

Report on Status of Early Primary Care Pilot Program

(FY2019 Appropriation Act - Public Act 207 of 2018)

April 1, 2019

Sec. 1147. (1) *From the funds appropriated in part 1 for primary care services, \$500,000.00 shall be appropriated for the second year of a 6-year early primary care incentive program to facilitate the placement of physicians in medically underserved areas of this state. The early primary care incentive program format includes all of the following:*

(a) Recruitment of interested physicians before completion of first year of residency.

(b) To participate in the pilot program, a physician must do all of the following:

(i) Complete at least 1 year of postgraduate education.

(ii) Complete and pass all 3 parts of a national licensing board examination.

(iii) Obtain an unrestricted license to engage in the practice of osteopathic medicine and surgery or an unrestricted license to engage in the practice of medicine in this state.

(c) A participating physician shall enter into a contract to work with an employer for no less than 2 years in a federally underserved rural or urban area in this state, beginning the year following completion of at least 1 year of postgraduate education.

(d) The employer shall employ the physician at a competitive salary. A contractual employer may include, but is not limited to, a private practice physician or physician group, a hospital or hospital system, a community clinic, or a federally qualified health center.

(e) Assistance with repayment of medical education loans of the participating physician shall be provided through local, state, federal, or other sources during the employment period, with a target assistance amount of \$50,000.00 over 2 years.

(f) Upon completion of the 2-year employment period, participating physicians may reenter and complete a postgraduate residency program.

(2) The department shall seek philanthropic support for the early primary care incentive program to achieve increased participation and may use state funds to match philanthropic contributions.

(3) The department shall contract with the Michigan Health Council for the purpose of administering the early primary care incentive program. Funds shall be disbursed by the department to the Michigan Health Council by December 1 of the current fiscal year for this purpose.

(4) Use of funds for administration of the early primary care incentive program is limited to no more than \$150,000.00.

(5) The department shall prepare a report on the status of the early primary care incentive program that shall include, but is not limited to, the number of physicians placed, location of placement, type of employer, average student loan burden of the participating physicians, and average loan relief provided under the program. By April 1 of the current fiscal year, the department shall provide the report

described in this subsection to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget office.

(6) Unexpended and unencumbered funds up to a maximum of \$500,000.00 general fund/general purpose revenue in part 1 for primary care services are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the early primary care incentive program under this section until the project has been completed. All of the following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to fund the cost of an early primary care incentive program as provided by this section.

(b) The work project will be accomplished by administering the partnering of participating physicians with qualifying employers and coordinating the negotiation of medical school loan repayment assistance for the participating physician.

(c) The total estimated cost of the work project is \$500,000.00 of general fund/general purpose revenue.

(d) The tentative completion date of the work project is September 30, 2023.



REPORT ON THE STATUS OF THE EARLY PRIMARY CARE PILOT PROGRAM

This program is administered by the Michigan Health Council, per PA 207 of 2018 section 1147 (3). To date the Michigan Health Council has established infrastructure for the Early Primary Care Incentive (EPCI) program by hiring staff, developing a logic model and creating collateral for talking with stakeholders. The Michigan Health Council has drafted a program outline as well as application, contract and agreement forms.

The scope of work for this program includes several months of research, feasibility studies and discussions with various stakeholders in order to design and implement the program. Partnerships with residencies, agreements with employers, payers, the Accreditation Council for Graduate Medical Education and others are required in order to implement the program. The Michigan Health Council has identified key stakeholders in each of these areas and discussions with key stakeholders have not resulted in any residencies, employers or payers willing to participate in the program. After many months of discussions and attempts to revise the program to encourage stakeholder participation, the Michigan Health Council has been unable to implement EPCI as designed.