

*****Michigan SLRP Opportunity Update*****
FY17 Application Period
10/20/2015

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Program Purpose:

The Michigan State Loan Repayment Program (MSLRP) assists employers in the recruitment and retention of medical, dental, and mental healthcare providers who continue to demonstrate their commitment to building long-term primary care practices in underserved communities designated as Health Professional Shortage Areas (HPSAs). MSLRP will assist those selected by providing up to \$200,000 in tax-free funds to repay their educational debt over a period of up to eight years. Participants compete for consecutive two-year MSLRP agreements requiring them to remain employed for a minimum of 40 hours per week for no less than 45 weeks per year at eligible nonprofit practice sites providing primary healthcare services to ambulatory populations. Due to significant program changes starting with this application period, providers and employers are urged to carefully read this update, as well as the entire updated MSLRP website and all application forms.

1. New Application Period: January 1 through April 30, 2016:

The FY17 application period will begin on **January 1, 2016** and continue **through April 30**. Application packages must be postmarked **no earlier than January 1 and no later than April 30, 2016**. **However, applications will only be reviewed until a sufficient number of complete applications have been received to obligate program funds.** This means applicants should mail their complete application packages as early as possible within the application period. New application forms will be posted as soon as possible on the MSLRP website at: www.michigan.gov/mslrp under *Application Periods, Forms, and Process*. The new forms must be used to apply. Briefly, providers must complete the *Provider Application Part A* and *Part B* forms, and employers must complete the *Practice Site Application and Declaration of Intent* form and include all required attachments. Providers should start with their *Part B* forms, because they take the longest to complete. **All application forms must be submitted together in a single envelope to the new MSLRP Office address found at the end of this update.**

Loan repayment agreements for successful applicants will begin October 1, 2016 and continue through September 30, 2018. The contribution requirement for nonprofit employers will remain at 20 percent of their providers' agreement amounts. For-profit employers placing providers in nonprofit practice sites, such as state prisons, will continue to contribute 50 percent. Participation in MSLRP is contingent upon the availability of program funds at the time of contracting. Although the program expects to receive funding for loan repayment agreements resulting from this application period, applicants should be aware that state and

federal budgeting processes may affect their participation. **Applicants are asked not to call the MSLRP Office to inquire about funding status. Applicants will be notified as soon as information is available.**

***Please Note: Participants must receive their complete compensation package in addition to their MSLRP payments. Federal requirements do not allow MSLRP contracts to be used as a salary or benefit offset. Salaries for health professionals participating in MSLRP must be based on prevailing rates in their practice areas.**

2. Selection Preference for Prompt Submission of Complete Applications:

As an incentive for early submission of complete applications, the program will continue to batch complete applications postmarked during each month of the application period for review, ranking, and contracting. This means that eligible providers submitting complete applications during each application month will receive selection preference over those submitting complete applications during subsequent months of the application period. This process will continue until the program has received sufficient complete applications to obligate program funds. For example, providers who submit complete and legible applications postmarked on or after January 1, 2016, but no later than January 31, 2016, will receive preference over providers who submit complete applications during February, March or April. **Applications will be reviewed only until a sufficient number of complete applications have been reviewed to obligate program funds. Remaining applications will not be reviewed. This may occur at any time during any month of the application period.** Please read the entire *Application Periods, Forms and Process* section of the website for more information.

3. Expanding MSLRP's Fieldforce to Increase Access to Care in Underserved Communities:

Recent legislation has increased MSLRP participation up to eight years and maximum total payments up to \$200,000. This allows the program to increase its field force by spreading loan repayment funds among a greater number of providers over a longer period of participation to increase access to primary care in underserved communities.

Length and Amount of MSLRP Agreements:

MSLRP loan repayment agreements require two-year service obligations, which begin October 1 following each application period. Two-year loan repayment agreements will be determined by the calculation described below and applicants must have sufficient eligible debt to warrant an initial two-year, \$20,000 loan repayment agreement to participate. Participants will compete for each subsequent two-year loan repayment agreement during every other January through April application period. A participant's final agreement may be for one year if there is insufficient debt remaining to support a minimum \$20,000 two-year contract, but may not be for less than \$10,000. Northern OB Service Providers, including agreement limits, are discussed in the *Selection Criteria, Review Process, and Final Phase of Application Process* section of the MSLRP website.

Initial Two-Year Agreement Amounts:

Initial two-year agreement amounts will be determined by dividing the amount of providers' eligible debt, up to the \$200,000 maximum, by their eight years of eligible program participation and multiplying by two. Eligible debt will be determined by loan information provided on applicants' Provider Application, Part B forms.

Example: For a new participant with \$140,000 eligible debt, divide \$140,000 by eight years of eligible participation and multiply by two years for a \$35,000 initial two-year agreement ($\$140,000/8 \text{ years} = \$17,500 \text{ per year} \times 2 \text{ years} = \$35,000$).

Odd dollar amounts derived in this manner will be rounded up or down to the nearest \$1,000 amount for administrative simplicity. If an applicant has \$20,000 or more of eligible debt and the two-year agreement amount calculated as describe above is less than \$20,000, the provider will receive, if awarded, the minimum \$20,000 two-year agreement. Providers and employers must discuss agreement amounts before applying, because employers are required to make contributions to their provider's agreements.

Agreement Amounts for Those Reapplying to MSLRP:

Participants will compete for each subsequent two-year loan repayment agreement during every other January through April application period. The amount of subsequent two-year agreements will be determined by dividing the lesser of the participant's remaining Maximum Total Payments Amount or current eligible debt by their remaining years of participation.

(Lessor of):

**Remaining Maximum
Total Payments**

or

Current Eligible Debt X Two Years = New Two-Year Agreement Amount
**Remaining Years of
Participation**

Example: In the previous example, the same participant reapplies in two years and is awarded. They received \$35,000 under their initial agreement, which reduces their Maximum Total Payments from \$200,000 to \$165,000 (\$200,000 original maximum - \$35,000 received during first two-year agreement).

During those two years, the participant paid down \$35,000 of eligible debt and accrued \$10,000 additional interest for remaining eligible debt of \$115,000 (\$140,000 - \$35,000 MSLRP payments = \$105,000 + \$10,000 interest = \$115,000). Since remaining eligible debt of \$115,000 is less than the \$165,000 remaining Maximum Total Payments, the \$115,000 remaining debt must be used in the numerator of the calculation. The \$115,000 of remaining eligible debt will be divided by their six years of remaining participation (eight years – two years) and multiplied by two years to determine their next two-year agreement amount of \$38,333, which is rounded down to \$38,000 (\$115,000/6 years = 19,166 per year X 2 years = 38,333 ~ \$38,000).

\$115,000 Current Eligible Debt X 2 Years = \$38,333 rounded down to \$38,000
6 Years Remaining Participation

This process will continue each time an applicant is awarded a new MSLRP loan repayment agreement until they have completed eight years of participation in the program, or have less than \$10,000 of remaining eligible debt.

When reapplying, applicants must provide Loan Repayment Documentation (LRD) to show they have paid down the loans listed on their Provider Application Part B forms by an amount at least equal to the amount they have received from MSLRP. For details on LRD, go to the MSLRP website at http://www.michigan.gov/mdch/0,1607,7-132-2945_40012---,00.html and click on **Participant Information and Requirements**.

Providers Who've Completed Four Years of MSLRP Participation May Now Reapply:

Because providers may now participate in MSLRP for up to eight years, the program encourages those who have already participated for four years, are currently working at eligible practice sites, and have remaining educational debt, to reapply to the program.

Participants will NOT receive reminders to reapply and are encouraged to mark their calendars to remind themselves when to reapply to MSLRP.

4. Correct Employer Contribution Amounts and One Provider Per Check Requirements:

Incorrect employer contribution amounts and the batching of employer contributions for several different participants on a single check have required considerable additional work for Department staff. Effective immediately for all loan repayment agreements, employers may only include the correct amount of their required contribution for a single participant on each check they submit with their providers' Work Verification

Forms. The Department will enforce this requirement by returning or refunding checks with incorrect amounts, including amounts for multiple participants. Employers will be requested to resubmit individual checks in the correct amount for each participant.

5. Participants Must Complete Service Obligations with Original Employers:

Providers applying for MSLRP are agreeing to stay with their employers during their two-year service obligations. Providers uncertain about remaining with their current employers during their entire two-year MSLRP service obligations should not apply for loan repayment during the current application period. They should wait until issues with their current employers are resolved or start with other employers before applying. Provider-initiated transfers to new employer practice sites with start dates other than the first day of their next MSLRP loan repayment agreement, if awarded, are a breach of that agreement.

Providers, who initiate transfers to the practice sites of new employers with employment start dates other than the first day of their next loan repayment agreement, will receive a *Non-Compliance Assessment*. This means they will not be eligible to participate in the next January – April application period during which they would normally apply for their next loan repayment agreements. Providers will not receive Non-Compliance Assessments when initiating transfers to new employer practice sites to complete current service obligations because their employment has been terminated by their original employers.

6. Employers Must Employ Participants Throughout Service Obligations:

Employers applying for MSLRP are agreeing to employ the providers they sponsor throughout their service obligations to the program. Employers uncertain about continuing to employ providers should not sponsor them during the current application period. They should wait until issues with those providers are resolved or sponsor other providers.

Employers who terminate their MSLRP participant's employment during their service obligations without 'good cause' are in breach of their agreements and will receive a *Non-Compliance Assessment*. This means the sponsoring agency will not be able to participate in the next application period by sponsoring providers applying to the program for the first time as their employees. They will, however, be able to continue sponsoring employees who are reapplying to the program.

7. Workdays Away Form Required for Last Two Work Verification Forms:

In return for receiving substantial program funding through the Health Resources and Services Administration (HRSA), U.S. Department of Health and Human Services, MSLRP must follow HRSA program guidelines. HRSA requires all participants in State Loan Repayment Programs, such as MSLRP, to be away from their approved practice sites no more than 35 workdays per agreement year without making up days in excess of the limit at the end of their agreements. Agreement years for most MSLRP participants begin each October 1 and end each September 30. The following new procedures are being implemented to remain in compliance with these federal guidelines.

Starting immediately, employers are required to use the *Workdays Away from Practice Sites* form to calculate the number of workdays participants are away from their MSLRP-approved practice sites and attach the form to participants' last two Work Verification Forms (WVFs). Complete mailing instructions are included on each WVF. Employers must:

- Submit a **preliminary** *Workdays Away* form with each provider's second to last WVF. This will typically be the third WVF submitted on two-year agreements after completion of 18 months of service obligation. Occasionally, this will also include the first WVF of a final one-year agreement after six months of service obligation completion. In both cases, **preliminary** *Workdays Away* forms will be required as attachments to the second-to-last WVF before providers will receive payment.
- Submit a **final** *Workdays Away* form with each provider's final WVF at the end of the agreement. This will typically be the fourth WVF submitted for two-year agreements after completion of 24 months of service obligation. This may also include the second WVF submitted for final one-year agreements after completion of 12 months of service obligation.

Participants will not receive their last two payments unless the completed form is attached to their last two Work Verification Forms. Please see the *Participant Information and Requirements* section of the website for details on completing the Workdays Away from Practice Sites form.

8. Participant Transfers Among Community Health Center Practice Sites

In recognition of the unique circumstances of Community Health Centers (CHCs), prior authorization is no longer required for transfers of MSLRP participants among practice sites within the scope of their CHC. CHCs must meet rigorous federal requirements and receive Health Professional Shortage Area facility designations for primary medical, mental health and dental services. Because a CHC's facility HPSA designations extend to all practice sites within its scope, there is no need for MSLRP approval of participant transfers among a CHC's practice sites. This policy takes immediate effect and affects **only** CHCs. All other types of sponsoring agencies must continue to receive prior approval for transfers to practice sites not included on the Practice Site Application submitted for the participant they wish to transfer.

When completing the Practice Site Application, CHC employers should list only enough practice sites to show the applicant is, or will be, working 40 hours per week.

9. Providers also Applying to the National Health Services Corps Loan Repayment Program:

Federal guidelines require program funds to be obligated soon after the application period ends on April 30, 2016. Providers entering the final phase of the application process who are also applying to the NHSC LRP must decide whether they will continue in the final phase of the MSLRP application process, or withdraw their MSLRP applications and wait to hear from the NHSC. **MSLRP applications of those uncertain about continuing in the final phase will be withdrawn and they will be invited to reapply during the following year if they are not awarded by the NHSC.**

10. Applications Must be Mailed to the New MSLRP Office Address:

Applications must be mailed in a single envelope to the new address:

**Tania Rodriguez, MSLRP Coordinator,
Planning and Access to Care
Michigan Department of Health and Human Services
Grand Tower Building
235 South Grand Avenue, 15th Floor, Suite 1510
Lansing, MI 48933**

Additional MSLRP Information:

You will find additional information regarding MSLRP eligibility requirements and application forms on the MSLRP Website at: www.michigan.gov/mslrp.

If you have further questions after reading the MSLRP website, please **call or email Ken Miller at (517) 241-9946 or millerk3@michigan.gov**.