

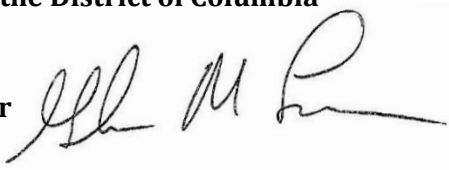
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: November 15, 2022

SUBJECT: Fiscal Impact Statement – High Need Healthcare Career Scholarship
and Health Professional Loan Repayment Program Amendment Act of
2022

REFERENCE: Bill 24-903, Draft Committee Print as provided to the Office of Revenue
Analysis on November 10, 2022

Conclusion

Funds are not sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill costs \$1.38 million in fiscal year 2023 and \$5.08 million over the financial plan to implement.

Background

This bill establishes a High-Need Healthcare Scholarship and Supports Program (Program) to increase the number of healthcare workers in high-need healthcare careers¹ in the District. The Program may pay for expenses incurred by Program participants to obtain credentialing at approved education and training programs in high-need healthcare careers. To participate in the Program, individuals must submit an application and be selected based upon the individual's ability to successfully complete the necessary education, training, and licensing requirements. The Mayor may prioritize the selection of certain applicants if they meet certain criteria. Individuals must commit via a contract with the District to work in a high-need healthcare career for at least two years following licensure or certification as a healthcare worker.

¹ Including a nursing assistive personnel, an emergency medical technician, a paramedic, or any healthcare profession as may be determined by the Mayor.

The Honorable Phil Mendelson

FIS: Bill 24-903, "High Need Healthcare Career Scholarship and Health Professional Loan Repayment Program Amendment Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on November 10, 2022.

The bill expands² the District's Health Professional Loan Repayment Program (HPLRP) to include physicians who specialize in areas of oncology, cardiology, neurology, infectious diseases, pulmonary diseases, nephrology, endocrinology, podiatry, ophthalmology, and other specialties identified by the Department of Health (DC Health). The HPLRP provides loan repayment to eligible health professionals practicing full-time at HPLRP-certified sites in health professional shortage and medically underserved areas.

The bill allows health professionals practicing part-time at HPLRP-certified locations to participate in the HPLRP. Part-time participants must provide service of at least 900 hours per year, with no more than twelve hours of work performed in any 24-hour period. Part-time participants are eligible to have up to 100 percent of their total debt repaid, not to exceed 50 percent of the total and annual amount repaid to full-time participants by the HPLRP.

The bill also expands the types of facilities eligible to become HPLRP-certified to include private practice settings that serve residents of a Medically Underserved Area and accept patients participating in Medicare, Medicaid/Alliance, or similar public insurance programs. Currently only nonprofit entities, DC Health programs, and Department of Behavioral Health programs are eligible to become HPLRP-certified.

Lastly, this bill exempts³ amounts received from the High-Need Healthcare Careers Scholarships and Supports Program from being included in the computation of District gross income.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill costs \$1.38 million in fiscal year 2023 and \$5.08 million over the financial plan to implement.

DC Health requires additional funding to implement the High-Need Healthcare Careers Scholarships and Supports Program. The funding will be used to pay for credentialing expenses for 150 nursing assistive personnel, 25 emergency medical technicians (EMT), and 25 Paramedics. DC Health will continue to add individuals to the program over a three-year span with a targeted total of 600 nursing assistive personnel, 75 EMTs, and 75 paramedics by fiscal year 2025. DC Health also needs to hire a program specialist to administer the program. The total cost of the High-Need Healthcare Careers Scholarships and Supports Program is \$1.38 million in fiscal year 2023 and \$5.08 million over the financial plan.

² By amending The District of Columbia Health Professional Recruitment Program Act of 2005, effective March 8, 2006 (D.C. Law 16-71; D.C. Official Code § 7-751.01 et seq.).

³ By amending D.C. Official Code § 47-1803.02(a)(2) .

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High Need Healthcare Career Scholarship and Health Professional Loan Repayment Program Amendment Act of 2022 Total Cost (\$ thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Health Professional Recruitment Fund Enhancement	\$1,300	\$1,675	\$1,675	\$0	\$4,650
Salary ^(a)	\$68	\$92	\$94	\$96	\$350
Fringe ^(b)	\$15	\$20	\$21	\$22	\$78
Total	\$1,383	\$1,788	\$1,790	\$118	\$5,078

Table Notes:

(a) Assumes one Grade-12, Step 5 Program Specialist and 1.75 percent salary cost growth. Assumes January 1, 2023 start date.

(b) Assumes 21.3 percent fringe rate and cost growth of 2.375 percent.

Expanding the pool of eligible health professionals who can participate in the HPLRP does not have an additional cost. The DC Health budget already includes funding for the HPLRP and repayments are subject to the availability of funding.