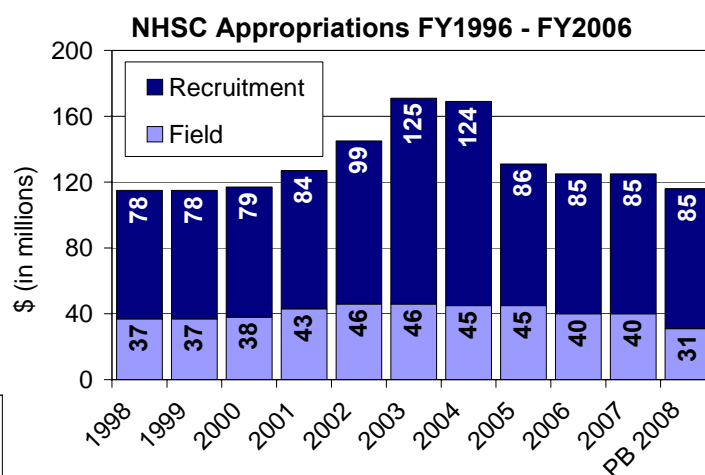
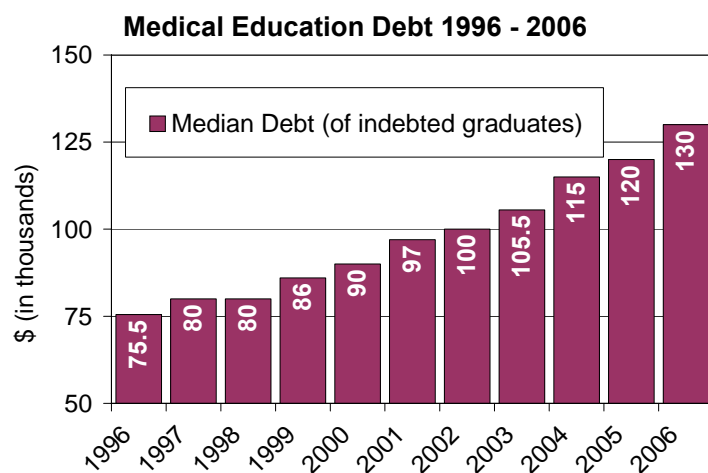


Expanding the National Health Service Corps (NHSC) by 1,500 Annual Awards to Physicians

An appropriate supply of well-educated and trained physicians is an essential element to assure access to quality health care services for all Americans. The United States will face a serious doctor shortage in the next few decades. The nation's rapidly growing population, increasing numbers of elderly Americans, an aging physician workforce, and ongoing demand for health care services all point to this conclusion.

Currently, approximately 30 million people live in federally designated health professions shortage areas (HPSAs). The U.S. Department of Health and Human Services establishes these designations for rural or urban areas, population groups, or medical facilities. The NHSC has a proven track record of expanding access for underserved populations by supplying physicians to these HPSAs.

Since its creation, the NHSC has consistently received significantly more applications for positions than it is able to support with the funding provided by Congress (approximately 10 applicants for every award). If the President's budget request is enacted, funding for the NHSC will have decreased by \$55 million since FY 2003, over 32 percent of its then \$171 million budget.



The growing debt of graduating medical students is likely to increase their interest and willingness to apply for NHSC awards. Since 1996, median indebtedness has increased by 72 percent. **In 2006, 87 percent of U.S. medical students graduated with debt. Within that cohort, the median indebtedness was \$130,000.**

In its June 2006 Statement on the Physician Workforce, the AAMC recommended increasing annual NHSC awards to physicians by 1,500 to allow more graduates to practice in underserved areas. Since that time, limited funding has reduced NHSC awards from 2,071 (in FY 2005) to 1,571 (estimated for FY 2007), nearly a 25 percent decrease.

An increase of 1,500 annual awards to physicians will cost at least \$663.6 million over the first 4 years and require an appropriation of at least \$400.4 million in the final and subsequent years. The FY 2007 NHSC Field and Recruitment appropriations would have to be incrementally increased as follows*:

(in millions)	FY 2007 (current)	FY 2008	Δ	FY 2009	Δ	FY 2010	Δ	FY 2011	Δ
NHSC Recruitment	\$85	\$132.9	\$47.9	\$180.9	\$50	\$242	\$61.5	\$302.4	\$60
NHSC Field	\$40	\$54.5	\$14.5	\$69	\$14.5	\$83.5	\$14.5	\$98	\$14.5
Total	\$125	\$187.4	\$62.4	\$249.9	\$62.5	\$325.9	\$76	\$400.4	\$74.5

* Increases do not account for inflation. The NHSC Recruitment appropriation funds Scholarship and Loan Repayment awards; the NHSC Field appropriation supports site development, physician mentoring, practice enhancement, and recruiting/retention programs.