

Senate Bill 343 (as introduced 5-24-19)  
Sponsor: Senator Curtis S. VanderWall  
Committee: Health Policy and Human Services

Date Completed: 6-13-19

### **CONTENT**

**The bill would amend the Public Health Code to specify that the maximum amount of debt or expense that the Department of Health and Human Services could pay on behalf of a designated health professional through a health provider repayment program would be \$250,000 over ten or more years.**

Under the Code, the Department must administer an essential health provider repayment program for designated professionals who have incurred a debt or expenses as a result of a loan taken to attend medical school, dental school, nursing program for the training of certified nurse midwives, certified nurse practitioners, or clinical nurse specialists-certified, or physician's assistant program or as a result of providing services in a health resource shortage area. The Department must repay a debt or expenses only for a professional who has entered a written contract with the Department that requires him or her to engage in the full-time practice of health care services in a resource shortage area to which the Department assigns him or her for a period equal in years to the number of years for which the Department has agreed in the contract to make the payments, or for a period of two years, whichever is greater.

Each year, the Department may repay all or part of a designated professional's debt or expenses, but the amount repaid in one year must not exceed \$40,000. In addition, the maximum amount of debt or expense repayment the Department may pay on behalf of a designated professional is \$200,000, paid over a period of four or more years. Under the bill, if a designated professional agreed to a term of service of 10 years or more in the written contract described above, the maximum amount of debt or expense repayment the Department could pay on behalf of the designated professional would be \$250,000, paid over a period of 10 years or more.

MCL 333.2705

Legislative Analyst: Tyler VanHuyse

### **FISCAL IMPACT**

This bill would have no fiscal impact on the Department of Health and Human Services (DHHS) or local units of government. The number of loan repayment contracts that the DHHS enters into with eligible medical providers is limited by the yearly appropriation to the Michigan Essential Health Provider Program. By allowing for increased expenditures per participant, the bill could decrease the total number of contracts that the DHHS can enter into depending on the number of eligible medical providers who agreed to contracts for a term of 10 years or longer and the participant's eligible education debt, assuming a flat appropriation level in

future fiscal years. A recent funding history of the Michigan Essential Health Provider program is provided below.

Fiscal Year (FY)	Provider Contracts	Gross	GF/GP	Federal	Private
FY 2013-2014	92	2,491,300	1,000,000	1,236,300	255,000
FY 2014-2015	104	3,591,300	1,500,000	1,236,300	855,000
FY 2015-2016	69	3,591,300	1,500,000	1,236,300	855,000
FY 2016-2017	67	3,591,300	1,500,000	1,236,300	855,000
FY 2017-2018	86	3,591,300	1,500,000	1,236,300	855,000
FY 2018-2019	N/A*	3,591,300	1,500,000	1,236,300	855,000
FY 2019-2020 Proposed**	N/A	4,521,200	2,429,900	1,236,300	855,000

\*Unavailable until the close of the fiscal year.

\*\*This amount reflects the Senate Proposed funding level. The Executive Recommendation includes \$1.0 million General Fund/General Purpose (GF/GP) less than the Senate and the House Proposal includes \$1,137,000 GF/GP less than the Senate.

Fiscal Analyst: Ellyn Ackerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.