

ISSUE SUMMARY

To help address physician workforce shortages, federal programs such as the National Health Service Corps (NHSC) and Public Service Loan Forgiveness (PSLF) provide important incentives to recruit and retain physicians in underserved areas. The AAMC supports increasing federal investment without restricting physician eligibility for programs to improve vulnerable communities' access to health care.

Issue

The AAMC projects a nationwide shortage of physicians of between 61,700 and 94,700 by 2025, with a significant shortage in many surgical specialties. The independent study conducted on behalf of the AAMC estimates a shortfall of between 14,900 and 35,600 primary care physicians. Nonprimary care specialties are expected to experience a shortfall of between 37,400 and 60,300 physicians.

Though these shortfalls will affect all Americans, the most vulnerable populations in underserved areas will be the first to feel the impact (e.g., patients of the Veterans Health Administration, Medicare and Medicaid patients at nonprofit teaching hospitals, patients of rural and urban community health centers, and American Indians and Alaska Natives).

While medical education remains an excellent investment, the typical graduating debt of medical students exceeds \$180,000. Several targeted federal public service programs provide critical incentives through loan repayment and forgiveness to recruit and retain physicians who help meet the unique health care needs of these underserved communities.

Background

The NHSC provides scholarships and loan repayment for physicians (among other health professions) who practice primary care in federally designated Health Professions Shortage Areas (HPSAs). With a field strength of 9,683 in 2015, including 2,290 physicians, more than 10 million patients relied on NHSC providers for health care.

Despite the NHSC's success, it still falls far short of fulfilling the health care needs of all HPSAs due to growing demand for health professionals across the country. The Health Resources and Services Administration (HRSA) estimates that 7,900 additional primary care physicians are required to eliminate all primary care HPSAs. In more tangible terms,

the current practitioner deficit results in 60 million unserved primary care patients living within underserved areas spread across every state. The NHSC is currently financed through a \$310 million per year mandatory fund that expires at the end of fiscal year 2017.

The Department of Education's PSLF program forgives federal student loan debt for physicians that practice at government or nonprofit facilities for 10 years—the longest obligation for a federal public service program for physicians. Unlike other safety net repayment programs, which were designed to protect students, PSLF was established to help meet the country's public service needs.

Since the creation of the PSLF program, medical students have reported increased interest in participating in this program at facilities like teaching hospitals that provide a disproportionate share of charity and Medicare/Medicaid patient care. In 2016, the president's budget proposed capping PSLF at the \$57,500 undergraduate level, limiting physicians' ability to participate.

Other important federal programs that help recruit and retain physicians to public service include the following:

- The Veterans Health Administration Education Debt Reduction Program (EDRP)
- The Indian Health Service
- U.S. Military Health Professions Loan Repayment Programs
- The National Institutes of Health (NIH) Loan Repayment Program

Each of these programs serves a specific targeted purpose and/or population and is critical to addressing physician workforce distribution to meet the unique health needs across the country.

AAMC Policy Recommendations

- The AAMC supports significantly increasing the financial investment in the NHSC, including restoring annual appropriations for the program rather than fully relying on the NHSC mandatory fund that faces periodic fiscal cliffs and requires funding offsets.
- In line with recommendations of the National Association of Student Financial Aid Administrators (NASFAA), the AAMC urges any cap on forgiveness to be at least the aggregate graduate and professional student loan limit—\$224,000 for physicians. The AAMC opposes capping PSLF in a manner that categorically or effectively excludes physicians or specific specialties.
- The AAMC encourages a wide breadth of targeted federal public service programs to help meet the health care needs of the country and of specific vulnerable populations.

Related Issues

- Physician Workforce Issues
- Higher Education Act Reauthorization
- Caring for Our Nation's Veterans

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Web Resources

March 2015 Letter from NHSC Stakeholders to Congress

www.aamc.org/download/428158/data/nhscstakeholdersurgef2016appropriation.pdf

AAMC's Database on State and Federal Loan Repayment/Forgiveness Scholarship Programs

www.aamc.org/stloan

Summary of the PSLF Program

<https://students-residents.aamc.org/financial-aid/article/public-service-loan-forgiveness-pslf/>

The National Health Service Corps

<http://nhsc.hrsa.gov>