



Executive Summary

Bringing Health Care to the Heartland: An Evaluation of Minnesota's Loan Forgiveness Programs for Select Health Care Occupations

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In 1990, the Minnesota State Legislature created and funded a program to recruit physicians to practice in rural Minnesota. Since then the program has expanded to assist 564 physicians, nurses, nurse practitioners, nurse-midwives, physician assistants, clinical nurse specialists, pharmacists, dentists and allied health or nursing faculty in rural Minnesota or other high need locations such as nursing homes, intermediate care facilities for the mentally retarded, and dental practices serving more than 25 percent low income or public program patients. This is not the only tool the state uses to recruit health care providers to rural or high need occupations. Federal programs also support this effort by targeting limited federal loan repayment funds to Health Professional Shortage Areas through the state Loan Repayment Program.

The Minnesota Department of Health-Office of Rural Health and Primary Care is responsible for the administrative direction and oversight of these Loan Forgiveness Programs. To this end a program evaluation was initiated to determine the effectiveness of the program, whether it was meeting its intended legislative purpose, and to identify potential administrative improvements.

After almost 17 years of operation and growing from an annual state appropriation of \$320,000 to \$1.295 million in 2007, the Minnesota Loan Forgiveness Programs have also served over 300 health care facilities and educational institutions throughout the state. In the past seven years, Minnesota has invested a total of \$7.789 million in the Loan Forgiveness Programs.

Are these programs effective in meeting their goals? This study addressed the following questions:

- Are the programs effective in recruiting to each setting?
- Are the programs effective in retaining providers?
- What recruitment/retention challenges exist?
- When in education/training are decisions made on specialty/location?
- What opportunities exist for improvement?

Between January and March of 2007, 405 program participants and 138 sponsoring facilities were contacted and asked to complete a three- to five-page evaluation survey. The response rate was high with an overall completion rate of 73 percent. Results were also compared to the last program evaluation, which was completed in 1999. Due to the nature of the program, most of the respondents were from rural Minnesota.

Key findings

- 1. The Loan Forgiveness Programs were effective in recruiting health care practitioners into high need locations.**
 - The program was important to very important in recruiting staff to work in 57 percent of the sponsoring facilities.
 - The program was important to very important in recruiting faculty to work in 25 percent of the sponsoring institutions.
 - Since 2001, 326 health care providers and faculty have chosen rural or high need practice locations as a result of the Loan Forgiveness Programs.

- 2. A majority of health care practitioners who complete their service obligation remain in similar practice settings in Minnesota.**
 - Of the responding physicians who completed their service obligation, 86 percent remained at their sponsoring facilities.
 - Of the responding midlevel practitioners who completed their service obligation, 76 percent remained at their sponsoring facility after completion.
 - Of the dentists who completed their service obligation, 52 percent remained at their sponsoring facility after completion.
 - 93 percent of nurses who completed their service obligation remained at their sponsoring facility after completion.

- 3. Sponsoring facilities (placement sites) vary in their dependence on the Loan Forgiveness Program as a recruitment/retention tool.**
 - Primary care and specialty clinics with less than 20,000 patient visits in 2006 valued the program the most (60 percent).
 - Nursing home survey respondents valued the program the least (20 percent) as a recruitment and retention tool, primarily because many were unaware of it.
 - Adequate salary, availability of nurses and of primary care physicians were the top recruitment challenges faced by sponsoring facilities and educational institutions.
 - Nursing homes (86 percent) and educational institutions (83 percent) reported adequate salary for staff as the primary recruitment challenge compared to pharmacies (40 percent) and dental clinics (30 percent) that have the fewest challenges with adequate salary for staff recruitment.
 - Signing bonuses, relocation expenses or other loan repayment funds are used by over 75 percent of the responding sponsoring

facilities. No educational institutions that responded to the survey provided signing bonuses or relocation expenses to their health occupation faculty.

- The Loan Forgiveness Programs are reaching some of the facilities most challenged with recruitment difficulties—small primary care practices located in greater Minnesota and outside of any major population center (Rochester, Duluth, St. Cloud, Moorhead, Mankato).
- Of the responders from the sponsoring facilities, 76 percent were aware of at least one of the Loan Forgiveness Programs by name. Only 17 percent of the survey respondents use the program as a recruitment tool for their health care facility.

4. Students are considering health occupations specialties/practice locations at earlier stages in their education, which can be prime marketing opportunities.

- Of the responding physicians, 71 percent decided to specialize in primary care between high school and their third year of medical education.
- Of the responding physicians, 44 percent decided to practice in a rural area between high school and their third year of medical education.
- Of the responding midlevel practitioners, 55 percent decided to practice in a rural area between high school and completion of their undergraduate education.

5. Opportunities exist to improve the program.

Four recommendations are made, based on the survey results and program review.

- Target marketing to high school and undergraduate students in health occupations training.
- Invest in additional communication materials and marketing efforts that promote the Loan Forgiveness Programs and the Health Care Safety Net Workforce Development Pipeline in Minnesota.
- Maximize the use of technology to increase awareness and track program outcomes.
- Request an opinion from the Attorney General's Office on the tax deductibility of the service obligation funds in light of several recent tax rulings.

In conclusion, the Loan Forgiveness Programs examined in this report and administered by the Minnesota Department of Health-Office of Rural Health and Primary Care are successfully meeting their program goals and increasing the number of health care providers and educators in rural Minnesota and specialty locations.

The complete evaluation and more Minnesota Loan Forgiveness Program information is online at <http://www.health.state.mn.us/divs/cfh/orhpc/loan/home.htm> or call (651) 201-3838.

If you require this document in another format, such as large print, Braille or cassette tape, call (651) 201-3838.