



# Minnesota Healthcare Workforce Loan Forgiveness Program

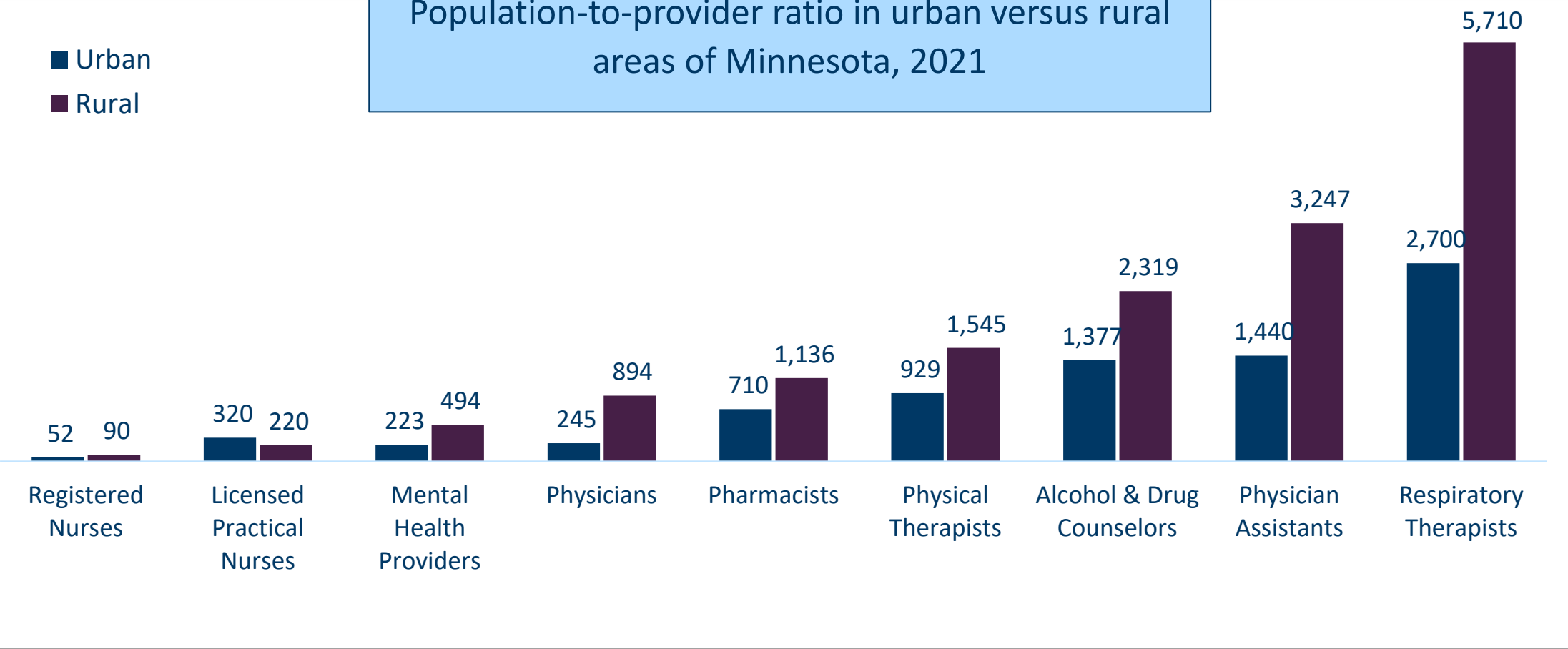
Zora Radosevich, Director, Office of Rural Health and Primary Care  
House Health Finance and Policy Committee  
February 21, 2022

PROTECTING, MAINTAINING AND IMPROVING THE HEALTH OF ALL MINNESOTANS

- **Healthcare Workforce Update**
  - Survey **licensed** providers at the time they renew their license, including physicians, nurses, physician assistants, mental health, oral health, pharmacy, physical therapy, and respiratory therapy providers (19 professions total).
  - Data includes:
    - **Demographics** (age, sex, race, languages spoken)
    - **Career and work** (practice setting, hours worked, future plans)
    - **Education** (highest degree; state where providers were educated)
    - **Geographic distribution** (rural/urban; DEED planning areas)
    - **Special data collection modules** (e.g., cultural competence; COVID burnout; telehealth; determinants of rural practice)
- **Minnesota Loan Forgiveness Program**

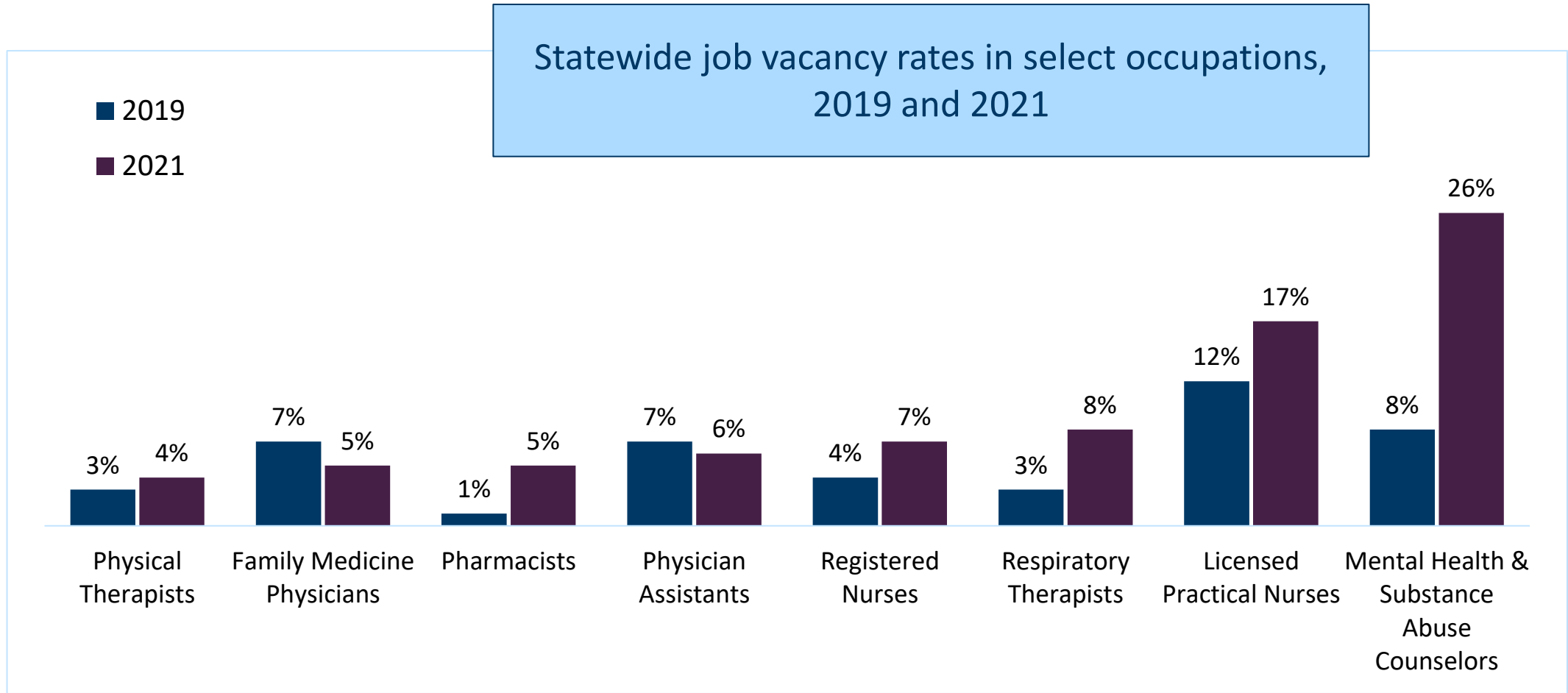
# Even after adjusting for population, rural Minnesota already has far fewer healthcare providers

Population-to-provider ratio in urban versus rural areas of Minnesota, 2021



Data source: MDH analysis of December 2021 data from all health licensing boards. Urban areas include large metropolitan and micropolitan areas (e.g., areas the size of the Twin Cities, Rochester, St. Cloud, Brainerd, Bemidji, or Duluth); and rural areas include small and frontier communities (e.g., areas the size of Ada, Crookston, Mora, Walker, or Waseca).

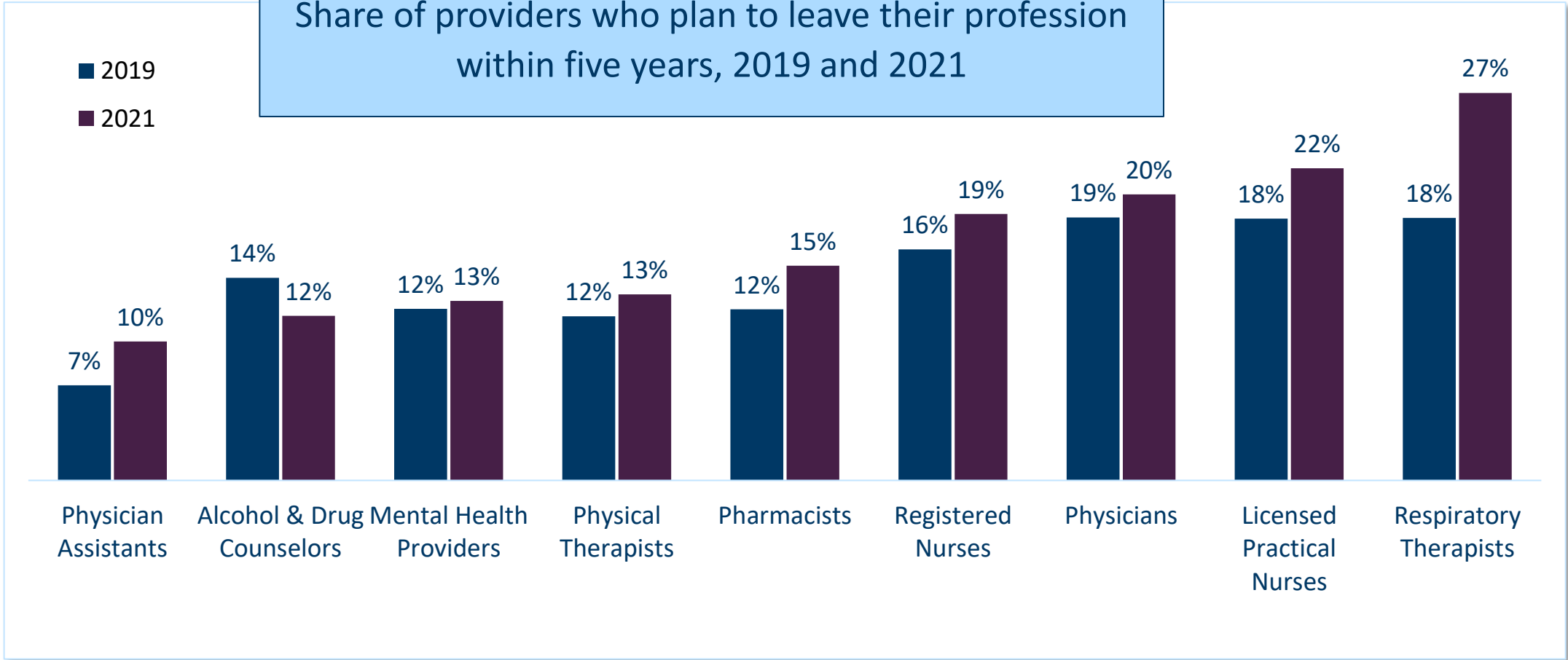
# Hiring demand in all occupations—but especially mental health—has increased since pre-pandemic levels



Data source: Department of Employment and Economic Development Job Vacancy Survey; second quarter 2019 and second quarter 2021 vacancy rates.

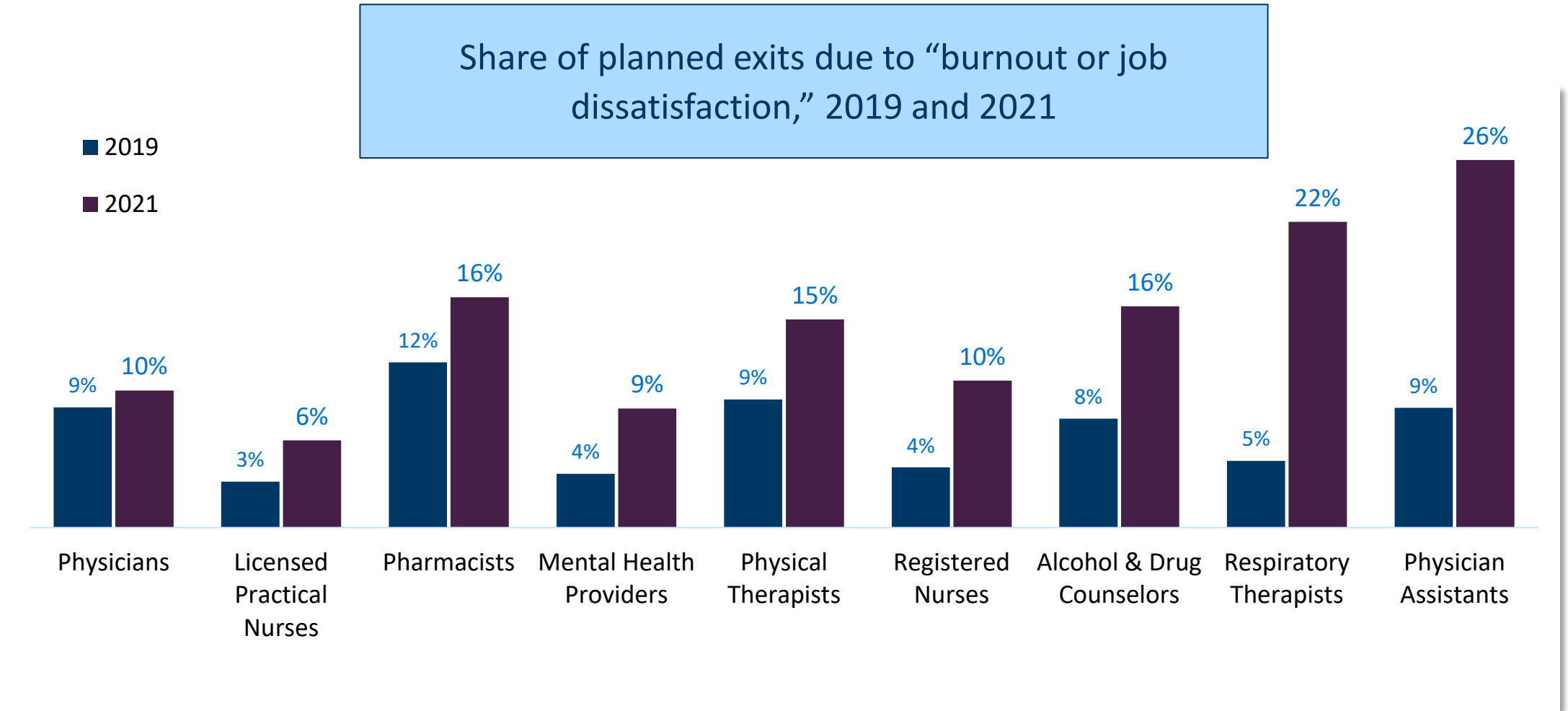
# More providers report that they plan to leave healthcare, compared to 2019

Share of providers who plan to leave their profession within five years, 2019 and 2021



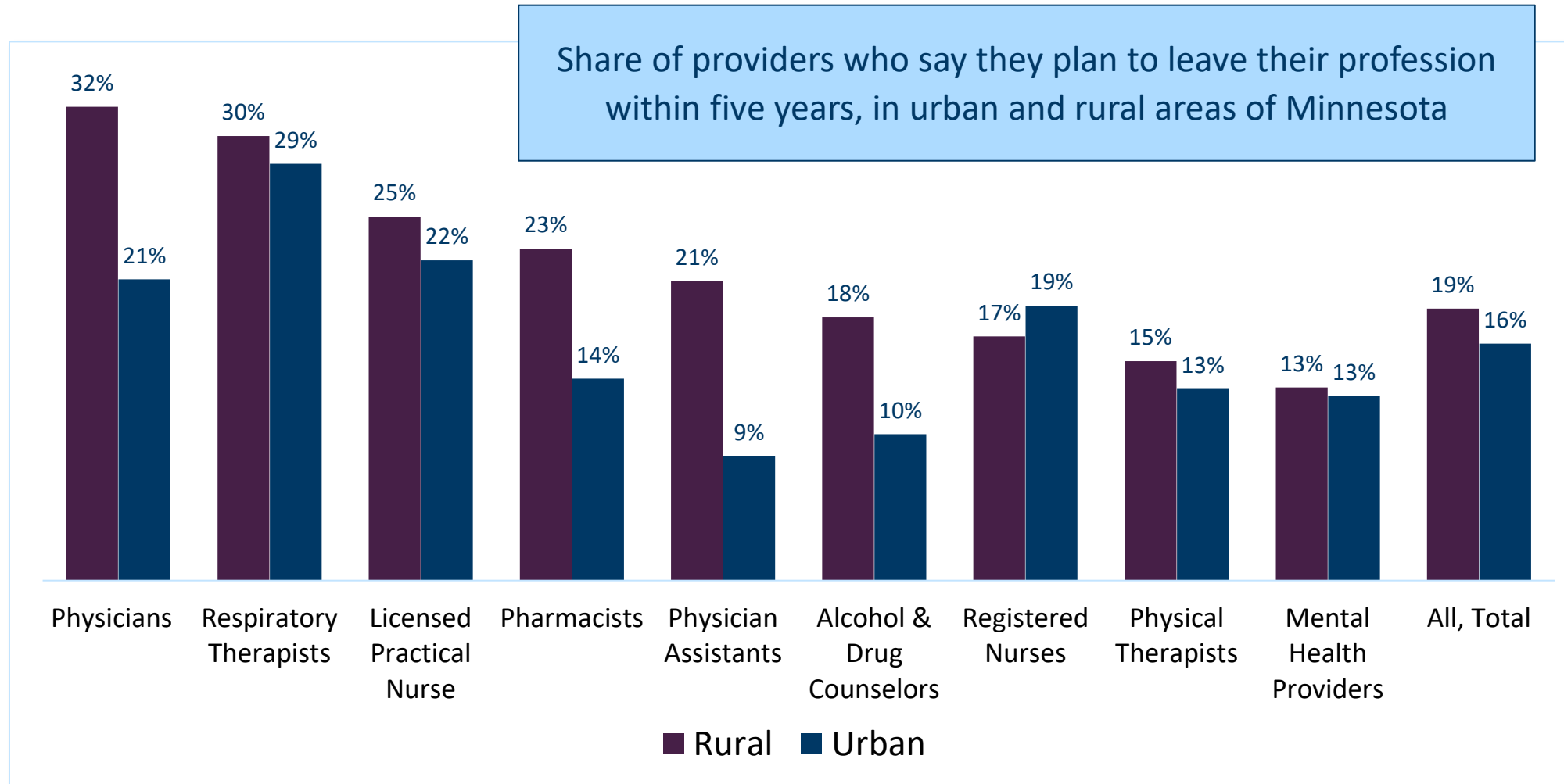
Data source: Minnesota Department of Health’s Healthcare Workforce Survey. Data for the two time points presented above were collected (1) over the entire calendar year of 2019; and (2) 10/15 through 12/31 of 2021.

# Burnout is a bigger driver of workforce exits



Data source: Minnesota Department of Health’s Healthcare Workforce Survey. Data for the two time points presented above were collected (1) over the entire calendar year of 2019; and (2) 10/15 through 12/31 of 2021.

# Rural areas could face alarming losses in the coming five years



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# Minnesota Loan Forgiveness Program

- Authorized in Minnesota Statutes 144.1501 to recruit and retain health care professionals to needed areas and facilities within Minnesota.
- Loan forgiveness is an important tool and benefit for health care professionals, health care facilities and communities experiencing shortages in access to primary care services.
- Eligible professions and practice location are determined in statute.



# Loan Forgiveness Professions

|   |   |                                     |  |
|---|---|-------------------------------------|--|
| MD/DO                                   | Certified Registered Nurse Anesthetists | RN in LTC                           | Licensed Alcohol & Drug Counselors           |
| Physician Assistants                    | Certified Nurse Midwives                | LPN in LTC                          | Licensed Psychologists                       |
| Dentists                                | Psychiatric Nurse Specialists/NP        | Certified Nurse Practitioners       | Licensed Independent Clinical Social Workers |
| Dental Therapist/ Adv. Dental Therapist | Nurse Faculty                           | Advanced Clinical Nurse Specialists | Licensed Marriage & Family Therapists        |
| Pharmacists                             |   | Public Health Nurses w/certificate  | Licensed Professional Clinical Counselors    |

# Award Disbursement

- Annually determine average debt load by profession; size of the award is determined using 15% of average debt.
- Service requirement; most professions require a minimum of 3 years and an option to renew for a 4<sup>th</sup>.
- Annual payments of roughly equal amounts, with annual verification of continued employment and that the loan forgiveness funds have been applied to their student loans.
- Penalty for non-fulfillment; repayment of the total amount paid-to-date, plus interest, a rate established according to Minnesota Statute 270C.40.

# Annual Awards

| <b>Annual Appropriation</b> | <b>FY20<br/>\$3.4 million</b> | <b>FY21<br/>\$3.4 million</b> | <b>FY22<br/>\$3.4 million +<br/>\$3 million select professions<br/>(rural physicians and mental health practitioners)</b> |
|-----------------------------|-------------------------------|-------------------------------|---|
| Awarded                     | 79                            | 75                            | 138   |
| Applied                     | 316                           | 320                           | 468   |
| Unfunded                    | 237                           | 245                           | 330   |

# Urban and Rural Definitions

## Requirements vary by profession:

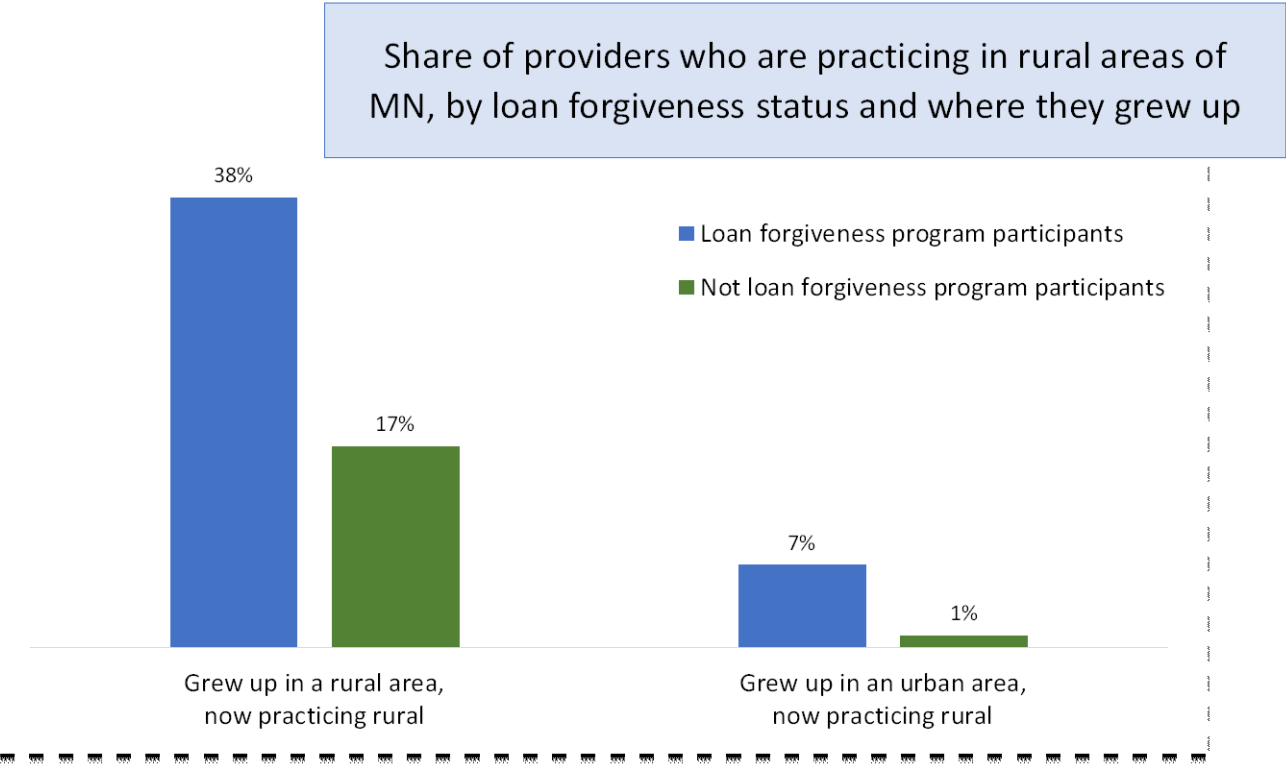
- Rural Area
  - Outside of seven county Metro
    - Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, & Washington
    - Also excludes larger cities- Duluth, Mankato, Moorhead, Rochester, or St. Cloud
- Urban Area- Seven County Metro Area
  - Underserved urban area designated as HPSA or MUA/P
  - [Find Shortage Areas \(hrsa.gov\)](https://hrsa.gov)
  - 2022 Legislative request to modify the definition of an MUA with language passed in 2021 for the additional funding for Select Professions

# Overall Retention

| <b>Profession</b>                | <b>Percent retained</b> |
|----------------------------------|-------------------------|
| Rural Advanced Practice Provider | 62.8                    |
| Rural Physician                  | 72.6                    |
| Faculty                          | 56.8                    |
| Dentists                         | 47.7                    |

# Retention and Redistribution

The state loan forgiveness program is effective at retaining and redistributing providers to rural areas



Data source: MDH analysis of longitudinal data constructed from the Statewide Longitudinal Education Dataset (SLEDS); loan forgiveness records; and MDH survey data. Data includes all loan forgiveness recipients from 1991 onward.

Thank you.

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