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BILL ANALYSIS



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Senate Bill 648 (Substitute S-1 as reported)
Sponsor: Senator John Moolenaar
Committee: Appropriations

(enrolled version)

CONTENT

The bill would amend the Public Health Code to do the following with respect to the Michigan Essential Health Provider program:

- Include dentists in the loan repayment program.
- Remove the four-year limit on loan repayments.
- Increase the maximum annual loan repayment amount to \$40,000.
- Establish a lifetime loan repayment maximum of \$200,000.

The Michigan Essential Health Provider program includes a loan repayment program for certain medical providers who enter into a written contract with the Department of Community Health (DCH) to provide full-time health care services in a health resources shortage area for a designated number of years up to a maximum of four years, with a maximum repayment of \$25,000 per year in the first year, and a maximum 5% increase in the loan repayment allowed each year.

The program covers loan repayments for those who have taken out a loan to attend medical school, to train to be a nurse midwife or a nurse practitioner, or to train to be a physician's assistant. The DCH, which administers the program, is limited, in recruiting physicians for the program, to recruiting physicians who are training in general practice, family practice, obstetrics, pediatrics, emergency medicine, internal medicine, preventive medicine, and psychiatry.

The bill would expand the Michigan Essential Health Provider program to include loan repayment for dentists who chose to work in health resources shortage areas. The bill also would remove the four-year maximum on loan repayments and increase the annual maximum from \$25,000 to \$40,000 (without an annual increase of up to 5% after the first year). The bill would establish a lifetime maximum of \$200,000, payable over a period of four years or more.

The bill would permit the Department, when enrolling program participants, to give preference to physicians studying general practice, family practice, obstetrics, pediatrics, or internal medicine.

MCL 333.2701 et al.

FISCAL IMPACT

The FY 2013-14 DCH budget includes \$2,491,300 to support the Michigan Essential Health Provider program.

While the bill would expand the scope of the program and raise the cap on payments from the program, there was money (\$1.0 million Gross, \$0.5 million GF/GP) specifically appropriated in the FY 2013-14 budget to cover program expansion. Therefore, the expanded scope and increased payments do not appear likely to increase State expenditures beyond what was appropriated in FY 2013-14. It is possible that expansion of the program could lead to expenditures above the FY 2013-14 appropriation level in subsequent years.

Date Completed: 2-3-14

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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.