

**Report on Status of Michigan Medical
Resident Loan Repayment Program**
(FY2019 Appropriation Act - Public Act 207 of 2018)

April 1, 2019

Sec. 1918. (1) *From the funds appropriated in part 1 for Michigan medical resident loan repayment program, \$5,000,000.00 is allocated for a 5-year Michigan medical resident loan repayment program to incentivize placement of primary care physicians and other select specialty physicians in rural and urban medically underserved areas of this state following medical residency and provide financial assistance for medical education loan repayment of up to \$50,000.00 to the participating physician before the service period. The Michigan medical resident loan repayment program shall include the following provisions:*

(a) The program shall incentivize medical residents only in the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, and general surgery.

(b) Upon signing an initial agreement to participate in the program, an amount of up to \$50,000.00 shall be provided to the participating physician for the repayment of medical education loans or interest, or both, according to a payment schedule as prescribed and agreed upon by the department and the participant.

(c) Beginning the year following completion of a medical residency, a physician participating in the program shall enter into a contract to work with an employer for no less than 2 years in a federally designated rural or urban medically underserved area in this state.

(d) A physician participating in the program shall agree to forego any subspecialty fellowship training for at least 2 years postresidency.

(2) The department shall contract with the Michigan Health Council for the purpose of administering the Michigan medical resident loan repayment program. Funds shall be disbursed by the department to the Michigan Health Council by December 1 of the current fiscal year for this purpose.

(3) The department shall prepare a report on the status of the Michigan medical resident loan repayment program that shall include, but is not limited to, the number of physicians placed, location of placement, type of employer, average medical education 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.

(4) Unexpended and unencumbered funds up to a maximum of \$5,000,000.00 general fund/general purpose revenue in part 1 for Michigan medical resident loan repayment program 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 Michigan medical resident loan repayment 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 a Michigan medical resident loan repayment program as provided by this section.

(b) The work project shall be accomplished by administering the placement of participating physicians with qualifying employers and providing medical education loan repayment assistance to participating physicians.

(c) The total estimated cost of the work project is \$5,000,000.00 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 MICHIGAN MEDICAL RESIDENT LOAN REPAYMENT PROGRAM

This program is administered by the Michigan Health Council, per PA 207 of 2018 Section 1918 (2). This program has been named the Michigan Loan Reimbursement and Employment Solution (MiLES).

This report covers year one of the five-year work project which began on October 1, 2018. In these first five months, the program design, logistics and infrastructure have been developed including creation of a web site, marketing material, application forms, contracts and program guidance documents. Numerous presentations to both physician residents and employers have been met with great enthusiasm and appreciation for the program.

The first application period closed February 28, 2019 and we expect to make eight awards of \$50,000 each in April. The average student loan burden of all eight award candidates is \$226,000.

Three of the award recipients will complete their residency this year and be placed in an underserved area of the state by the fall of 2019. Their disciplines, specialties, geographic area, and employer type are as follows:

Discipline	Specialty	City	Employer Type
MD	Family Medicine	Breckenridge	Family Medical Center
MD	General Surgery	Muskegon	Hospital in a Health Professional Shortage Area
DO	Family Medicine	Battle Creek	Group Practice in a Primary Care Health Professional Shortage Area

The other five recipients will complete their residencies in 2020. Over the next several months, we will work to match these physicians with employment opportunities. They are expected to be placed and begin their service obligation by fall 2020. Their disciplines and specialties are as follows:

Discipline	Specialty
MD	Family Medicine
MD	Internal Medicine & Pediatrics
MD	Family Medicine
DO	Family Medicine
MD	OB-GYN

In addition, we are gearing up for our second application period which will be open this summer allowing us to place a second cohort of physicians in communities in 2020 and 2021. This begins to satisfy the aspirations of the program which include placing physicians in underserved areas of the state as quickly as possible while providing loan relief to physician residents early.