



TAFP

Issue Brief: **PRIMARY CARE PHYSICIAN
WORKFORCE AND LOAN REPAYMENT**

TEXAS ACADEMY OF FAMILY PHYSICIANS | 12012 Technology Blvd., Ste. 200 | Austin, TX 78727 | (512) 329-8666 | www.tafp.org

Restore funding to the Physician Education Loan Repayment Program to increase access to care for Texans

Increase total payout to \$180,000 per doctor to reflect inflation

The Texas Physician Education Loan Repayment Program is designed to encourage new physicians to start their careers in underserved communities throughout the state by helping them pay their student loans in return for a four-year practice commitment. In the past five years, the program has enrolled well over 750 physicians who are now caring for patients in rural communities, urban centers, community health centers, and correctional facilities – all places where Texans suffer a lack of access to care.

This program works. Yet its funding has been inconsistent since 2010 as some of its dedicated funds have been diverted for other purposes.

Given our current physician shortage and our expanding population, Texas should fully restore funding to the Physician Education Loan Repayment Program and increase the maximum amount available to each physician by \$20,000 for a total of \$180,000 to reflect inflation in the cost of medical school.

Many Texans have trouble seeing a doctor

Texas ranks 47th among states in the ratio of primary care physicians to total population. The U.S. Health Resources and Services Administration has designated 123 Texas counties as full Primary Care Health Professional Shortage Areas and 84 as partial HPSAs.

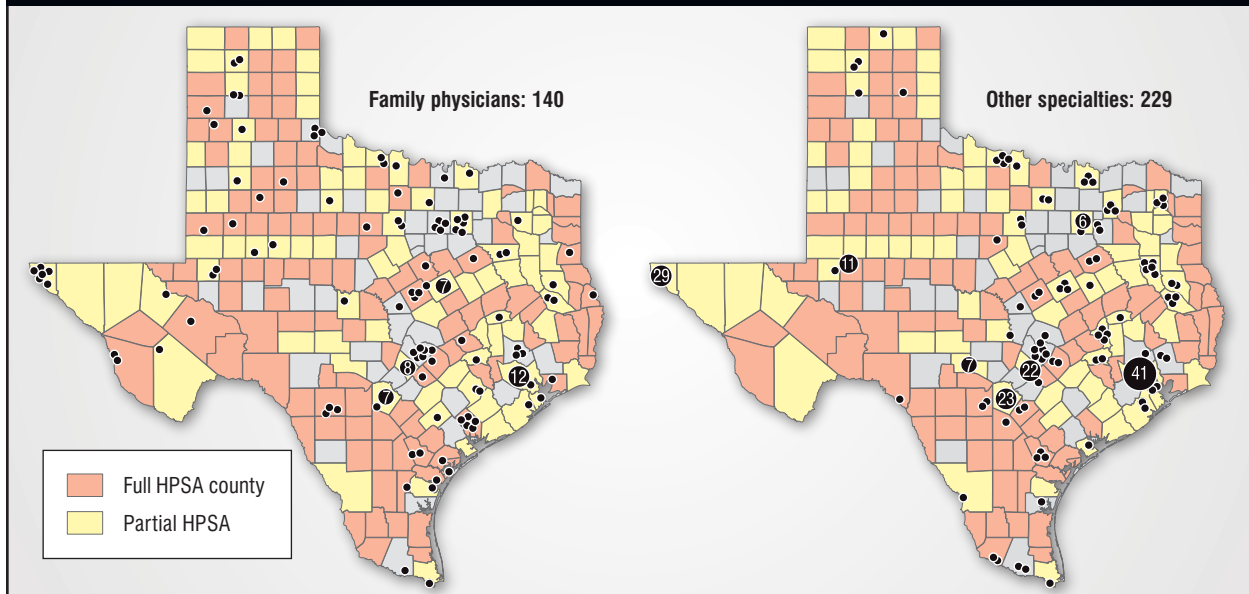
Our physician shortage is exacerbated by the poor distribution of the physicians we have. Rural counties and many communities in our urban centers have much more difficulty accessing care than Texans in more affluent areas. The Physician Education Loan Repayment Program helps solve this problem.

Medical students rack up a lot of debt, and the trend is rising

According to the Association of American Medical Colleges, 76% of medical students graduate with debt. In the U.S., the average cost for four years at a public medical school is \$243,902. For private medical schools, the cost is \$322,767.

As those education costs continue to climb, so does the average debt new physicians carry as they set out to start their careers. In 2011, the average total educational debt for graduating medical students was \$173,000. By 2016, it had grown to \$190,000.

Locations of the 369 physicians participating in the Physician Education Loan Repayment Program in 2018



A Texas solution

In 2009, the Texas Legislature greatly enhanced the existing Physician Education Loan Repayment Program by changing the way smokeless tobacco is taxed and designating part of the difference to physician loan assistance. That allowed physicians to receive up to \$160,000 to pay off their educational debt in return for four years of service, and that's a deal many physicians have been eager to make.

- To be eligible, physicians agree to practice for four years in a HPSA and care for patients enrolled in Medicaid and the Children's Health Insurance Program. The program pays up to \$25,000 in the physician's first year of service, \$35,000 in the second, \$45,000 in the third, and \$55,000 in the fourth.
- The program prioritizes primary care when enrolling physicians, but physicians of all specialties can participate. Any physician with educational debt — not just new physicians — may apply.

The bottom line: Loan repayment works

Bringing doctors to underserved areas to establish practices and provide continuous care makes a huge difference for Texans who lack access to needed care, and the 771 physicians who have enrolled in the Physician Education Loan Repayment Program since 2010 is a testament to its effectiveness.

Last session the Legislature cut the program by 25%, from \$33.8 million in FY 2016-F17 to \$25.35 million.

Meanwhile, the average educational debt for physicians enrolled in the program has risen significantly. In each of the last five years, that average has been more than \$160,000, topping out at almost \$214,000 in 2017.

TAFP respectfully requests that the Texas Legislature renew its commitment to increase access to care for Texans in rural and underserved communities by restoring funding to the Physician Education Loan Repayment Program and indexing that funding to account for increasing education costs so that participating physicians can receive up to \$180,000 in loan assistance.