

Health Care Provider Incentive Program: Evaluation of Program Effectiveness



HEALTH POLICY AND ANALYTICS DIVISION
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I. Executive summary

Background

In 2017, with the passage of House Bill 3261 the Oregon Legislature created the Health Care Provider Incentive Fund (Fund) to be administered by the Oregon Health Authority (OHA) and provided an initial \$16 million to the Fund. This Fund was intended to build health care workforce capacity in rural and medically underserved parts of Oregon and provide resources for the Health Care Provider Incentive Program (HCPIP) established by the Legislature that same year under Oregon Revised Statute (ORS) 676.460 (now ORS 676.454). For the 2019-2021 biennium, the Health Care Provider Incentive Fund is approximately \$17.6 million.

OHA has worked in partnership with the Oregon Office of Rural Health (ORH) to operationalize this program. ORH offers a variety of other incentives for providers who commit to providing care in rural and underserved Oregon communities, and has been a leading organization in the efforts to expand health care access throughout Oregon. The HCPIP continues to increase its outreach efforts to ensure equitable access to resources for Oregon's clinicians. The aim of these resources continues to be to increase provider FTE in rural and underserved Oregon through the use of Loan Repayment, Loan Forgiveness, Insurance Subsidy and scholarships. Program staff have been particularly focused on the recruitment and retention of a workforce that reflects the communities it serves. While shortages exist throughout the state, the program had historically been majority Rural focused but is now engaging with more urban underserved clinics as a result of exacerbated disparities for minority communities in both rural and urban areas due to the COVID-19 pandemic.

Oregon law requires that an evaluation of the HCPIP be conducted every even-numbered year; this is the second evaluation since the Program began.

Program updates since last evaluation

The Program has made several changes since the last evaluation was conducted in 2018. Most notably, the program has:

- ▶ Began adoption of the REAL-D (Race, Ethnicity, Language and Disability) data collection strategy
- ▶ Opened the Loan Repayment incentive to behavioral health clinicians working toward licensure (having completed masters level training and registered with a licensing board)
- ▶ Instituted scoring mechanism that credits clinicians for working with historically marginalized, underserved populations
- ▶ Implemented SHOI-Like scholarships at three clinical training programs

Thanks to these efforts, as well as intensive social marketing by OHA and ORH via webinars, pamphlets, site visits and presentations, the Program has funded the following incentives for providers since January 2, 2018:

- ▶ **Primary Care Loan Forgiveness:** Offered forgivable loans to 25 future clinicians currently in medical training
- ▶ **Loan Repayment:** Provided awards to 128 clinicians to work in areas of high need
- ▶ **Rural Medical Malpractice Insurance Subsidies:** Provided insurance subsidy payments to 9 carriers on behalf of 1,285 clinicians (MD/DO/NP) working in rural and frontier portions of the state
- ▶ **Scholarship programs:** Funded 3 scholarship programs at Pacific University, National University of Natural Medicine (NUNM) and College of Osteopathic Medicine – Pacific North West (COMP-NW) which offered a total

of 9 awards to their future clinicians

Findings and recommendations

Since the inception of the Health Care Provider Incentive Program, Oregon has seen growth in clinician FTE in areas designated as below the median score in the 2019 Areas of Unmet Needs Report¹. It is noteworthy that some of these improvements have been offset within the past six months by changes resulting from the COVID-19 pandemic. For example, some clinics in rural Oregon have experienced decreases in utilization and/or have had to lay-off clinicians either temporarily or permanently. Moreover, telemedicine has been utilized at an increased rate and that influences the ability to access providers. Due to a changing landscape, it will be important to reassess the healthcare workforce across the state and continue to apply funding to the areas identified as having the greatest need as circumstances continue to change.

Since 2018, the HCPIP has awarded approximately 45 percent of those applying for Loan Repayment and twenty-nine of Oregon's thirty-six counties have a clinician awarded under the incentive working in one of their clinics. This is indicative of its value to clinicians and a testament to the effect of the Program's outreach. Moving forward, the Program should focus on continuing to engage marginalized populations and dedicating social marketing efforts to those communities and organizations that have historically been difficult to reach. In order to continue its work toward advancing health equity, it is important the program continues to target Oregon's lowest scoring areas.

One further recommendation for the Health Care Provider Incentive Program is to provide access to incentives to a broader base of clinicians as a strategy to expand workforce capacity across other disciplines in areas of need. This would require changes to administrative rules and program function but could allow for those with bachelors or associates level debt to be eligible for Loan Repayment while they serve in their clinical capacity in Rural and Underserved Oregon. Moreover, in the event student loans are not a factor for a certain group of clinicians, the Program should make a concerted effort to develop new ways to incentivize them and expand access.

As directed by the Legislature, this report provides a breakdown and analysis of the providers participating in the program.

¹ <https://www.ohsu.edu/sites/default/files/2019-08/2019%20Areas%20of%20Unmet%20Health%20Care%20Needs%20Report.pdf>

II. Introduction

House Bill 3261 (2017 Regular Session) established the Health Care Provider Incentive Program (HCPIP) within the Oregon Health Authority (OHA) and allocated an initial \$16 million into the Health Care Provider Incentive Fund (Fund) for OHA's use in implementing the HCPIP in collaboration with Oregon's Office of Rural Health (ORH). The purpose of the program is to assist qualified health care providers who commit to serving Oregon Health Plan members and Medicare enrollees in rural or medically underserved areas of the State. In 2019, the Legislature allocated approximately \$17.6 million to continue to improve and expand on this work over the 2019-21 biennium.

Prior to 2017, several different state-funded incentive programs existed, each with distinct requirements and benefits. Through HB 3261, the Legislature expressed its intent that money be pooled together into a single, flexible program that could have a substantial impact on recruitment and retention of health care providers where needed across the state.

ORS 676.479 authorizes the Oregon Health Policy Board to determine the best use of the money in the Fund for incentives such as loan repayment, loan forgiveness, rural malpractice insurance subsidies and the Scholars for a Health Oregon Initiative (SHOI) to current or prospective Oregon clinicians willing to practice in underserved areas of the state.

This legislation was the culmination of many years of discussion around how to increase access to care in all Oregon communities. It is understood that much of the state is underserved by primary care, oral health and behavioral health providers and lacks the health care capacity necessary to provide adequate care to all its community members. The HCPIP aims to incentivize providers to serve in areas identified as lacking adequate access to health services across all these disciplines, particularly for Medicaid and Medicare members. It prioritizes awards to those who are representative of the communities they serve, possess needed language skills, serve a marginalized population, and are in Oregon's highest need areas.

Good public policy and program effectiveness require reliable data and analysis of that data. To that end, HB 3261² also requires the OHPB to collect the following data about program participants:

- a) The month and year of entry into the program;
- b) The locations of service and duration of service in each location;
- c) The main services provided, discipline, specialty and hours of direct patient care;
- d) The percentage of services provided through telemedicine; and
- e) Other demographic information that the Board and the Office of Rural Health determine to be useful in the evaluation.

This report marks the second in an ongoing series of reports to the Oregon Legislature on the effectiveness of the Health Care Provider Incentive Program. It covers the Program from its inception through June 30, 2020.

² Text now included in ORS 676.479

III. Expansion Efforts

HB 3261 afforded OHA the opportunity to make changes to rules and policies from previous incentive programs. OHA has continued to develop improvements to the program and expand the reach and scope of incentives within the legislatively approved funds, to have greater effect on workforce recruitment and retention.

Such efforts have included:

- Expanded access to loan repayment for behavioral health clinicians working toward licensure
- Expanded SHOI-Like (described later in this report) to Pacific University, NUNM and COMP-NW
- Implemented weighted scores for working at clinics that serve historically marginalized, BIPOC, HIV or LGBTQA+ peoples

IV. Incentives provided to date under the Program

Primary Care Loan Forgiveness (PCLF)

This incentive ensures clinicians who are awarded work in clinics that support Medicaid/Medicare populations and are in underserved rural Oregon communities. The service obligations require one year of service for each year of funding received. It is the hope the clinics employing these clinicians can create environments that inspire these obligated providers to stay in their communities. Once a clinician has completed their service obligation at an approved site, they would become eligible for a Loan Repayment award if they still had outstanding qualifying debt.

The design of this incentive is that a student in training receives a loan equal to the cost of their post-graduate training, and in return, once that training is complete, practices a year in an underserved area for each year of loan, for up to three years.

The student must:

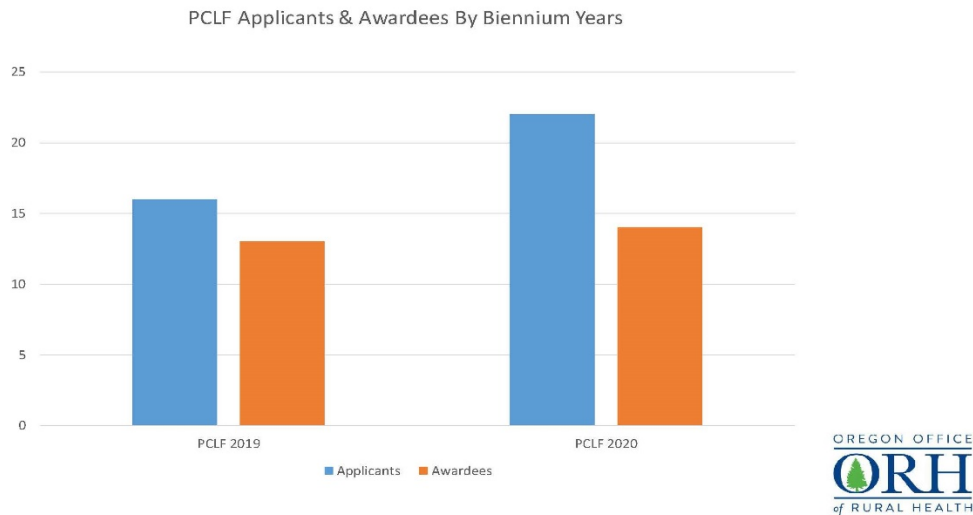
- Practice in an underserved Oregon community that has been federally defined as a Health Professional Shortage Area (HPSA), and
- Serve Medicaid and Medicare members in at least the same percent as is present in the community.

The Program has made \$1,365,700 in forgiven loans to 25 future clinicians (15 female and 10 male):

- ▶ 13 Physician Assistants (PA) from Oregon Health & Science University (OHSU) and Pacific University
- ▶ 5 Doctor of Osteopathic Medicine (DO) at COMP-NW
- ▶ 4 Doctors of Nurse Practitioner from OHSU
- ▶ 2 Doctors of Pharmacy (PharmD) from Pacific University
- ▶ 1 Medical Doctor (MD) at OHSU

Since its inception in 2018 the number of health professional students seeking loan forgiveness has exceeded the number of awards that can be made (Figure 1); this is not expected to change in the future.

Figure 1: PCLF applicants and Awardees by Year



Of the 25 cumulative awardees, nine are originally from Oregon, six from California, two from Washington, and one each from Hawaii, Illinois, Montana, New York, Florida, Georgia, Wyoming and Mexico. This demonstrates the ability of these incentives to recruit providers from other states as well as retain Oregon providers after the completion of their residency.

Loan Repayment

To date, the Program has obligated \$7,245,536 in Loan Repayment awards to 128 clinicians in Oregon:

- ▶ 27 Dentists (DMD)
- ▶ 19 Behavioral Health Clinicians working toward Licensure
- ▶ 17 Medical Doctors (MD)
- ▶ 14 Physician Assistants (PA)
- ▶ 12 Nurse Practitioners (NP)
- ▶ 8 Naturopathic Doctor (ND)
- ▶ 6 Pharmacist (PharmD)
- ▶ 5 Doctors of Osteopathic Medicine (DO)
- ▶ 5 Licensed Clinical Social Workers (LCSW)
- ▶ 5 Licensed Professional Counselors (LPC)
- ▶ 4 Psychiatric Mental Health Nurse Practitioner (PMHNP)
- ▶ 3 Expanded Practice Dental Hygienist (EPDH)
- ▶ 2 Clinical Psychologist (CPSY)
- ▶ 1 Licensed Marriage and Family Therapist

Figure 2 (below) indicates the geographic locations of these awardees' work sites.

Figure 2: Location of loan repayment recipients

8/17/2020

2020 Loan Repayment Awardees Map

2020 Loan Repayment Awardees Map

2020 Loan Repayment Awardees

Many underserved areas of Oregon do not have health care providers who share the culture or language of their community members. To address this need, the HCPIP prioritizes awardees who possess diverse language skills and culture.

- ▶ Other than English, the spoken languages of the 2018 awardees are Hindi, Arabic, Chinese, Korean, Russian, Spanish/Russian, Spanish/American Sign Language, Spanish/French, Tagalog, Vietnamese (2) and Spanish (37). This equates to 37% of those awarded possessing secondary language skills
- ▶ Cultural Diversity of Awardees (as self-identified): (14) Hispanic, (12) Asian, (4) Black/African American, (2) American Indian, (1) Indian, (1) Pacific Islander and (1) Native Hawaiian/Pacific Islander. This equates to 27% of those awarded identifying as being from a minority culture

The investments made from this portion of the Program have helped to recruit and retain qualified professionals in some of the highest-need areas of the state. Moreover, program staff has targeted awards to people from disadvantaged backgrounds, who serve special populations and have lived experience in poverty and/or medically underserved areas. Program staff continue to identify ways to reach communities and clinicians who have otherwise not been aware of the resources available to them. Widespread promotion and marketing have been implemented, but improvements are still needed to make sure support is available to areas with high needs that might not have the infrastructure to participate in the incentives as actively as larger clinics. Site

visits to clinics in underserved areas have helped Program staff understand barriers to this. For example:

- ▶ OHA and ORH have continued to learn that some clinics may need more providers but are financially unable to recruit or retain them. This includes situations in which a clinic does not have the financial capacity to pay the salary of an additional provider, even though loan repayment could be an effective recruitment tool
- ▶ Another theme was community-based care- the need for providers to be able to render services outside of a traditional outpatient clinic. The plan is for this to be addressed in future iterations of the incentive

Rural Medical Malpractice Insurance Subsidy

The Program currently provides subsidies for provider malpractice insurance premiums to over 491 providers throughout Oregon. Of those clinicians, 421 are Physicians (MD/DO) and 70 are Nurse Practitioners.

Eight different insurance carriers participate in this program:

- ▶ Affinity Insurance Services Inc. (CNA)
- ▶ Oregon Medical Association Group (CNA-OAN)
- ▶ Coverys/ProSelect
- ▶ Darwin National Insurance Company
- ▶ Preferred Professional Insurance Company
- ▶ The Doctors Company
- ▶ Physicians Insurance Company
- ▶ MagMutual Insurance Company

To qualify for the subsidy, providers must be serving at a location that meets OHA's definition of a rural practice. Subsidy payments from OHA are a percentage of the provider's malpractice premiums, dependent on discipline:

- ▶ 80 percent for physicians in obstetrics and nurse practitioners certified in obstetrics
- ▶ 60 percent for physicians specializing in family or general practice who provide obstetrical services
- ▶ 40 percent for physicians and nurse practitioners engaging in one or more of the following practices: Family practice without obstetrical services, General practice without obstetrical services, Internal medicine, Geriatrics, Pulmonary medicine, Pediatrics, General surgery or Anesthesiology
- ▶ 15 percent for physicians and nurse practitioners other than those listed previously

During site visits, OHA staff heard from administrators that Rural Insurance Subsidy incentives are helpful for some providers. It was expressed that this incentive is most valuable for those who carry large premiums and provide OB services in rural Oregon. As indicated in the graph above (figure 3), this incentive has experienced decreased enrollment since 2018. This is likely due to the number of clinics in rural areas that are now paying the malpractice premiums for their clinician.

Figure 3: Insurance subsidy enrollment by year

Year	# of Participating Providers
2018	628
2019	546
2020	491

Scholarship programs

The HCPIP has also focused on expanding opportunities for scholarships to programs that have otherwise not had access to these funds. House Bill 3261 established a pass-through funding mechanism for SHOI at the Oregon Health and Sciences University (OHSU). Funded at \$5Million per biennium, SHOI was established to provide full ride scholarships to future clinicians willing to serve in Rural or Underserved Oregon upon completion of their training. In response to the program being operated at OHSU, state legislature provided the HCPIP funding to operationalize “SHOI-Like” at institutions other than OHSU. Specifically, the HCPIP has created Scholars for Health Oregon Initiative- Like (SHOI-Like) incentives at 3 programs training health professionals; COMP-NW, Pacific University and NUNM. This incentive functions much like PCLF in that students are awarded a scholarship equal to the cost of a year of education, in exchange for a 1-year service obligation for each year funded. Each University was given a set budget of \$300,000 and operationalized a program, with the support and guidance of OHA program staff, that they saw as most beneficial to their students.

Future iterations of this report will track where these future clinicians wind up working. Their future work environments must:

- ▶ Be in an Oregon community that has been federally defined as a Health Professional Shortage Area (HPSA), and
- ▶ Serve Medicaid and Medicare members in at least the same percent as is present in the community

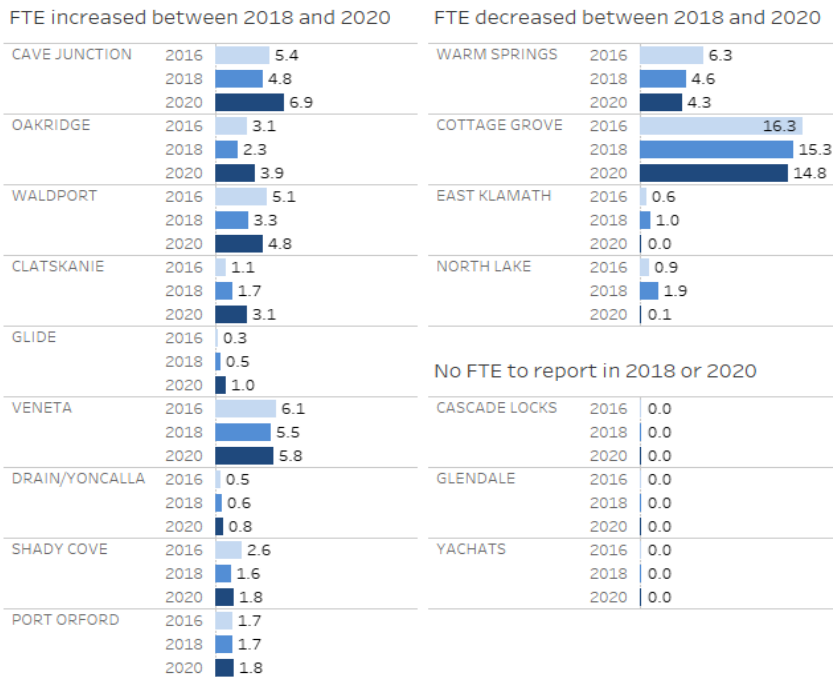
V. Lessons from the Past Two Years and Things to Consider Moving Forward

The Health Care Provider Incentive Program continues to make strides toward improving provider FTE in rural and underserved areas. In 2018, 16 areas were identified as “target areas” for the program. Of those identified by the program, nine have seen increased provider FTE. Since seven of the identified areas saw decreases or no change in provider FTE, the program should specifically target clinics in those area (figure 4). However, in the four areas with no provider FTE is lack of basic infrastructure, not simply recruitment. For incentives to make impacts in these communities, a clinic will need to open, or telehealth providers/services will need to be made available.

COVID-19 Impact: As expected, the COVID-19 pandemic had an impact on the clinicians participating in the loan repayment incentive. During the first few months of the pandemic, program staff saw increased concern from participants regarding their ability to meet work requirements. Moreover, many awardees were shifted from doing face-to-face visits to telemedicine. While this had historically been a supported model, telehealth was not previously allowed to be an awardee’s sole service modality. As the health care system shifted to support communities unwilling or unable to attend in-person visits, the Program adjusted and has remained flexible to those under contract but providing services via telemedicine. Moreover, participants in our Scholarship and Loan Forgiveness incentives have experienced a little more difficulty finding work. Program staff have continued to provide individual support for clinicians looking to find qualifying employment and has extended the time allotted to do so on a case-by-case basis. Staff will need to continue to make concerted efforts to recruit clinicians to apply for the various incentives as the pandemic’s effects continue to reverberate throughout Oregon’s health care workforce.

Figure 4: Primary Care FTE in direct patient care**Primary care FTE in direct patient care by service area**

Includes FTE for physicians, nurse practitioners, naturopathic physicians (2018 and 2020 only) and physicians assistants who specialize in primary care.



Flexibility with state funds to meet communities' needs will be a key to the long-term success of this program. At the time of this writing, OHA is planning to review and revise Administrative Rules governing the program to better target resources and respond to new challenges, such as the need to more vigorously advance health equity in the state.

With a focus on advancing equity and providing opportunities to a larger group of clinicians, program staff have learned lessons and have plans for moving forward. Some of those plans for future iterations of the program include:

- Determining a more deliberate way of reaching providers from historically marginalized populations
- Ensuring access to Loan Repayment for a wider range of clinical professions that have fewer educational requirements than a Master's degree
- Focusing on expanding access for and utilizing funds to support Behavioral Health clinicians

Some of the lessons learned from the past:

- The application process for clinicians could be streamlined
- Clinics serving communities of color and historically marginalized populations should receive targeted outreach

In conclusion, the Health Care Provider Incentive Program should continue to deploy resources in creative ways to support clinicians throughout Oregon. In the immediate future, program staff will need to assess and determine more effective ways to incentivize providers as they continue to navigate the COVID pandemic. Moreover, with a growing debt burden for most clinicians, the Program would benefit from expanding qualifying provider types for Loan Repayment. The HCPIP should look in to increased access to funds for providers who do not have higher level (master's and above) clinical degrees.

Since 2018, program staff have run a program that is competitive and effective in retaining providers. Continued investments in these areas is recommended to grow the number of obligated providers who contract with OHA. Scholarships, Loan

Repayment, Loan Forgiveness and Insurance Subsidies are effective ways to incentivize provider behavior and increase retention for those working in underserved clinics. Program staff should also engage in targeted outreach to clinicians who are representative of those they serve. Lastly, specific efforts should be made to prioritize awards where shortages of provider types or racial/ethnic groups are identified.

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