SENATE TAXATION
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BILL NO. SB 543

MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM

Updated 03/2007

Program Summary

The Montana Rural Physician Incentive Program, authorized by the 1991 Montana Legislature and amended by the 1997 Montana Legislature, was established to encourage primary care physicians to practice in medically underserved areas of rural Montana.

Towards this end, the Rural Physician Incentive Trust Fund was established to facilitate payment of qualified educational debts of rural physicians who practice in areas of the state that are medically underserved and that demonstrate the need for assistance in physician recruitment. The trust is funded by fees assessed to all Montana allopathic and osteopathic medical students participating in the WICHE and WWAMI programs.

Collection of funds from WICHE and WWAMI medical students began in the Fall of 1992. Disbursement of funds for loan repayment under the MRPIP began in 1993.

Characteristics of Qualifying Locations

It is the intent of the legislation on which this program is based to provide assistance for those communities of rural Montana which can demonstrate difficulty in attracting and maintaining enough physicians to serve their population.

In general, such communities have populations of less than 8,000 and hospitals with less than 50 beds. Many of these areas have been designated by the United States government as health professional shortage areas (HPSA). Hospitals and other community organizations in these areas must demonstrate their inability to recruit and retain sufficient numbers of physicians.

Selection and Approval Process

Applications are made jointly by a physician and an organization or institution (i.e., a hospital or clinic) located in the rural community in which the physician wishes to practice. Applications are reviewed for program eligibility by an advisory committee appointed by the Commissioner of Higher Education and prioritized for participation based on community physician needs and availability of funds. Applications recommended for program participation are submitted to the Board of Regents for final approval. Funding priority is given to Montana WICHE and WWAMI graduates who contributed to the MRPIP fund.

Benefits and Obligations

Program benefits allow payment of up to $45,000 in total toward the qualified educational loans of participating health professionals over a one– to five-year period of service in a location of physician need. Physicians remain eligible for assistance only for the first five years of practice within an eligible locale. Awards are not made retroactively. Service occurring more than 90 days prior to the date of application is subtracted from the five years of potential eligibility.

Graduated payments are disbursed directly to the physician's lending institutions in six-month increments over their designated service period. Completion of the full six-month period is required prior to eligibility for disbursement. The graduated payment schedule is as follows:

$3,500—6 mos. of service	$4,500—36 mos. of service
$3,500—12 mos. of service	$5,000—42 mos. of service
$4,000—18 mos. of service	$5,000—48 mos. of service
$4,000—24 mos. of service	$5,500—54 mos. of service
$4,500—30 mos. of service	$5,500—60 mos. of service

These benefits are in addition to any salary or other compensation received by the physician until the obligation is satisfied. If an individual is receiving funds from a federal loan repayment program, payments from the Montana Rural Physician Incentive Program will not begin until the federal funds have been exhausted. State and federal loan repayment benefits may not run concurrently.

Participation Status

Since the inception of the program in 1993, 96 applications have been submitted for consideration. Of these, 82 have been approved, 3 are currently pending review/approval, and 72 have, or are receiving MRPIP loan repayment benefits. The following table summarizes the status of all program applications.

Status	No. of Physicians
Currently In MRPIP Loan Repayment	18
Completed MRPIP Loan Repayment	29
MRPIP Approved: Combination of Federal/MRPIP Debt Repayment	5
MRPIP Approved: Federal Debt Repayment Only	4
Pending Federal Loan Repayment Participation	0
Received Partial Loan Repayment/Withdrew	20
Withdrew (No Repayment)	6
Pending Review/Approval	3
Denied	11
TOTAL	96

Locations of MRPIP Approved Physicians

CITY/TOWN	COUNTY	CITY/TOWN	COUNTY
Anaconda (5)	Deer Lodge County	Havre (2)	Hill County
Big Timber (1)	Sweet Grass County	Lewistown (2)	Fergus County
Chester (3)	Liberty County	Livingston (4)	Park County
Chinook (1)	Blaine County	Miles City (3)	Custer County
Columbia Falls (1)	Flathead County	Plains (4)	Sanders County
Columbus (1)	Stillwater County	Plentywood (1)	Sheridan County
Conrad (3)	Pondera County	Polson (4)	Lake County
Culbertson (2)	Roosevelt County	Red Lodge (2)	Carbon County
Cut Bank (1)	Glacier County	Ronan/St. Ignatius (3)	Lake County
Deer Lodge (3)	Powell County	Scobey (1)	Daniels County
Dillon (3)	Beaverhead County	Seeley Lake (1)	Lake County
Ennis (2)	Madison County	Shelby (6)	Toole County
Forsyth (2)	Rosebud County	Sidney (5)	Richland County
Glasgow (1)	Valley County	Superior (2)	Mineral County
Glendive (4)	Dawson County	Stevensville (2)	Ravalli County
Hamilton (4)	Ravalli County	Thompson Falls (1)	Sanders County
Harlowton (2)	Wheatland County		