Montana Rural Physician Incentive Program (MRPIP)

January 2022 Program Report

Program Summary

In 1991, the Montana Legislature authorized the creation of the Montana Rural Physician Incentive Program (MRPIP). The program originally served as an alternative to requiring a service/payback for Montana WICHE and WWAMI medical and osteopathic medical students while also incentivizing primary care physicians to establish their practices in rural and medically underserved areas of the state or areas providing service to underserved populations. Toward this end, a state special revenue account was created to allow for the repayment of qualified medical educational debts of physicians who serve Montana communities or populations in this capacity where there is a demonstrated need for medical services. The account is funded by fees assessed to all Montana medical and osteopathic medical students supported by the State of Montana through the WICHE and WWAMI medical education programs. Collection of funds from WICHE and WWAMI medical students for this purpose began in the fall of 1992; loan repayment disbursements for approved physicians began in 1993.

Since its inception 30 years ago, MRPIP statute has been amended several times from its original version, expanding eligibility and increasing program benefits. The following summarizes the various program legislative changes from inception to current day.

1991 MT Legislative Session - Program creation (HB 974)

- Maximum loan repayment benefit – $ 30,000
- 4-year practice period
- Fee calculation maximum – 8% of established WICHE support fee rates

1997 MT Legislative Session (SB 126)

- Loan repayment maximum increased – $ 45,000
- Practice period was expanded to 5-year period

2007 MT Legislative Session (SB 553)

- Loan repayment maximum increased – $100,000 over 5-year practice period
- Fee calculation maximum increased to allow flexibility of up to 16% of established WICHE support fee rates
- Provided for the phase out of an existing state physician tax credit and redirected an average of the state general fund dollars associated with the tax credit to the MRPIP fund. As the tax credit was phased out, the general fund allocation to MRPIP was phased in over a 4-year period in smaller increments until it reached an ongoing general fund appropriation of $227,285 annually. This legislation is the only source of state general fund dollars supporting the MRPIP program; all other funds are derived from student fees and investment earnings.

2017 MT Legislative Session (SB 283)

- Loan repayment maximum increased – $150,000 over the 5-year practice period

2017 MT Legislative Session (SB 341)

- Established new contract requirements for the MT WWAMI students beginning with the Fall 2018 entering class. This legislation requires students to specify whether they will commit to return to practice medicine in Montana within one year of completing medical training and practice for a

minimum of 3 years. Students choosing this contract, pay the established (standard) MRPIP fee rate of up to 16% of the WICHE support fee annually*; students choosing the contract not to return to practice immediately following completion of their medical training, agree to pay a higher MRPIP fee rate of 2.5 times the standard rate annually.

*NOTE: For students who choose the "return to practice contract", failure to do so as agreed, includes an obligation to repay the amount of state funding paid by the state on the student's behalf while the student was attending medical school in the WWAMI program (approximately $165,000). This amount of state funding (state support fees) will become a binding promissory note and will convert to a loan to be repaid by the student with a fixed interest rate equal to the federal Stafford loan rate at the time of conversion (not to exceed 8%). Repayment of the loan must be completed within 10 years of the date the repayment requirement commences.

Current Program Benefits and Obligations

- The program provides up to $150,000 in medical education loan repayment.
- One- to five-year periods of service are required in approved rural or underserved locations.
- Graduated payments based on length of service are disbursed directly to the physician's verified lending institution(s).
- Payments are not taxable to the physician.

Characteristics of Qualifying Locations and Populations

The program is based on legislation designed to aid medically underserved populations and rural communities in Montana that have difficulty attracting and maintaining adequate numbers of physicians. Traditionally, such communities have populations of fewer than 8,000 and hospitals with fewer than 50 beds or have demonstrated shortages of physicians serving specific populations. 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 document their inability to recruit and retain adequate numbers of physicians to serve their communities.

Selection Process

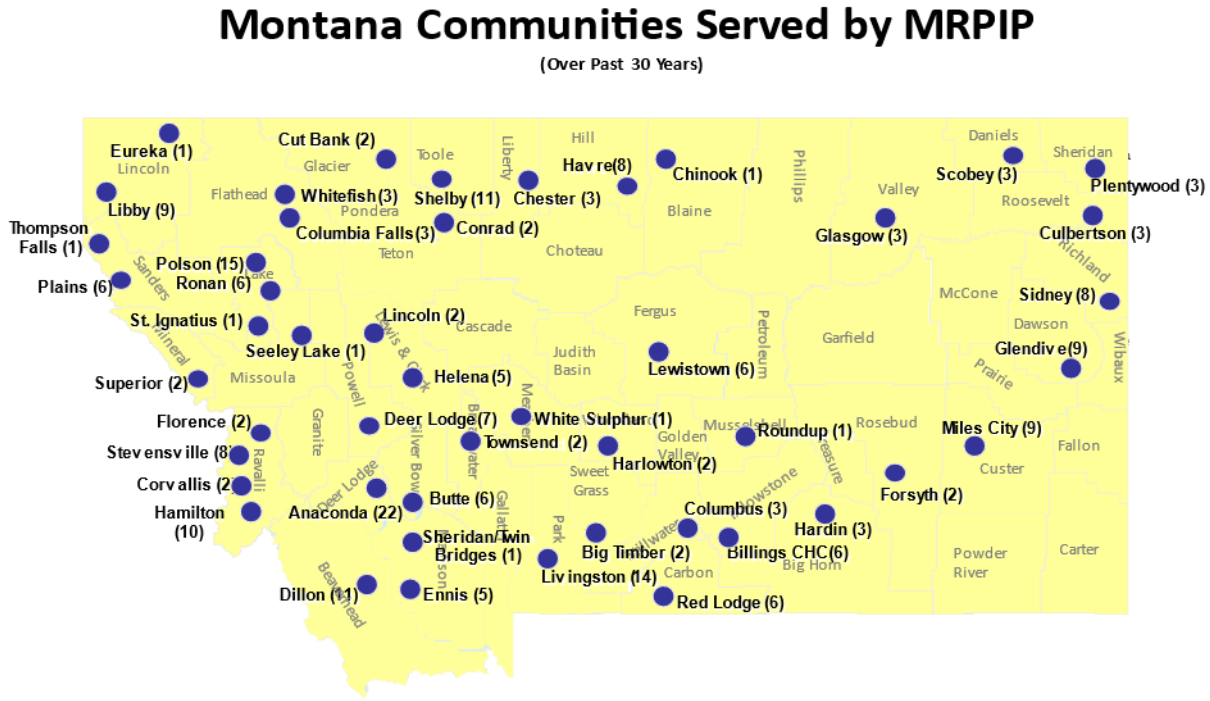
Applications are reviewed for program eligibility by an advisory committee appointed by the Commissioner of Higher Education. Eligible individuals include United States citizens, nationals, or foreign nationals who possess a Doctor of Medicine or Doctor of Osteopathic Medicine degree and are eligible for licensure in the State of Montana. All applicants are expected to have full hospital privileges within the broad community in which they practice**.** Qualified applications are prioritized for participation based upon community needs and the availability of funds. The following preferences are applied:

- MT WWAMI TRUST graduate physicians who contributed to the MRPIP Trust Fund
- MT WICHE and WWAMI graduate physicians who contributed to the MRPIP Trust Fund
- Physicians who practice in remote rural locations or in locations with difficulty attracting physicians take precedence over physicians practicing in larger rural locations
- Primary care physicians
- Physicians practicing at Federally qualified health centers (FQHCs)

All advisory committee nominations of physicians to receive awards are submitted to the Montana Board of Regents for final approval.

Montana Communities Served by MRPIP

MRPIP has proven to be an effective model to assist rural and medically underserved Montana communities in their efforts to recruit and retain physicians. Currently there are 49 doctors participating in the MRPIP program who are actively receiving loan repayment benefits. This is the typical average number of active participants. However, since the inception of the program in 1993, over 220 doctors have been approved for MRPIP participation of which 219 have practiced or are practicing in various locations throughout Montana; one is completing residency and will begin practicing in the spring of 2022 upon completion of residency. Overall (30 years), 74% of all MRPIP participants are still practicing in Montana and 80% are still licensed to practice in the state. The financial incentives provided through MRPIP serve as a vital recruitment tool for Montana's rural and medically underserved communities in their efforts to attract physicians to their areas. It is not uncommon for MRPIP applicant physicians to graduate with student loan debt between $200,000 - $300,000. In fact, it is becoming increasingly more common to see even greater debt amounts. During the past two application cycles, 12 approved MRPIP participants have had medical education debt ranging between $320,000 - $630,000. The availability of loan repayment is a necessity for most doctors when considering practice in a rural or medically underserved community where earning potential is not as great as in more populated areas. With other states also offering competitive loan repayment incentives to health care providers, the availability of MRPIP loan repayment dollars is critical to Montana communities when addressing their recruitment and retention efforts. From inception to-date, MRPIP has allocated over $9.3 million dollars in loan repayment benefits to Montana physicians, serving 49 rural and medically underserved communities across the state. The map below identifies the communities in Montana where MRPIP physicians have or are practicing medicine. The numbers in parentheses represent the number of MRPIP physicians who have served in each location.



➢ **The numbers on the map represent the number of MRPIP physicians that have practiced in each MT community in total, 1993-2022.**

The table below summarizes the information contained on the map on the previous page. The numbers following the city/county names represent the total number of MRPIP physicians who have practiced in that location. Some MRPIP physicians have practiced in more than one location.

CITY/COUNTY	CITY/COUNTY	CITY/COUNTY	CITY/COUNTY	CITY/COUNTY
Anaconda/Deer Lodge (22)	Culbertson/Roosevelt (3)	Hamilton/Ravalli (10)	Plains/Sanders (6)	Sidney/Richland (8)
Big Timber/Sweet Grass (2)	Cut Bank/Glacier (2)	Hardin/Big Horn (3)	Plentywood/Sheridan (3)	St. Ignatius/Lake (1)
Billings CHC/Yellowstone (6)	Deer Lodge/Powell (7)	Harlowton/Wheatland (2)	Polson/Lake (15)	Stevensville/Ravalli (8)
Butte/Silver Bow (6)	Dillon/Beaverhead (11)	Havre/Hill (8)	Red Lodge/Carbon (6)	Superior/Mineral (2)
Chester/Liberty (3)	Ennis/Madison (5)	Helena/Lewis & Clark (5)	Ronan/Lake (6)	Thompson Falls/Sanders (1)
Chinook/Blaine (1)	Eureka/Lincoln (2)	Lewistown/Fergus (6)	Roundup/Musselshell (1)	Townsend/Broadwater (2)
Columbia Falls/Flathead (3)	Florence/Ravalli (2)	Libby/Lincoln (9)	Scobey/Daniels (3)	White Sulphur/Meagher (1)
Columbus/Stillwater (3)	Forsyth/Rosebud (2)	Lincoln/Lewis & Clark (2)	Seeley Lake/Lake (1)	Whitefish/Flathead (3)
Conrad/Pondera (2)	Glasgow/Valley (3)	Livingston/Park (14)	Shelby/Toole (11)	
Corvallis/Ravalli (2)	Glendive/Dawson (9)	Miles City/Custer (9)	Sheridan/Twin Bridges/Madison (1)	

Financial Information

MRPIP is a statutorily appropriated state special revenue account. Program revenues and investment earnings are retained from year to year and are invested with the State Board of Investments to provide the ongoing funds necessary to meet the current and future obligations of the program. In Fiscal Year 2021 the MRPIP program paid out $1,110,485 in loan repayment benefits to physicians practicing in rural areas of the state or serving underserved populations.