

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 369 Dental Student Loan Repayment Program

SPONSOR(S): Health Quality Subcommittee; Burton and others

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Quality Subcommittee	14 Y, 0 N, As CS	Langston	McElroy
2) Health Care Appropriations Subcommittee			
3) Health & Human Services Committee			

SUMMARY ANALYSIS

The U.S. Department of Health and Human Services' Health Resources and Services Administration (HRSA) designates Health Professional Shortage Areas (HPSAs) to identify areas and population groups within the United States that are experiencing a shortage of health care providers. HPSAs identify shortages in primary care, dental health, or mental health. The threshold for a dental HPSA is a population-to-provider ratio of at least 5,000:1. HRSA also designates Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs); MUAs and MUPs identify geographic areas and populations with a lack of access to primary care services.

A typical dentist's debt post-graduation is between \$250,000 and \$500,000. Florida is one of nine states that does not have an operational state-funded dental student loan repayment program.

CS/HB 369 creates the Dental Student Loan Repayment Program (the Program) within the Florida Department of Health (DOH). The Program is subject to funds being appropriated and is intended to promote access to dental care in MUPs by increasing the number of dentists practicing in dental HPSAs or MUAs.

The bill authorizes DOH to award up to \$50,000 per year for a minimum of one year and a maximum of five years. The bill requires DOH to limit the number of new dentists participating in the Program to no more than 10 per fiscal year.

The bill requires DOH to adopt rules to administer the Program.

The bill has a significant, negative fiscal impact on DOH and no fiscal impact on local governments.

The bill provides an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

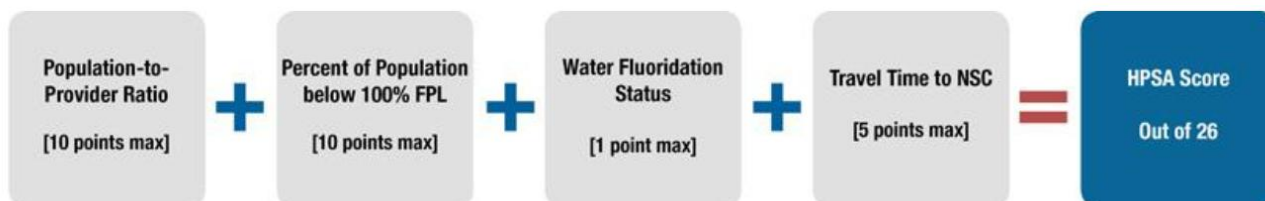
Current Situation

Health Professional Shortage Areas

The U.S. Department of Health and Human Services' Health Resources and Services Administration (HRSA) designates Health Professional Shortage Areas (HPSAs) according to criteria developed in accordance with section 332 of the Public Health Services Act. HPSA designations are used to identify areas and population groups within the United States that are experiencing a shortage of health care provider shortages in primary care, dental health, or mental health.¹ The threshold for a dental HPSA is a population-to-provider ratio of at least 5,000:1.² For each discipline category, there are three types of HPSA designations based on the area or population group that is experiencing the shortage:³

- **Geographic Area:** A shortage of providers for the entire population within a defined geographic area.
- **Population Groups:** A shortage of providers for a specific population group(s) within a defined geographic area (e.g., low income, migrant farmworkers, and other groups)
- **Facilities:** A facility that primarily cares for an underserved population; examples of these include state mental hospitals, federally qualified health centers, and CMS-certified rural health clinics.

Once designated, HRSA scores HPSAs on a scale of 0-26 for dental health, with higher scores indicating greater need.⁴



Medically Underserved Area

HRSA also designates Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs). MUAs and MUPs identify geographic areas and populations with a lack of access to primary care services.⁵ MUAs have a shortage of primary care health services for residents within a geographic area such as a county, a group of neighboring counties, a group of urban census tracts, or a group of county or civil divisions.⁶ MUPs are specific sub-groups of people living in a defined geographic area with a shortage of primary care health services who may face economic, cultural, or linguistic barriers to

¹ Health Resources and Services Administration, *Health Professional Shortage Areas (HPSAs)*, available at <https://bhwh.hrsa.gov/shortage-designation/hpsas> (last visited January 18, 2018).

² Id.

³ Id.

⁴ Health Resources and Services Administration, *Health Professional Shortage Area (HPSA) Application and Scoring Process*, <https://bhwh.hrsa.gov/shortage-designation/hpsa-process> (last visited January 18, 2018).

⁵ Health Resources and Services Administration, *Medically Underserved Areas and Populations (MUA/Ps)*, <https://bhwh.hrsa.gov/shortage-designation/muap> (last visited January 18, 2018).

⁶ Id.

health care.⁷ MUPs include, but are not limited to, those who are homeless, low-income, Medicaid-eligible, Native American, or migrant farmworkers.⁸

MUA and MUP designations are based on the Index of Medical Underservice (IMU), which is calculated based on four criteria:⁹

- The population to provider ratio;
- The percent of the population below the federal poverty level;
- The percent of the population over age 65; and
- The infant mortality rate.

IMU can range from 0 to 100, where zero represents the completely underserved; areas or populations with IMUs of 62.0 or less qualify for designation as an MUA or MUP.¹⁰

Cost of Dental Education

Approximately two-thirds of all undergraduates and 90 percent of dental students rely on student loans to finance their degrees.¹¹ In the U.S., combined undergraduate and dental school debt jumped from \$106,000 in 2000 to more than \$220,000 in 2012, an increase of 109 percent in 12 years.¹² Among all U.S. dental schools, total cost of attendance over the same time frame rose by 93 percent for in-state residents (from about \$89,000 to \$171,000) and by 82 percent for out-of-state residents (from \$128,000 to \$234,000).¹³ Today, the typical dentist's debt post-graduation is between \$250,000 and \$500,000.¹⁴

The National Health Service Corps (NHSC) offers tax-free loan repayment assistance of up to \$50,000 to support qualified health care providers, including dentists, who work for two years at a NHSC-approved site.¹⁵ Additionally, dental students who commit to serving at least three years at an approved NHSC site in a HPSA of greatest need may earn up to \$120,000 in their final year of school through the Students to Service Loan Repayment Program.¹⁶

Florida is one of nine states¹⁷ that does not have an operational state-funded dental student loan repayment program.¹⁸

⁷ Id.

⁸ Id.

⁹ Id.

¹⁰ Id.

¹¹ American Dental Education Association, *A Report of the ADEA Presidential Task Force on the Cost of Higher Education and Student Borrowing*, 17 (March 2013), available at: http://www.adea.org/uploadedFiles/ADEA/Content_Conversion_Final/publications/Documents/ADEACostandBorrowingReportMarch2013.pdf (last visited March 13, 2015).

¹² Id.

¹³ Id.

¹⁴ Department of Health, Agency Analysis for 2017 House Bill 369, (Nov. 6, 2017) (on file with Health Quality Health Quality Subcommittee staff).

¹⁵ Health Resources and Services Administration, *Loan Repayment*, <https://nhsc.hrsa.gov/loanrepayment/> (last visited January 19, 2018).

¹⁶ Id.

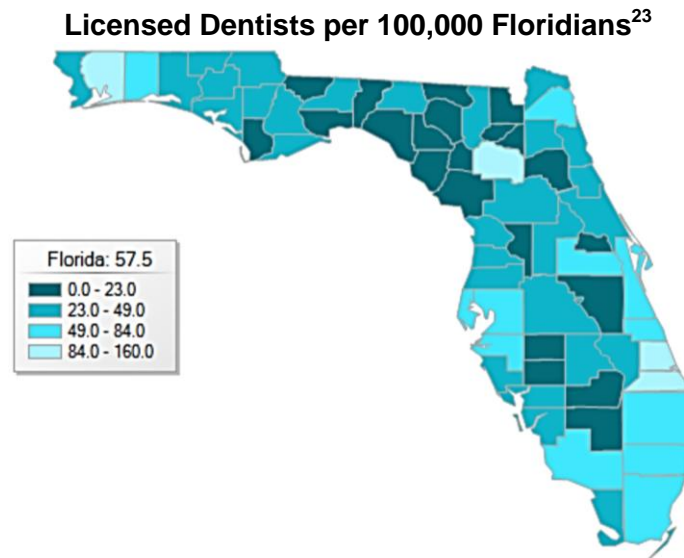
¹⁷ Alabama, Connecticut, Florida, Georgia, Indiana, Iowa, Mississippi, Puerto Rico, and Utah do not have operational state-funded dental loan repayment programs. Several of these states had program, but they are no longer operational due to a lack of funding. Connecticut's program is no longer accepting application; Georgia's program ended in 2015; Indiana's program has been suspended since 2011 due to a lack of funding; Iowa's program has ended, however, it still has a loan repayment program for individuals pursuing a graduate degree in dental public health; and Mississippi is no longer taking applicants due to a lack of funding. Additionally, New York's program did not accept applicants for several years, but it resumed in 2017 when it received new funding.

¹⁸ American Dental Education Association, *State and Federal Loan Forgiveness Programs*, (November 2016), available at, http://www.adea.org/uploadedFiles/ADEA/Content_Conversion_Final/policy_advocacy/financing_dental_education/ADEA-Summary-of-Loan-Forgiveness-Programs.pdf (last visited January 19, 2018).

Access to Dental Care and Dental Workforce in Florida

In the U.S., there are 18,084 HSPAs, of which 5,866 are dental HSPAs; there are 224 dental HSPAs in Florida.¹⁹ Additionally, there are 4,235 MAUs and MAPs in the U.S., 129 of which are in Florida.²⁰

Today, there are approximately 57 licensed dentists per 100,000 people in Florida; however, this ratio varies greatly across the state.²¹ Most dentists are disproportionately concentrated in the more populous areas of the state. Three counties, Dixie, Glades, and Lafayette, do not have any licensed dentists, while other counties have over 150 dentists per 100,000 residents.²²



There is a noticeable shortage of dentists in certain parts of the state, especially the central Panhandle counties and interior counties of south Florida.²⁴ Lower patient densities, rural income disparities, and lower dental care reimbursement levels make it difficult to recruit and retain dentists in rural communities of the state.²⁵ Lack of access to dental care can lead to poor oral health and poor overall health.²⁶ Research has shown a link between poor oral health and diabetes, heart and lung disease, stroke, respiratory illnesses, and adverse birth outcomes including the delivery of pre-term and low birth weight infants.²⁷

Effect of Proposed Changes

CS/HB 369 creates the Dental Student Loan Repayment Program (the Program) within the Florida Department of Health (DOH). The Program is subject to funds being appropriated and is intended to promote access to dental care in MUPs by increasing the number of dentists practicing in dental HPSAs or MUAs.

¹⁹ Health Resources and Services Administration, *HPSA Find Results*, <https://datawarehouse.hrsa.gov/tools/analyzers/HpsaFindResults.aspx> (last visited January 18, 2018).

²⁰ Health Resources and Services Administration, *MAU Find Results*, <https://datawarehouse.hrsa.gov/tools/analyzers/MuaSearchResults.aspx> (last visited January 18, 2018).

²¹ Florida Department of Health, Florida CHARTS, *Total Licensed Florida Dentists*, <http://www.flhealthcharts.com/charts/OtherIndicators/NonVitalIndNoGrpDataViewer.aspx?cid=0326> (last visited January 19, 2018).

²² Id.

²³ Id.

²⁴ Id.

²⁵ Chris Collins, MSW, *Challenges of Recruitment and Retention in Rural Areas*, North Carolina Medical Journal, Vol. 77 no. 2, (March-April 2016), <http://www.ncmedicaljournal.com/content/77/2/99.full> (last visited January 22, 2018).

²⁶ Florida Department of Health, *Florida's Burden of Oral Disease Surveillance Report*, (Aug, 2016), p. 5, available at, http://www.floridahealth.gov/programs-and-services/community-health/dental-health/reports/_documents/floridas-burden-oral-disease-surveillance-report.pdf (last visited January 20, 2018).

²⁷ Id.

A Florida-licensed dentist is eligible to participate in the Program if he or she maintains active employment in a public health program that serves Medicaid recipients and other low-income patients and is located in a dental HSPA or a MUA. The bill defines a "public health program" as a county health department, the Children's Medical Services program, a federally funded community health center, a federally funded migrant health center, or other publicly funded or nonprofit health care program designated by DOH.

A dentist is no longer eligible to receive funds under the Program if the dentist:

- Is no longer employed by a public health program that is located in a dental HSPA or a MUA and serves Medicaid recipients and other low-income patients.
- Ceases to participate in the Florida Medicaid program.
- Has disciplinary action taken against his or her license by the Board of Dentistry for a violation of s. 466.028, F.S.

The bill authorizes DOH to award up to \$50,000 per year for a minimum of one year and a maximum of five years. The bill requires DOH to limit the number of dentists participating in the Program to no more than 10 new dentists per fiscal year.

The Program may only cover loans to pay the costs of tuition, books, dental equipment and supplies, uniforms, and living expenses and must be made directly to the holder of the loan. The bill specifies that all repayments are contingent upon continued proof of eligibility and that the state will not be responsible for the collection of any interest charges or other remaining balance loan balances.

The bill requires DOH to adopt rules to administer the Program.

The bill provides an effective date of July 1, 2018.

B. SECTION DIRECTORY:

Section 1: Creates s. 381.4019, F.S., relating to dental student loan repayment program.

Section 2: Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill will have a significant, negative fiscal impact on DOH. DOH will need an FTE to administer the Program, which will cost \$70,941 in the first year and \$66,467 per year thereafter. Should DOH award the maximum amount to 10 dentists, the cost would be \$570,941 in the first year.²⁸

Thereafter, there will be an annual recurring cost of \$66,467 for the FTE²⁹ and up to \$500,000 for every ten participating dentists.

²⁸ *Supra*, note 14. See also, Email from Bryan P. Wendel, Deputy Director, Office of Legislative Planning, Florida Department of Health, RE: Dental Loan Repayment Legislation, (Dec. 6, 2017) (on file with Health Quality Subcommittee staff).

²⁹ *Id.*

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Participating dentists will be eligible to receive up to \$50,000 per year for up to five years.

D. FISCAL COMMENTS:

A new appropriation will be needed to implement the Program.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 24, 2018, the Health Quality Subcommittee adopted an amendment that:

- Limited the program to Florida-licensed dentists.
- Limited the number of eligible dentists to 10 per fiscal year.
- Limited repayment to loans that paid for tuition, books, dental equipment and supplies, uniforms, and living expenses.
- Required loan repayments to be made directly to the loan holder.
- Provided that the state is not responsible for the collection of any interest charges or other remaining balances on the loans.
- Established criteria for disqualification from participation in the program.

The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute as passed by the Health Quality Subcommittee.