

**SB 501 - Maryland Loan Assistance Repayment Program for Physicians and
Physician Assistants - Administration and Funding**

Position: *Support*

Bill Summary

SB 501 would improve the efficiency of the state's loan repayment program and enhance Maryland's ability to respond to a growing demand for physicians and physician assistants in the underserved areas by:

- Centralizing oversight of the Loan Assistance Program to Maryland Department of Health
- Evaluating opportunities to expand loan repayment assistance to first- and second-year medical residents so physicians trained in Maryland stay in Maryland
- Restoring funding to at least the fiscal year 2016 level of \$750,000

Position Rationale

Since 1992 Maryland has received federal funding to operate a State Loan Repayment Program (SLRP). The program helps primary care and behavioral health care providers pay off their student loans in exchange for a commitment to work in health workforce shortage areas for a minimum of two years. States participating in this program must contribute funds to match each federal dollar received. Failing to provide those matching dollars leaves federal dollars on the table, up to \$1 million can be requested.

The Maryland LARP promotes the expansion of the workforce needed to ensure that all Marylanders have access to a primary care. Currently, debt incurred by pursuing medical training (including leading up to, during and following medical school) serves as a barrier to addressing access challenges. To address these workforce challenges, Medstar Health supports efforts that assist in reducing the debt burden caused by those practitioners choosing to work in workforce shortage areas.

Prior to 2016, significantly more funds were available for the program. State funding for the Maryland LARP program decreased from \$750,000 to its current level of \$400,000 today. This decline has meant that in FY 2019 and FY 2020 there were more applicants who met eligibility criteria but were denied due to lack of funding.

This bill would streamline the administrative process by having only one regulatory agency with oversight for this program, and this bill restores this program to previous funding levels of \$750,000 which allows the state to draw down more federal money and thus provide more funding for physicians.

For the above stated reasons, MedStar Health requests a ***favorable*** report.