SUBJECT: Creating the Texas Health Service Corps for medically underserved areas

COMMITTEE: Public Health — favorable, without amendment

VOTE: 7 ayes — Berlanga, Coleman, Davila, Delisi, Glaze, Janek, Maxey

0 nays

2 absent — Hirschi, Rodriguez

WITNESSES: For — Lisa Nash, Texas Medical Association

Against — None

On — Laura Jordan, Center for Rural Health Initiatives

BACKGROUND: The Center for Rural Health Initiatives (CRHI) is responsible for promoting health care in rural areas of the state. The center is run by the executive committee which includes nine members, three appointed by the Governor, three by the lieutenant governor and three by the speaker of the House. The executive committee hires an executive director to oversee the day to operations of the center. The center also has an advisory committee composed of the commissioners or their designees from the Department of Health, the Department of Human Services, the Department of Agriculture, the Department of Commerce, and the Higher Education Coordinating Board.

The Higher Education Coordinating Board oversees the Physician Education Loan Repayment Program, which provides student loan repayment assistance to physicians who practice in economically depressed or rural medically underserved areas of the state. The physician must have completed the residency requirements of the medical program in order to qualify for repayment assistance.

The Board of Health manages the Medically Underserved Community-State Matching Incentive Program. The program offers a matching grant to communities that have made a commitment to bring a primary care

physician to a medically underserved community. It also provides assistance to communities to improve their health care facilities.

The CRHI also administers two loan forgiveness programs for medical students. Students who commit to working in such areas will receive student loan forgiveness for each year they practice in an underserved area.

DIGEST:

HB 2192 would create the Texas Health Service Corps Program for Medically Underserved Areas. The primary function of the program would be to provide stipends to qualified physicians in their residency who contract to provide medical services to medically underserved areas for at least one year. The stipend amount could be as much as $15,000 per year. The stipend could be renewed by the CRHI for each year the physician served the area.

The program would be administered by the executive committee of the CRHI, which would develop eligibility criteria for the applicants, stipend application procedures, guidelines relating to stipend amounts, and a procedure for prioritizing funds. Medically underserved areas would be designated according to federal law guidelines.

Contracts by physicians receiving stipends would have to be at least one year long. If the physician did not provide services to the area for all or part of that year, the physician would be liable to the state for repayment of the stipend and any interest accumulated from the time the contract was signed until the repayment is made. Physicians who received stipends under this program would be ineligible for assistance under any other state incentive program while receiving the stipend.

The bill would allow CRHI to seek funds from grants, donations and public or private sources as well as the appropriations process.

HB 2192 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house.

SUPPORTERS SAY:

HB 2192 would enhance existing efforts to attract physicians to underserved areas. Texas has 121 federally designated rural health professional shortage areas and 228 federally designated medically underserved areas. These areas are in desperate need of qualified physicians. The programs currently providing assistance have been successful in matching communities to qualified health care professionals, but there is still a great need for additional physicians in these areas.

This program would give communities one more tool in recruiting physicians and fill a gap in the recruitment program. The targeted recipients of this program would be physicians completing their residency requirements. Other programs target physicians at other levels in the professional career. The hope is that once these professionals are attracted to these rural and underserved areas, they will choose to remain there once their residency is up. At that time, the physician would stop receiving a stipend under this program and could apply for a loan repayment program or other assistance program.

HB 2192 would not limit the funding of this program to appropriations from the state. The program could also solicit private and public funds as well as grants or gifts in order to supplement any appropriations given.

No program can be 100 percent effective in recruiting doctors to underserved areas and keeping them there. The key to attracting physicians to these areas is to provide sufficiently targeted programs to attract a wide range of physicians. If funding is available to keep doctors in the area for their residency and the beginning of their private practice, many doctors will establish sufficient roots in the community to want to stay once the program benefits run out.

OPPONENTS SAY:

There are programs already in place for recruiting health care professionals into medically underserved areas. Creating an additional program would increase the administrative costs. The money listed in Article XI of HB 1, the general appropriations bill, includes $660,000 for fiscal 1998-99 to fund this program and should instead be used to support existing programs.

Physician recruitment programs, while helpful, have not proved very effective in keeping doctors in these communities once they stop receiving

the benefits of the recruitment program. Many doctors consider serving in these areas as necessary dues to be paid before they can establish a lucrative practice in an urban area.

NOTES:

A related bill, SB 913 by Sibley, which would move the Medically Underserved Community-State Incentive Program to the Center for Rural Health Initiatives, passed the Senate on April 24 and has been referred to the House Public Health Committee.