HEALTHCARE WORKFORCE:
Physician Education Loan Repayment Program

Texas community health centers (also known as federally qualified health centers, FQHCs, or health centers) provide high-quality, affordable, primary and preventive health care services to people who otherwise may lack access to medical care due to where they live, lack of insurance, language barriers, income level or their complex health care needs. Community health centers reach low-income and medically underserved communities and serve patients regardless of insurance status or ability to pay. They also provide enabling services like health education, transportation and case management.

Texas Health Centers Quick Facts

1,426,019 million patients served annually
5,309,690 patient visits annually
73 FQHCs and 2 FQHC Look-Alikes in 2017 [1]
Over 500 service delivery sites
Located in 126 counties across Texas

[1] FQHC Look-Alikes are centers that meet all the FQHC designation requirements but do not receive federal funding.

Physician Education Loan Repayment Program

The Physician Education Loan Repayment Program (PELRP) was established in 1985 to encourage qualified physicians to practice medicine for at least four years in designated health professional shortage areas (HPSAs) of Texas.

In 2009, the state legislature approved an increase in the maximum loan repayment amount to $160,000 over the four-year commitment period and revised the sales tax structure for smokeless tobacco to help fund the program. This new dedicated funding source was critical to the long term sustainability to PELRP.

The shortage of primary care physicians statewide is projected to reach an alarming level during the next ten years, due to the number of retiring primary care physicians and the high percentage of physicians pursuing more lucrative practice specialties. This situation will disproportionally affect Texans who are living in areas that already have little or no access to primary health care services within a reasonable distance. As positions in HPSAs often pay less, physicians carrying large student loan balances face financial challenges in accepting positions in these areas.

Increasing Loan Repayment Cap

Since the loan repayment cap was set at $160,000 the average medical debt has risen considerably. Starting average debt for providers in the program has nearly doubled since the rate was set in 2009.

	#Enrolled	Average	Median
2010-2011 Student Loan Debt (FY 11)	**69**	$113,104.00	$112,907.00
2011-2012 Student Loan Debt (FY 12)	**24**	$115,461.03	$108131.00
2013-2014 Student Loan Debt (FY 14)	**133**	$165,828.00	$155,907.00
2014-2015 Student Loan Debt (FY 15)	**181**	$167,307.00	$159,633.00
2015-2016 Student Loan Debt (FY 16)	**97**	$170,920.00	$153,761.00
2016-2017 Student Loan Debt (FY 17)	**130**	$213,841.00	$193,568.00
2017-2018 Student Loan Debt (FY 18)	**82**	$202,840.00	$191,056.00

**No funds were allocated for FY2013, therefore no new participants were enrolled that year.*

The average physician medical debt continues to rise. The tax that supports the PELRP generates sufficient funding to meet the needs of rising physician medical education debt and encourage physicians to locate in HPSAs, but the funds must be appropriated by the legislature.

The legislature should increase the loan repayment cap to $180,000 to index with increases in the current debt load of new physicians, particularly as Texas faces a significant provider shortage across the state.

Texas Association of Community Health Centers
5900 Southwest Parkway, Building 3 | Austin, Texas 78735 | (512) 329-5959 | www.tachc.org | /TexasCHCs | @TexasCHCs

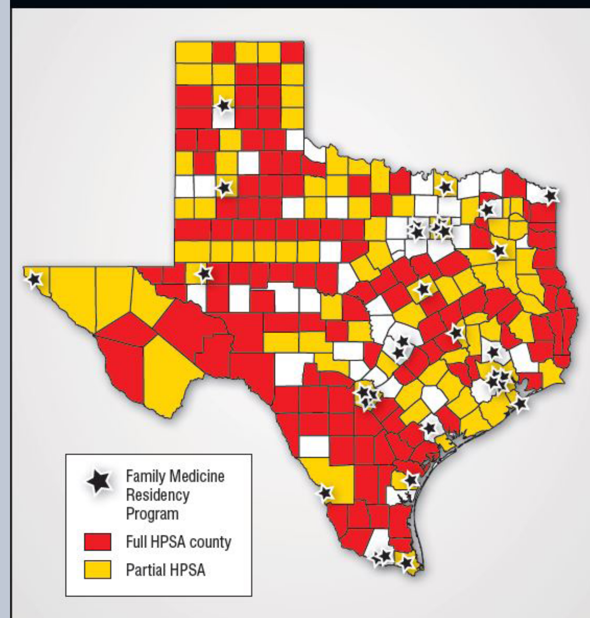
Family Practice Residency Program

For decades, the Legislature consistently funded our state's family medicine residency programs through the Texas Higher Education Coordinating Board. Although many of these residency programs received some benefit from the Graduate Medical Education (GME) formula appropriations from Texas's health-related institutions, dedicated coordinating board funds are the only direct state support these programs received.

- In recent years this funding has been inconsistent and has varied dramatically, putting existing residency programs in jeopardy.
- In 2017 the Legislature cut the Family Practice Resident Program by 40%, leaving just $10 million in the program for the current biennium.

Restoring funding for the Family Practice Residency Program would cost the state only $10 million more, but the investment would protect these existing residency training programs that produce the doctors that make up our primary care infrastructure. As our population grows and ages, we must ensure that all Texans have access to high-quality primary care and the most efficient way to meet that goal is to recruit and train family physicians here at home.

Texas' 33 family medicine residency programs are distributed across the state in a pattern matching the population



The Legislature should renew its commitment to support and train new family physicians by allocating $20 million to the Family Practice Residency Program.

TACHC

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