessee	51
Louisiana	48
Washington	48

MDHHS attributes the size of the program to efficient use of state and federal funds. In the MSLRP program, we are able to benefit additional providers by collecting an employer contribution of 20 percent of the total award. While other states may match each federal dollar with a state dollar, in MSLRP we fund each contract with 40 percent federal dollars, 40 percent state dollars and 20 percent employer contribution. Further, the recent policy MSLRP implemented to assign contract amounts consistently using a formula based on the provider's educational debt also increases the number of providers benefitting from the program without increasing the dollars allocated. It should also be noted that since FY 2015, the Michigan Legislature has funded this program with more than the required federal match, and this investment is a key contributor to MSLRP success.

Forecast for the FY 2018 & 2019 MSLRP Application Periods:

All indications point toward continued growth for the MSLRP program into FY 2018 and 2019. With the benefit of knowing the preliminary results from the FY 2018 application cycle, MSLRP received 181 applications and estimates support for 86 participants. This constitutes a record-breaking MSLRP program year in both application and participants. The popularity of the program is largely due to the education and outreach efforts of MSLRP staff and community partners. The ability to fund more providers with the same amount of funding is due to policies that consistently apply a formula based on the amount of each provider's debt to determine the contract amount. In 2018, the program will continue to focus on northern obstetric providers, primary care providers in Genesee county and psychiatrists statewide. The program will also expand to include inpatient pediatric psychiatrists, as Michigan has noted a critical shortage of this provider type.

Work has begun on the FY 2019 program year with expectations that MSLRP may again set a record for volume of applications. The program will also work on a way to determine the efficacy of the program in retaining providers both short-term and long-term in underserved areas.