

Health Care Provider Incentive Program: Evaluation of Program Effectiveness



HEALTH POLICY AND ANALYTICS DIVISION
Primary Care Office

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I. Executive summary

House Bill 3261 (2017 Regular Session) allocated approximately \$16 million from the Health Care Provider Incentive Fund to the Oregon Health Authority (OHA) to build health care workforce capacity in rural and medically underserved parts of Oregon, as directed by the Oregon Health Policy Board (OHPB).

Prior to HB 3261, several incentive state-funded programs existed, each with distinct requirements and benefits. In place of most of these programs, HB 3261 created a single program—the Health Care Provider Incentive Program—under Oregon Revised Statute (ORS) 676.460.

OHA has worked in partnership with the Oregon Office of Rural Health (ORH) to implement this program, which offers a variety of incentives for providers to commit to serve underserved Oregon communities.

Program activities

The Program has made several changes to the loan repayment incentive requirements to increase the pool of qualified applicants, address the language and cultural needs of underserved communities:

- ▶ Naturopaths and pharmacists to the list of eligible providers
- ▶ Opened the incentive to newer providers already practicing at eligible practice sites
- ▶ Added secondary language skills and cultural agility to the award determination criteria

In addition, all Program incentives now require recipients to commit to serving Medicaid and Medicare patients.

Thanks to these efforts, as well as intensive marketing by OHA and ORH, the Program has funded the following incentives since January 2, 2018:

- ▶ **Primary Care Loan Forgiveness:** Awarded to 12 future clinicians. This number exceeds the previous year's total and is estimated to more than double in 2019.
- ▶ **Loan Repayment:** Awarded to 31 future clinicians. This is an increase from the awards made under the former Medicaid Loan Repayment Program (65 over a four-year period).
- ▶ **Rural Medical Malpractice Insurance Subsidies:** Payments for 520 providers
- ▶ **Scholarship programs:** Funded two new programs

Findings and recommendations

While many incentive recipients have not yet entered the workforce, and very little time has passed since the Program's launch, OHA is beginning to see improvements in the health care workforce in some rural areas, and stability in others that have historically experienced challenges around recruitment and retention.

As directed by the Legislature, this report provides a breakdown and analysis of the providers participating in the program. OHA intends that future reports will provide a more robust analysis of provider characteristics, retention and recommendations for further program improvement.

II. Introduction

House Bill 3261 (2017 Regular Session) allocated approximately \$16 million from the Health Care Provider Incentive Fund to the Oregon Health Authority (OHA) to build health care workforce capacity in rural and medically underserved parts of Oregon, as directed by the Oregon Health Policy Board (OHPB).

Prior to HB 3261, several incentive state-funded programs existed, each with distinct requirements and benefits. In place of most of these programs, HB 3261 created a single program—the Health Care Provider Incentive Program—under Oregon Revised Statute (ORS) 676.460.

HB 3261 allows money from the Health Care Provider Incentive Fund to be used to provide 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 discussions 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.

Good public policy and program effectiveness require reliable data and analysis of that data. To that end, HB 3261 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 first in an ongoing series of reports to the Oregon Legislature on the effectiveness of the Health Care Provider Incentive Program. It covers the first seven and a half months of the program (January 2 through August 15th, 2018).

Future reports will include:

- ▶ Annualized data for each program year,
- ▶ Cumulative data for all providers in the program, and
- ▶ Comparative analysis among types of incentives, types of providers, and different parts of the state, where such comparisons may be made.

III. Changes to previous incentive programs

HB 3261 has afforded OHA the opportunity to make changes to rules and policies from previous incentive programs. OHA has made some early changes, starting with the Medicaid Loan Repayment Program.

The former Medicaid Loan Repayment Program made 65 awards over a four-year period. It required that 80 percent of awards go to providers who were not yet serving at the clinical practice site where they would practice under the program. While the requirement was intended to provide an incentive to draw new providers to underserved areas, there were several unintended effects: For example, many clinicians who moved to an eligible site following the award then transferred to other eligible sites. While these providers still technically met the requirement, moving among underserved sites destabilized the workforce, contrary to the intent of the program. Additionally, the 80 percent requirement resulted in more than 200 providers applying for just 12 slots in the program.

Using its rulemaking authority under HB 3261, OHA crafted new rules for the Health Care Provider Incentive Program to expand loan repayment incentive program eligibility, approved by OHPB, which:

- ▶ Added naturopaths and pharmacists to the list of providers eligible for loan repayment incentives;
- ▶ Removed the 80/20 rule for providers, enabling newer providers at an existing site with student debt to be rewarded for their choice of location and encourage longer retention at that site;
- ▶ Added secondary language skills and cultural agility to the award determination criteria, which has allowed several underrepresented populations to retain clinicians in their community who either speak their language, or are from their country of origin; and
- ▶ Included language requiring a commitment to service of Medicaid and Medicare patients for all incentive types.

Flexibility with state funds to meet communities' needs will be a key to the long-term success of this program.

IV. Incentives provided to date under the Program

For a comprehensive list of awards made since January 1, 2018 from the Health Care Provider Incentive Fund, see Attachment 1.

Primary Care Loan Forgiveness

The Program has made \$525,000 in loan forgiveness awards to 12 future clinicians (7 female and 5 male):

- ▶ 9 Physician Assistant's (PA) from Oregon Health & Science University (OHSU) and Pacific University
- ▶ 2 Medical Doctors (MD) at OHSU
- ▶ 1 Doctor of Osteopathic Medicine (DO) at COMP-NW

This is an increase from the 10 awards made in 2017 under the former Primary Care Loan Forgiveness Program. OHA expects to more award more than 24 recipients in 2019, as a result of the Oregon Area Health Education Center Program's efforts to increase the number of health care scholars in rural areas.

In return, after completion of their education and residency these clinicians must serve as follows, for one year for each PCLF award year (up to three years):

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- ▶ 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.

Of the awardees, seven are from Oregon, three from California, one from Washington and one from Georgia. This demonstrates the ability of these incentives to recruit providers from other states, or retain Oregon providers, for the completion of the residency.

This portion of the Program will provide underserved areas throughout Oregon with a quality pool of applicants now and in the future and serve as a recruitment tool for clinics located in service areas that meet the requirements of participation in the program. The service obligation and qualified worksite requirements will ensure that awardees work in underserved communities with identified health care shortages and contribute to the retention of these clinicians.

To date, five pre-2018 PLCF awardees (one MD, two Nurse Practitioners and two PAs) graduated from their respective training programs. Four of these providers have secured employment at an approved practice site; one PA is interviewing at approved sites.

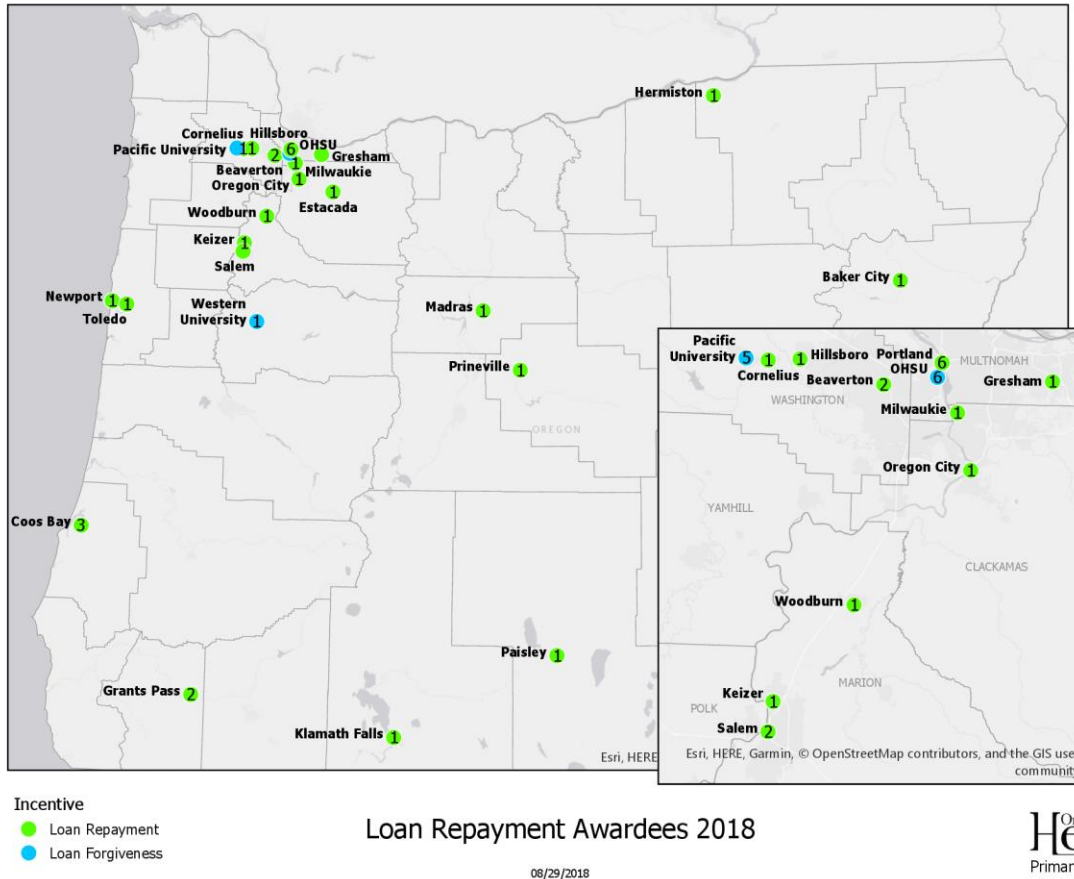
Loan Repayment

So far, the Program has issued \$1,835,661 in Loan Repayment awards to 31 clinicians in Oregon:

- ▶ 9 Dentists (DMD)
- ▶ 2 Doctors of Osteopathic Medicine (DO)
- ▶ 3 Licensed Clinical Social Workers (LCSW)
- ▶ 2 Licensed Professional Counselors (LPC)
- ▶ 1 Naturopathic Doctor (ND)
- ▶ 4 Medical Doctors (MD)
- ▶ 4 Nurse Practitioners (NP)
- ▶ 4 Physician Assistants (PA)
- ▶ 1 Clinical Psychologist (CPSY)
- ▶ 1 Pharmacist (PharmD)

Figure 1 (below) indicates the geographic locations of these awardees' work sites.

Figure 1: Location of loan repayment and loan forgiveness incentive recipients



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, awardees represent diverse language skills and cultural backgrounds.

- ▶ Other than English, the spoken languages of the 2018 awardees are Hindi, Spanish (12), Russian, Arabic and Tagalog.
- ▶ Of the 31 awardees, six identify as Hispanic, one as Native American, two as Native Hawaiian, one as Asian and one as African-American, for a total of 35 percent non-white recipients.

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. The Program still needs to work on identifying ways to ensure awardees can serve in all the highest-need areas (lowest-scoring quartile in the 2017 *Oregon Areas of Unmet*

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*Health Care Need Report*¹). Site visits to clinics in underserved areas have helped the Program understand barriers to this. For example:

- ▶ Some clinics may clearly need more providers but are financially unable to recruit or retain them. This includes situations where a clinic does not have the financial means to pay the salary of an additional provider, even though loan repayment could be an effective recruitment tool.
- ▶ Another common theme is staff rotating among sites in a service area. Several clinics mentioned that rural and frontier communities struggle when providers are recruited away from one clinic to another in the same service area. This may help increase capacity at one location but has no impact on increasing the availability of quality health care professionals for the underserved community as a whole.

To help with these issues OHA is looking into strategies that more strongly tie loan repayment monies to these most-underserved areas to draw more awardees to the same areas, which will increase overall capacity and help area clinics recruit additional providers.

Rural Medical Malpractice Insurance Subsidy

The Program currently provides subsidies for provider malpractice insurance premiums to over 520 providers throughout Oregon. Of those clinicians, 460 are Physicians (MD/DO) and 63 are Nurse Practitioners.

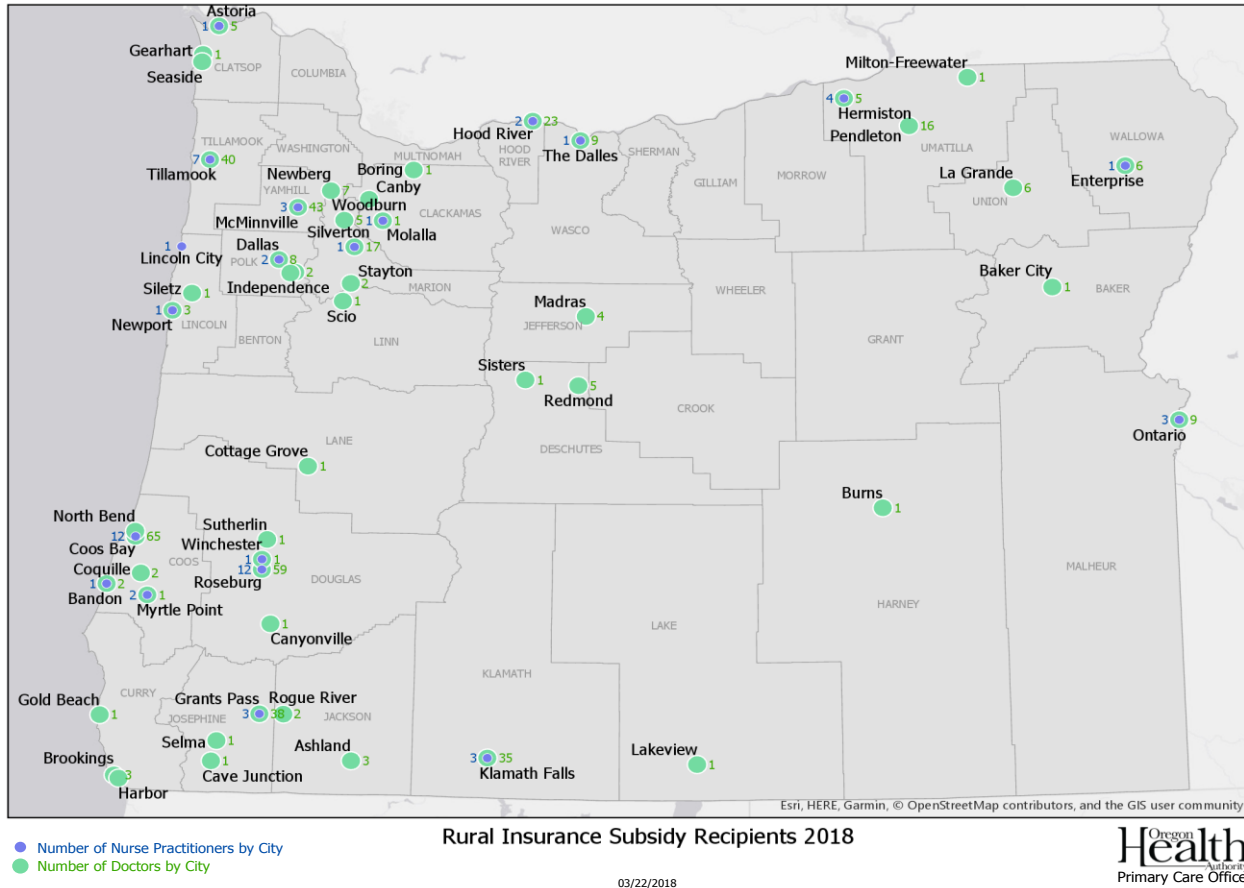
Seven different insurance carriers participate in this program:

- ▶ 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

From January through June 2018, the Program has awarded \$1,079,397 in subsidies to clinicians in rural areas of Oregon. Figure 2 (below) is a map of the geographical locations of these providers.

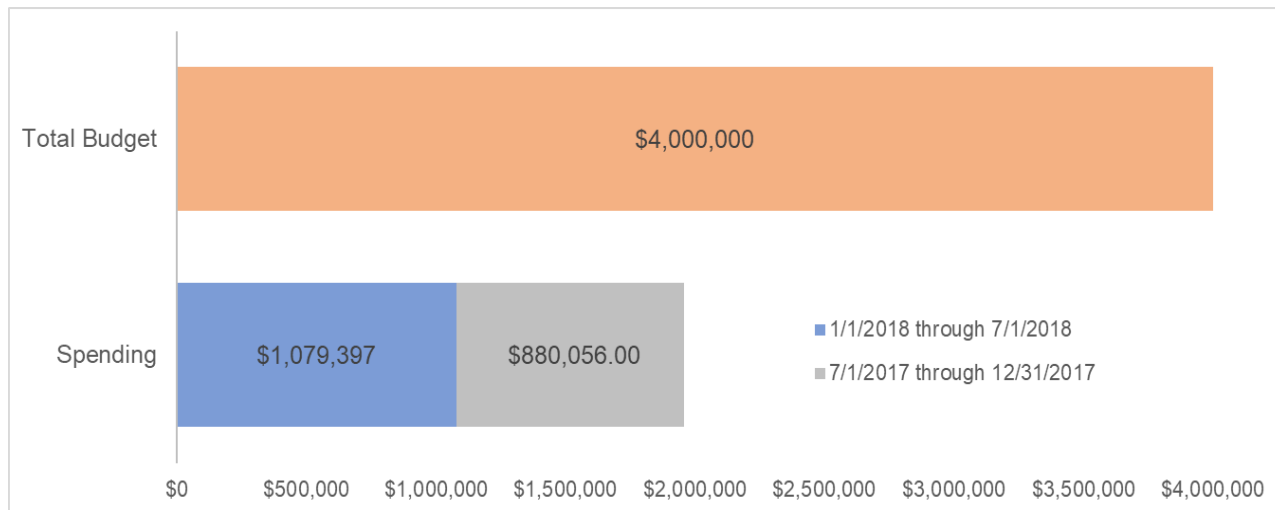
¹ *Oregon Areas of Unmet Health Care Need Report*, page 7. Accessed DATE at <https://www.ohsu.edu/xd/outreach/oregon-rural-health/data/upload/2017-AUHCN-Report.pdf>.

Figure 2: Location of insurance subsidy recipients



At the current rate of spending, the Program will spend less than the \$4,000,000 originally allocated for this incentive type for the 2017-2019 biennium (see Figure 3). However, this is only because the Program did not start spending these funds until January 2018.

Figure 3: Insurance subsidy spending to date



During site visits, OHA staff heard from several site administrators that this subsidy is a valuable tool for retaining their clinicians, particularly those who provide obstetric care. Both clinicians and administrators agreed

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the subsidy helps clinicians afford to live and render care in underserved areas, especially when they may not be paid as much as a clinician in an urban, better-served area.

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

Scholarship programs

The Program funds scholarship programs that, like the loan forgiveness incentive, requires recipients to secure employment at a qualified practice site upon completion of schooling and/or residency.

Scholars for a Healthy Oregon Initiative (SHOI)

HB 3261 also allocated \$5,000,000 to OHSU's Scholars for a Healthy Oregon Initiative (SHOI). Nearly half of these funds were placed in the Health Care Provider Fund (HCPIF). In 2019 OHA will distribute these funds to OHSU for administration of SHOI.

By September 1 of each year, OHA determines the amount to allot to OHSU for SHOI the following year. OHSU determines who will receive SHOI awards and how many to award.

New scholarship programs

OHA has awarded \$250,000 in scholarship funds to Western University of Health Sciences - College of Osteopathic Medicine of the Pacific (COMP-NW) and \$250,000 to the National University of Natural Medicine (NUNM).

- ▶ The schools will use these funds to award outstanding students at their institutions.
- ▶ Students who apply and receive these awards must complete their education and residency requirements, then work at a qualified practice site in Oregon. This will ensure that students completing their residency out-of-state will return to Oregon, and that all students will serve underserved areas for one to three years (depending on number of years awarded).

The exposure these clinicians will get to rural health care delivery will be valuable in helping them understand the unique challenges of these communities and how to best support their needs. Not only have these institutions committed to choosing awardees who want to work with the underserved, they also intend to have awardees participate in rural-specific training to help prepare them for future placement.

V. Eligible practice site characteristics

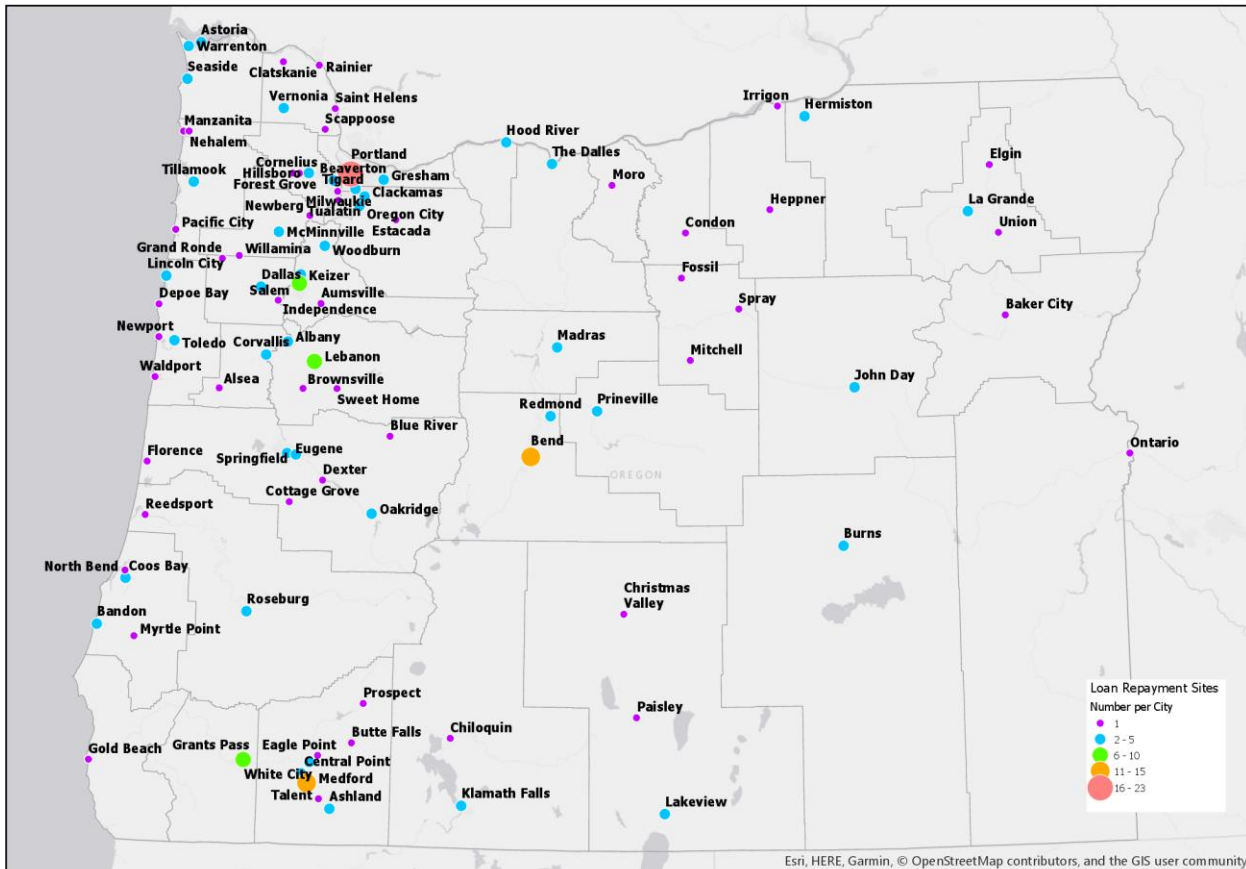
To serve as a practice site for recipients awarded funds through the Program’s loan repayment, loan forgiveness, scholarship or insurance subsidy incentives, a clinical practice site must meet the criteria under OAR 409-036.

During the first quarter of 2018, ORH reviewed practice site applications from 136 sites.

- ▶ 114 sites qualified, while 22 did not. The most frequent reason a site was not approved was that the clinic’s location was not in an HPSA.
- ▶ Half (68) were in rural communities, while half (68) were in urban areas.
- ▶ 25 were Primary Care Clinics, 21 were Dental Clinics, 46 were Federally Qualified Health Centers (FQHCs), 12 were Mental Health Clinics, 17 were Certified Rural Health Clinics (RHCs), 12 were School-Based Health Centers (SBHCs), one was a Pharmacy, one was a mobile clinic and one was a Critical Access Hospital (CAH).

244 practice sites are currently active. This number includes sites grandfathered in from the former Medicaid Loan Repayment Program and the former Primary Care Loan Forgiveness Program. Of these 244 practice sites, 138 are in rural communities, while 106 are in non-rural parts of the state.

Figure 4: Current distribution of eligible practice sites



Health Care Provider Incentive Program Eligible Practice Sites

08/29/2018

VI. Outreach and marketing

Since the start of the Program, ORH and OHA have engaged in complementary outreach efforts to connect health care providers with information about the Program.

OHA activities

- ▶ Conducted site visits in 19 service areas
- ▶ Promoted application cycles on Twitter, Facebook, and the OHA website
- ▶ Issued a press release in July 2018, resulting in attention from rural newspapers in Oregon and one local radio interview

ORH activities

- ▶ At a Pacific University job fair for first- and second-year Physician Assistant students, met with approximately 60 students to share printed materials on Program incentives and explain how to apply for incentives
- ▶ Met with former PCLF Program recipients to help them search for jobs at approved practice sites
- ▶ Toured rural, underserved facilities during the first quarter of 2018 to obtain a better understanding of their needs and challenges. During that tour they distributed materials promoting Oregon's incentive programs, answered questions, and encouraged practice sites and providers to participate. Facilities on the tour included:
 - **Bandon:** Coast Community Health Center and Southern Coos Health Center
 - **Boardman:** Columbia River Community Health Services
 - **Brookings:** Chetco Medical and Aesthetics
 - **Coos Bay:** Bay Area Hospital and Bay Clinic
 - **Enterprise and Joseph:** Winding Waters
 - **Gold Beach:** Curry General Hospital
 - **Grants Pass:** Grants Pass Clinic
 - **Klamath Falls:** Klamath Family Partnership, Open Door; OHSU Campus for Rural Health; and Sky Lakes Medical Center
 - **La Grande:** OHSU Campus for Rural Health
 - **Lincoln City:** Lincoln County Health
 - **Medford:** Asante
 - **Moro:** Sherman County Health District & Medical Clinic
 - **North Bend:** North Bend Medical Center
 - **Pendleton:** Yellowhawk Tribal Health
 - **Reedsport:** Dunes Family Care
- ▶ Redesigned its website in the summer of 2018 to reduce the number of clicks needed to find incentive program information, and give incentive programs greater prominence through a top-level website navigation tab. From January 1 through July 31, there have been 3,434 unique visitors to the ORH website. Of these, more than 2,850 visited the Loan Repayment section.

VII. Lessons and comparisons from previous loan repayment incentives

Clinician participation and program longevity to date:

Since January 2018, one clinician (dentist) has left the program, and is no longer serving in Oregon. As a result, the clinician was obligated to repay the portion of the award he had already received as well as a small penalty of 2.5%.

To date, no one has requested transfer from their practice site to another site. In comparison, of the 51 providers who successfully completed a service obligation and received loan repayment through either the Medicaid Primary Care Loan Repayment Program or Behavioral Health Loan Repayment Program, 16 transferred practice sites to new organizations, as shown in Figure 5.

Figure 5: Transfers during obligated service to a new practice site under previous programs

By provider type	By reason*
<ul style="list-style-type: none"> ▶ 1 Dental Hygienist ▶ 4 Dentists ▶ 7 Nurse Practitioners ▶ 2 Physicians ▶ 2 Physician Assistants 	<ul style="list-style-type: none"> ▶ 8 Transfers due to site issues ▶ 4 Transfers to be closer to home and/or family ▶ 2 Opened a private practice ▶ 2 Terminations ▶ 1 Transfer due to fear of county budget cuts ▶ 1 Offered a position at another site

**Reasons have been simplified. Some transfers had more than one reason listed.*

Clinician satisfaction with the program and their practice environment

OHA and ORH have been collecting data on participant satisfaction with both the program and their clinical practice site and will continue to do so moving forward. As current awardees complete their graduation and residency requirements and enter the rural workforce in the next one to three years, more data will be available to inform changes and improvements to the program, and support clinicians in their effort to provide better health care in Oregon.

Opportunities for participation

One change in the operations of the program from previous programs as noted above was to open loan repayment opportunities to all current providers with student debt, regardless of length of employment at their clinical practice site. Under the former Medicaid Loan Repayment Program, the requirement that 80 percent of the awards be offered to clinicians who were brand-new to the practice drove many providers away from participating and reduced the use of a potentially valuable retention tool in underserved areas.

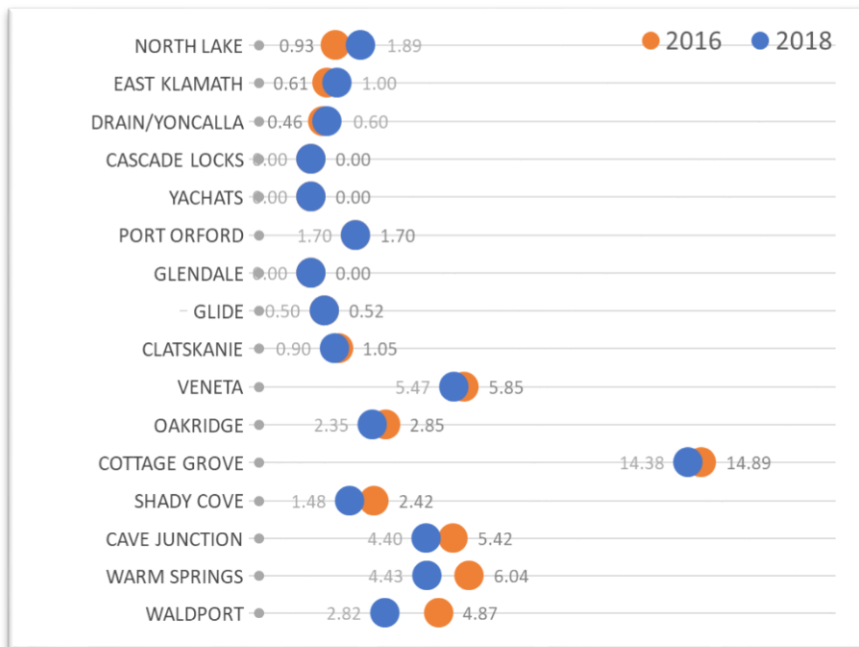
VIII. Effects on workforce capacity to date

The program has seen increased workforce capacity in some areas identified as having the highest level of unmet need when compared to all service areas in Oregon.²

As illustrated in Figure 6 (below), among the 16 areas that OHA identified as most in need of an increased Primary Care workforce in 2017³:

- ▶ Primary Care provider participation has increased in the North Lake, East Klamath and Drain/Yoncalla service areas.
- ▶ Some communities have seen no increases.
- ▶ Others have been unable to retain providers and have seen their health care workforce decline in comparison with data from 2016. As of July 2018, service areas with reduced FTE are Clatskanie, Veneta, Oakridge, Cottage Grove, Shady Cove, Cave Junction, Warm Springs and Waldport.

Figure 6: Changes in primary care provider workforce (2016-2018)



² Oregon Office of Rural Health. *2017 Oregon Areas of Unmet Needs Report*. August 2017 (cited 8/31/2018). Available from <https://www.ohsu.edu/xd/outreach/oregon-rural-health/data/upload/2017-AUHCN-Report.pdf>.

³ Oregon Health Policy Board. *Examining the Health Care Workforce Needs for Communities and Patients in Oregon*. January 2018 (cited 8/31/2018). Available from <https://www.oregon.gov/oha/HPA/HP-HCW/Documents/hcw-assessment-needs-oregon-communities-patients.pdf>.

However, an early analysis of the *2018 Areas of Unmet Healthcare Needs Report*⁴ (published in August 2018 and after the analysis period for this report) shows the following:

- ▶ Many of the areas with workforce declines had increased FTE
- ▶ Of the 16 highest-need areas identified in 2017, seven of those areas are no longer in that bottom quartile⁵
- ▶ The lowest-scoring service area has its score increase from 19 to 20, a slight increase (a higher score means a lower unmet need)

All the above may be a hopeful sign that Oregon's policy approach of providing direct and targeted support for recruitment and retention with incentives tailored to meet community needs will prove fruitful.

IX. Future reports

OHA will continue to collect annual data on Program participants. The Board will issue a new workforce assessment report in September 2020. By that time, the Program intends to have sufficient data to identify further successes of the program, the impact on the health care workforce in rural and non-rural underserved communities, and further improvements needed by the Program.

⁴ Oregon Office of Rural Health. *2018 Oregon Areas of Unmet Health Care Need Report*. August 2018 (cited 8/31/2018). Available from <https://www.ohsu.edu/xd/outreach/oregon-rural-health/about-rural-frontier/upload/2018-Area-of-Unmet-Health-Care-Need-Report.pdf>.

⁵ The service areas identified as such are Glide, North Lake, Veneta, Oakridge, Cottage Grove, Warm Springs and Clatskanie.