



Maryland
Hospital Association

**Senate Bill 190 & 192 – Budget Bill and Budget Reconciliation and Financing Act
Health Professional Boards and Commissions**

Position: *Support*

January 24, 2020

Senate Budget & Taxation Committee

MHA Position

On behalf of Maryland's 61 hospitals and health systems, we appreciate the opportunity to comment on the fiscal year 2021 budget and Budget Reconciliation and Financing Act (BRFA). The Maryland Hospital Association fully supports the Governor's budget and BRFA provisions, which increase funding for the Maryland Loan Assistance Repayment Program (MLARP) by \$400,000.

High student loan debt is a major factor for medical students, practicing physicians, and physicians assistants in deciding what specialty to practice and where to practice. It is estimated that physicians carry an average of \$200,000 in student loan debt. States and the federal government have recognized loan repayment programs as important tools in recruiting providers into underserved areas.

The federal government administers the State Loan Assistance Program (SLRP) through the Health Resources & Services Administration (HRSA). HRSA will provide up to \$1 million in matching funds for loan assistance for primary care physicians and physician assistants who practice in designated health professional shortage areas, but these federal funds require a non-federal match. During the 2009 legislative session, Senate Bill 627 established MLARP, which serves as the conduit to draw funds from the federal program. The funding available to the program has fluctuated over the years, leaving eligible physicians and physicians assistants who are willing to serve in underserved areas unable to access the program and leaving federal dollars on the table.

The additional \$400,000 for MLARP brings the total funding for the program to \$790,000. This funding level is consistent with funding in fiscal year 2016, when the program was more easily accessible to qualified applicants. According to data from the Maryland Department of Health, in fiscal year 2016, no qualified applicant was denied due to lack of funding. Between fiscal year 2019 and fiscal year 2020, more than 100 qualified applicants were denied due to funding availability.

These additional funds provide funding to qualified applicants and increase the availability of federal funds through the SLRP program. Additionally, the program is aligned with the Board of Physicians' mission of "assuring quality care in Maryland."

For these reasons, we urge the subcommittee to support the budget and BRFA provisions related to the Maryland Loan Assistance Repayment Program as introduced.

For more information, please contact:

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