

## PHYSICIAN LOAN REPAYMENT FUND

# Increase Care to the Underserved

The debt incurred by pursuing medical training serves as a barrier for physicians to live in underserved and rural parts of Virginia. The Virginia Physician Loan Repayment Program was a state funded program that discontinued in 2010. Since that time, the Commonwealth's access issues have only grown.

## The Problem: A Health Care Access Crisis

Underserved and rural areas of Virginia face a shortage of physicians, especially among critical medical specialties.

Despite six medical schools, **Virginia's per capita physician workforce ranks 23rd in US.**

- The median debt burden among physicians under the age of 40 **can take 30+ years to pay off.**
- Loan forgiveness programs help to increase diversity in the medical profession by removing financial barriers.
- Loan repayment programs incentivize Virginia trained physicians to stay in Virginia.
- 42 states already have programs that offer student loan repayment or special pay for doctors who commit to practice in medically underserved areas.<sup>1</sup>



*Student debt is the #1 factor for new physicians deciding where to live and work.*

*Virginia Medical School Deans*

## The Solution: Support Physicians Who Want to Practice in Underserved Areas

The existing Virginia Physician Loan Repayment Program has not been funded in over 10 years. By easing the burden of student loan debt, physicians can practice in underserved areas. Engaging physicians in rural health care early in their careers encourages their long-term commitment and has a positive economic impact in these communities.

- Physicians support 207,525 jobs in Virginia—11.7 for each physician on average.<sup>2</sup>
- Physicians' contribution to the Virginia economy generates \$1.4 billion in state and local tax revenue for their communities—translating to \$79,770 for each physician on average—enabling community investments to be made.<sup>1</sup>

<sup>1</sup> Student Loan Repayment Programs - American Academy of Family Physicians (AAFP) (2018).

<sup>2</sup> Economic Impact Study - American Medical Association (AMA) (2018).



## **Q: How is the Physician Loan Repayment Program structured?**

Each physician will receive a maximum of \$200,000 over four years. The \$4 million budget amendment would fund 20 positions. Physicians will be required to have a minimum commitment of 2 years and the reimbursement would be tax-exempt.

## **Q: How is 'underserved area' defined ?**

The Physician Loan Repayment Program requires service in either a health professional shortage area or a medically underserved area, which are already defined in statute. The Department of Health and the Health Resources and Services Administration calculate where there are not enough health care providers to serve the population, as well as other measures that indicate high need, such as the incidence of infant mortality, the availability of primary care resources, poverty levels, and other measures.

## **Q: Doesn't Virginia already have student loan forgiveness for health care workers?**

The Virginia Student Loan Repayment Program (VA-SLRP) is a federal grant administered by the Virginia Department of Health. This program provides loan repayment for eligible medical, dental, behavioral health, and pharmaceutical professionals who serve a minimum of two years in a Health Professional Shortage Area (HPSA).

In 2019, there were 72 applicants but only 24 awards. Seven of these awards were physicians.

There is an unmet demand which the Physician Loan Repayment Program could help fill. Additionally, the Physician Loan Repayment Program, as a state-funded program, will allow additional flexibility for physicians to practice in underserved areas, which include both rural and urban communities.