

## POSITION STATEMENT

**BILL:** Senate Bill 627 – Loan Assistance Repayment and Practice Assistance for Physicians

**COMMITTEE:** Education, Health and Environmental Affairs Committee

**POSITION:** Support With Concern

**DATE:** March 11, 2009

---

**The Rural Maryland Council supports passage of Senate Bill 627 – Loan Assistance Repayment and Practice Assistance for Physicians** which would create a new LARP program for physicians and alter the existing one.

We caution, however, that if eligibility for the program becomes too broad at this time by opening it to specialists beyond primary care, the bill will defeat its own purpose. Given limited funds, such broad eligibility may make it that much harder for rural and other underserved areas to recruit critically needed professionals to their communities. RMC recommends that every effort be made to implement the expansion of LARP to the neediest rural shortage areas for primary care specialists.

Nearly 30 percent of all Marylanders reside in the state's 18 designated rural counties where fewer health care professionals and organizations exist, where a growing proportion of uninsured or under-insured Marylanders are aging in place and suffering from chronic disease and illness, and where health disparities with their urban/suburban counterparts continue to grow to crisis levels. More than 15 percent of rural Marylanders are aged 65 or over, which is 38 percent higher than the state average. Medicaid enrollment is 27 percent higher in rural jurisdictions than in the rest of Maryland. And 34 percent fewer primary care providers serve rural areas than the state in general. At least a decade ago, rural communities, organizations and advocates identified the geographical shortage of health care professionals. Over the years, those communities have seen shortages impact the ability to residents to access quality and affordable health care services.

In October 2008, the Rural Maryland Council (RMC) and the Maryland State Office of Rural Health hosted a Rural Health Roundtable to develop an action plan to help implement the top strategic priority of the 2007 *Maryland Rural Health Plan*, which is to improve the recruitment and retention of rural health providers as a means of increasing access to primary and specialty care and pharmacy services for Maryland's rural citizens. Some 70 health, policy and rural leaders from around the state participated.

**The top action priority identified by Rural Roundtable participants was: To develop financial incentives to recruit and retain healthcare providers. Incentives were broadly defined to include: loan assistance, loan forgiveness, higher salaries, signing bonuses, and the like.**

In addition, the Task Force to Review Physician Shortages in Rural Areas, of which the RMC was a member, recommended expanding LARP to include medical residents and physicians who agree to locate in designated shortage areas. Several other task forces and commissions have recognized the clear and demonstrable need to take special steps to improve recruitment efforts for physicians (as well as other health care providers) to practice in rural areas.

The RMC defers to DHMH in how best to modify and implement the regulations necessary to run this program effectively; however, the RMC – in accord with the consensus reached among participants of the Rural Health Roundtable -- fully supports the Bill's intention to extend debt-payment assistance to health care providers serving rural areas.

Maryland's rural communities have older populations, lower incomes, higher rates of poverty and higher rates of uninsured residents. Lower incomes and older populations mean more health problems, chronic illnesses and untreated diseases. In addition, rural communities exhibit higher rates of alcohol consumption, smoking and obesity. With its lopsided share of ailments, rural Maryland's growing shortage of health care professionals and difficulty in attracting practicing health care workers is seriously impeding economic growth and development in Western Maryland, Southern Maryland, and on the Eastern Shore – an economic reality that affects the entire state.

The Rural Maryland Council is a nonpartisan independent state agency whose mission is to identify and address challenges common to rural areas. Because more than 1.6 million rural Marylanders are facing significantly greater difficulty in accessing health care than other areas of the state due in large measure to growing shortages in the health care workforce, the RMC supports passage of Senate Bill 627 – Loan Assistance Repayment and Practice Assistance for Physicians.