

**The Maryland Loan Assistance Repayment Program Advisory  
Council for Physicians and Physician Assistants, 2024 Report**

**As Required by Health-General § 24-1708 and Senate Bill 626 / HB  
1464 (2022)**

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## **Maryland Loan Assistance Repayment Program Advisory Council Membership**

<b>Seat</b>	<b>Name</b>
Chair of Health Services Cost Review Commission or designee	Allan Pack
Chair of Maryland Health Care Commission or designee	Melanie Cavaliere
President of Maryland Hospital Association or designee	Jane Krienke
Dean of the University of Maryland School of Medicine or designee	Donna Parker, M.D.
Dean of Johns Hopkins University School of Medicine or designee	Jessica Bienstock, M.D.
President of MedChi or designee	Gene Ransom
Representative of the Maryland Primary Care Office	Elizabeth Vaidya
Representative of the Maryland Board of Physicians	Damean Freas, D.O.
Representative of Maryland Academy of Physician Assistants	Rick Rohrs, PA-C

### **Advisory Council Leadership**

Chairperson: Gene Ransom

Vice-Chairperson: Damean Freas

### **Advisory Council Staff**

Sara Seitz, Lead Consultant, Office of Population Health Improvement, MDH

Department of Legislative Services Staff Consultation: Lindsay Rowe, Amberly Holcomb

The recommendations in this report reflect the opinions of the Advisory Council and do not necessarily reflect the opinions of the Maryland Department of Health.

## Introduction

The 2022 Maryland legislative session produced [Senate Bill 0626 / House Bill 1464 \(SB 0626/HB 1464 \(2022\)\)](#), in support of the existing Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants (MLARP PPA). The enrolled legislation clarified that part-time physicians and physician assistants are eligible for participation in MLARP PPA; authorized the Maryland Department of Health (Department) to establish prorated loan repayment assistance for part-time physicians and physician assistants; and established the Maryland Loan Assistance Repayment Program Advisory Council for Physicians and Physician Assistants (Advisory Council) to assist the Department in the administration of the Program. The Advisory Council shall report to the General Assembly annually, by October 1.

This report, “Maryland Loan Assistance Repayment Program Advisory Council for Physicians and Physician Assistants: Annual Report” documents the Advisory Council’s:

- Activities between October 2023 and September 2024, in alignment with the statutory reporting timeline, and
- Recommendations to the Governor and General Assembly regarding necessary changes to MLARP PPA.

The report is submitted on behalf of the MLARP PPA Advisory Council membership in response to SB 626 / HB 1464 (2022) requirements.

## **Background**

### **Maryland Loan Repayment Programs**

The Maryland Loan Repayment Programs (MLRP) serve as a healthcare workforce recruitment and retention tool, incentivizing eligible healthcare professionals to practice in underserved areas of the state. MLRP offers professionals up to a total of \$100,000 in educational loan repayments in exchange for a two-year service obligation (dependent on licensure/certification, funding source, and technical scoring). Three distinct funding sources support MLRP, including MLARP PPA, which has traditionally provided state matching funds for the federal National Health Service Corp State Loan Repayment Program (SLRP), and the Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff (MLARP NNSS).

MLARP PPA has been a state-funded resource for physician, physician assistant, and medical resident provider recruitment and retention since 1994. In 2020, the administration of the program shifted from a shared responsibility between the Maryland Higher Education Commission (MHEC) and the Department to streamlined management centralized in the Department's Office of Health Care Workforce Development (Office), residing within the Office of Population Health Improvement, Public Health Services.

In addition to MLARP PPA, the Office administers the federally-funded (SLRP). SLRP follows slightly different participant eligibility criteria, requiring eligible disciplines to serve their service obligation in a federally designated Health Professional Shortage Area (HPSA) in traditional primary care specialties including Family Practice, Internal Medicine, Pediatrics, Geriatrics, Obstetrics and Gynecology, and Psychiatry. Traditionally, physicians and physician assistants were the only eligible disciplines for SLRP in Maryland. In 2023, within the guidelines of SLRP, the program eligibility was expanded to also include certified registered nurse practitioners, certified nurse midwives, and registered nurses.

Federal funds for SLRP are traditionally received by the state annually, September 1, with a competitive grant application required every three (3) to four (4) years. The current SLRP award provides \$772,160 annually to Maryland (September 1, 2022 – August 31, 2025), which represents an increase from the longstanding annual \$360,000 federal award. For MLARP PPA, State law notes that if the Governor does not include in the State budget at least \$400,000 for the administration of MLARP PPA, the Comptroller shall distribute \$400,000 of the fees received from the Maryland Board of Physicians to MLARP. Recent appropriations increased SLRP funding to \$1,000,000 and \$3,000,000 in fiscal years 2024 and 2025, respectively. The longevity of the increases is unknown.

In addition to the enactment of SB 0626/HB 1464 (2022) and the expansion of MLARP PPA to part-time providers, the 2022 legislative session also featured the establishment of MLARP for Nurses and Nursing Support Staff (MLARP NNSS) and the associated MLARP NNSS Fund. The funding for MLARP NNSS has included \$3,000,000 per year for the past two years (fiscal years 2024 and 2025, respectively). Much like the MLARP PPA workgroup noted below, an MLARP NNSS stakeholder workgroup was established in 2022 and was responsible for recommending a permanent funding structure for the program in its final report to the General Assembly in December of 2023.

Annually, the Department facilitates the MLRP application cycle during which eligible healthcare professionals submit applications for educational loan repayment awards by established deadlines, and MLARP PPA, SLRP, and MLARP NNSS funds are obligated to service obligations. The application process requires the submission of documentation to verify program eligibility and to gather the appropriate information to facilitate technical scoring based on program priorities. Department reviewers validate application completeness and eligibility. Then, technical scoring is applied to each loan repayment program application. Applications are categorized into a “priority tier” based on legislative priorities, identified areas of State need, and the applicant’s practice specialty. Applications are ranked by technical scores within their tier. The level of potential award (dollar amount) is determined by the discipline, priority tier, and technical scores, up to \$50,000 per year. Of note, the total award amount cannot be greater than a potential awardee's educational debt. The number of awards possible for each fiscal year is guided by the federal and state-level funding allocations for that particular year. Funds are obligated for the first and second-year awards to ensure the ability to fund the full two-year service obligation.

Upon offer of an award, each loan repayment recipient signs a promissory note and service obligation agreement and submits educational loan verification documentation. This signature and verification documentation triggers payment of the first service year award. The Department has expedited payment to occur for most program participants within the first half of the service obligation year, which marks a shift from the process under joint MHEC/Department administration. Renewal documentation at the start of the second service obligation year allows for the second service year award to be released.

The Department has historically supported two partial staff positions (total of 0.8 full-time equivalents (FTE)) to support the Department in the administration of the workforce incentive programs (inclusive of MLRP, the Conrad 30 (J-1 Visa Waiver) Program, and Tax Credits for Preceptors in Areas with Health Care Workforce Shortages Programs). Given MLRP’s growth (legislative expansion of eligibility) and the need for management and oversight of additional funding over the past two fiscal years, the Department added one federally funded FTE to MLRP, for which the Federal funding will cease in August 2025. In addition, the Department has temporarily leveraged other positions and in-kind staffing resources to meet the demand and ensure appropriate accountability for fiscal resources and responses to constituent inquiries. However, the lack of dedicated and consistent staffing resources is a challenge to MLRP’s impact and sustainability, as noted in Recommendation 6.

### **MLARP PPA Advisory Council**

SB 0626/HB 1464 (2022) calls for the establishment of a permanent Advisory Council to assist in the management of MLARP PPA and recommend how the State can improve the program. In compliance with SB 0626/HB 1464 (2022), the Advisory Council membership consists of the following stakeholders:

- Chair of Health Services Cost Review Commission or designee
- Chair of Maryland Health Care Commission or designee
- President of Maryland Hospital Association or designee

- Dean of the University of Maryland School of Medicine or designee
- Dean of Johns Hopkins University School of Medicine or designee
- President of MedChi or designee
- Representative of the Maryland Primary Care Office
- Representative of the Maryland Board of Physicians
- Representative of Maryland Academy of Physician Assistants
- Any other determined necessary by the Secretary

Advisory Council appointments outreach began soon after the enactment of SB 626/HB 1464 (2022) and were finalized in October 2022. The initial meeting of the workgroup took place virtually in December 2022, with meetings occurring at least four times per year since that time.

The Council set forth a general meeting strategy and schedule (Table 1) to ensure alignment with the key legislative mandates for the Advisory Council:

1. Seek permanent and diverse revenue sources to aid in the stability and further development of the Program;
2. Help ensure maximum use of federal funds;
3. Use available data and information to help direct funding to priority areas;
4. Monitor similar loan programs in other states and ensure that the Program remains Competitive;
5. Assist the Department in the administration of the Program;
6. Help market and raise awareness of the Program through educational institutions and other appropriate entities as an incentive to health care providers to practice in underserved areas; and
7. Make recommendations to the Governor and the General Assembly on any necessary changes to the Program.

Table 1. MLARP PPA Advisory Council Annual Meeting Strategy

<b>Timeframe</b>	<b>Presentations/ Discussion</b>	<b>Legislative Mandate Focus</b>
<b>Annual Cycle</b>		
<b>October</b>	- Marketing preparation/plan for winter implementation - Member marketing action steps	- Market and raise awareness of the Program - Monitor similar loan programs
<b>February</b>	- Evaluation plan review/improvements - Application cycle preparation - Member action steps toward the 10/1 report	- Direct funding to priority areas - Monitor similar loan programs - Maximize use of Federal funds - Direct funding to priority areas

<b>May</b>	<ul style="list-style-type: none"> <li>- Revenue source review</li> <li>- Member action steps to expand revenue sources</li> <li>- Preliminary recommendations for 10/1 report</li> </ul>	<ul style="list-style-type: none"> <li>- Revenue sources</li> <li>- Direct funding to priority areas</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>- Application cycle results</li> <li>- Preliminary profile of applicants/awardees</li> <li>- Cement/ approve October 1 report for submission</li> </ul>	<ul style="list-style-type: none"> <li>- Assist in the administration of MLARP</li> <li>- Report to Governor &amp; Legislature</li> </ul>

Each meeting is open to public attendance in accordance with the Maryland Open Meetings Act.

During the reporting period, October 1, 2023 – September 30, 2024, the Advisory Council met a total of four times (three meetings per year are required by the establishing legislation), with one additional ad hoc committee meeting:

Table 2. MLARP PPA Advisory Council Meeting Dates and Activities, 2023/2024

Meeting Date	Agenda/ Discussion
October 4, 2023	MLARP PPA program updates, program marketing, and outreach strategy
February 7, 2024	MLARP PPA program updates, evaluation planning/progress, 2024 application cycle, regulations development
May 1, 2024	MLARP PPA program updates, revenue source development, monitoring of similar loan programs in other states, General Assembly report development
May 31, 2024	Ad hoc committee: Competitive and Innovative Loan Repayment Models (Other States) Other states’ programming and revenue structure; potential opportunities for MLARP PPA
August 7, 2024	MLARP PPA program updates, profile of MLRP applicants/awardees, ad hoc committee report out, General Assembly report review

At the time of this submission, further information regarding the Advisory Council, including meeting agendas, presentations, and recordings, can be found on the developed Advisory Council web page.

**Key Activities**

Key areas of Advisory Council activity and exploration conducted during the reporting period are described below.

**Seek Permanent and Diverse Revenue Sources**

During the 2024 MLRP application cycle, MLARP PPA funds allowed for a record number of award offers to be made to physicians and physician assistants, however, more applications were

received than any prior year, resulting in continued higher demand than funding resource capacity for loan repayment (Table 3):

Table 3. MLRP Application Results for Physicians and Physician Assistants, 2020-2024

Application Characteristics	MLRP Application Year				
	2020	2021	2022	2023	2024
Total Applications	81	64	102	141	192
Complete and Eligible Applications	75	37	79	107	140
Award Offers	13	18	26	43	92
Non-Funded due to Resource Limitations	62	19	53	64	48

The 2024 application cycle attracted a total of 192 applications from physicians and physician assistants, of which 140 were determined to be complete and eligible for potential funding. With available resources (MLARP PPA and SLRP), the Department was able to offer loan repayment assistance to 92 physicians and physician assistant providers based on priority tiering and technical scoring. A total of 48 providers were denied loan repayment due to funding limitations. The 92 award offers represent approximately \$4,380,772 obligated (MLARP PPA and SLRP Funds) toward educational loan repayment for providers serving Maryland patients regardless of their ability to pay. Eight-nine (89) of the awards offered were to primary care and emergency medicine providers, the state’s priority tiers for awards. Resources were available to offer service obligations to the three (3) top-scoring providers who serve as specialists in rural areas (totaling the 92 physician and physician assistant award offers), with the 48 denials representing specialists in rural and non-rural jurisdictions. Approximately \$6,450,243 would be necessary (represents a two-year service obligation) to provide awards to all complete and eligible applications received from physicians and physician assistants during the 2024 application cycle.

In its meetings, the Advisory Council discussed strategies to build consistent revenue flow not just to ensure the availability of the program into the foreseeable future, but to further expand the number of participants providing clinical services to Marylanders in workforce shortage areas, and further permanent revenue foundation, contributing to the recommendations below.

The Council discussed potential revenue sources, focusing on successful methods utilized to fund loan repayment programs in other states as well as unique Maryland-based solutions.

Specifically, conversations included expansion of the MLARP Fund via:

- Employer contributions: Allow clinical practice sites to contribute funds to the program to be utilized for loan repayment programming for which their employees are eligible.
- Incorporation of rate setting within the AHEAD model (January 2026 implementation)
- Private contributions: Seek and market private contributions to the MLARP Fund
- Licensure renewal option: Provide an option for licensed individuals to make contributions to the MLARP Fund via the licensure renewal process with the Maryland Board of Physicians.

Members noted that implementation of additional revenue sources should be planned, with incremental objectives set. Statutory authorizations should be purposefully constructed to allow for broadening of revenue sources over time and flexible to allow for not yet explored opportunities.

### **Help Ensure Maximum Use of Federal Funds**

As noted above, the Maryland Loan Repayment Programs leverage state-level funding to strengthen applications for federal loan repayment funding (SLRP). Before the establishment of the Advisory Council, members of the MLARP PPA Workgroup (forerunner of the Advisory Council) signed a letter in support of the Department's April 2022 application to the U.S. Health Resources and Services Administration Notice of Funding Opportunity HRSA-22-048, State Loan Repayment Program. In response to that federal SLRP application, the Department was awarded an increased funding amount, resulting in improved loan repayment capacity. The Advisory Council is actively monitoring the outcomes of expanded program eligibility and spending of the HRSA-22-048 budget awards. For example, in addition to 13 physicians and physician assistants offering SLRP loan assistance as a result of the 2024 MLRP application cycle, twenty-six (26) advanced practice and registered nurses were offered SLRP awards this application cycle.

### **Use Available Data and Information to Help Direct Funding to Priority Areas**

The Advisory Council discussed and supported operational plans for the facilitation of the 2024 MLRP application cycle. Program staff shared the proposed technical scoring and award process with the Council, in addition to reviewing the priorities for fiscal year 2025 funding obligations. Following the application and award cycle, a profile of 2024 applicants and award/service obligation offers were presented to the membership. The profile template will be utilized on an annual basis to provide the Council with data and information to help inform future funding priority areas and program considerations.

### **Monitor Similar Loan Programs in Other States**

Advisory Council members continue to seek information about successful projects in other states, noting the utilization of diverse funding sources, duration of service obligations, maximum award amounts, and eligible disciplines. During the reporting period, the Council noted revisions to the National Health Service Corp loan repayment programs for which award amounts have increased to offer up to \$75,000 for full-time and up to \$37,500 for half-time participants who are physicians, nurse practitioners, nurse midwives, and physician assistants providing primary care services. In addition, NHSC has added a \$5,000 award enhancement for clinicians who demonstrate Spanish-language proficiency. In addition, Council members gathered statutory and operational information about other successful state loan programs, utilizing the information to inform discussions and recommendations to the General Assembly and Governor as noted below.

### **Assist in Administration of the Program**

In addition to the aforementioned ways in which Advisory Council members were active in the administration of the program over the reporting period, members continue to provide insight into both participant and employer experiences with the program. An Advisory Council member

continues to attend meetings of the 3RNet Provider Retention & Information System Management Program alongside Department staff.

### **Help Market and Raise Awareness of the Program**

Advisory Council members ensured their knowledge and understanding of program eligibility criteria and processes, serving as reference persons among their respective contacts. Members shared program marketing materials across their networks, inclusive of academia, healthcare employers, and associations. The Advisory Council was supportive of the program development of an application cycle informational session, followed by a series of “office hours” sessions for prospective applicant questions/answers during the open application cycle.

### **Make Recommendations to the Governor and the General Assembly**

Based on the discussions held via the MLARP Advisory Council during the reporting period and under the direction of SB 626 / HB 1464 (2022), the Advisory Council respectfully submits the following recommendations to the Governor and the General Assembly:

## **Advisory Council Recommendations**

### **Permanent Funding Structure**

To best meet the ongoing healthcare needs of Maryland, the state needs to operate a robust loan repayment assistance program. MLARP PPA needs a recurring source of funding for loan repayment. With the Advisory Council’s leadership, MLRP should gradually incorporate new revenue sources, building funding objectives over time and with flexibility, and the Advisory Council recommends the following:

**Recommendation 1:** The State should incorporate workforce development benefits into the AHEAD Model. The goals of the Maryland Loan Repayment Programs closely align with the innovative Centers for Medicare and Medicaid Services payment model as they share the goal of improving health outcomes and ensuring equitable access to health care for all Marylanders. The Council recommends that negotiations with the Federal Government include authority for the Health Services Cost Review Commission to support loan repayment through an all-payer pass-through of funding.

**Recommendation 2:** The General Assembly should broaden current MLARP PPA authorizing language to explicitly allow and invite funding sources such as private contributions, employer match programming, special state funds (such as Cigarette Restitution Fund and cigarette tax revenue), and other sources such as potential augmentation from the implementation of the AHEAD model (January 2026 implementation) and options for donations via the Board of Physicians' licensure renewals.

**Recommendation 3:** The General Assembly should include language in the MLARP PPA authorizing statute to explicitly state that student loan repayment assistance received to provide increased availability of health services in underserved or health professional

shortage areas (under the Maryland Loan Assistance Repayment Programs) is done tax free. The law should specifically state this exemption from state income tax, mirroring U.S. Department of the Treasury Internal Revenue Service practices ([Publication 970: Tax Benefits for Education](#)) should encourage future employer match infrastructure development and contributions.

### **Operational Structure and Requirements**

MLARP PPA continues to refine its operational infrastructure, with the Advisory Council recommending the following revisions to ensure a firm foundation:

**Recommendation 4:** The General Assembly should remove [Article - Health – General §24–1706](#) which requires regulations establishing the maximum number of participants and minimum or maximum amount of awards in each priority area:

“The Department shall adopt regulations to implement the provisions of this subtitle, including:

- (1) Establishing the maximum number of participants in the Program each year in each priority area described under § 24–1705 of this subtitle; and
- (2) Establishing the minimum and maximum amount of loan repayment assistance awarded under this subtitle in each priority area described under § 24–1705 of this subtitle.”

The intention of specific regulations related to minimum and maximum participants and amounts is unknown and the instructions are unclear regarding individual or aggregate awards.

**Recommendation 5:** The General Assembly should alter the requirement for an annual MLARP Advisory Council for Physicians and Physician Assistants report; Article - Health - General §24–1708 (g) to require a report every three (3) years to better allow the Council to fulfill its mandates and provide robust reporting:

“On or before October 1 each year, the Council shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the activities and recommendations of the Council.”

**Recommendation 6:** The General Assembly and Governor should include an operational budget allocation to cover Office of Health Care Workforce Development staffing for recruiting and retaining Maryland’s healthcare workforce. Ideally, authorizing language should specifically state this allowable function of the MLARP Funds, earmarking funds for the reasonable administrative needs and associated costs of program operations.

**Recommendation 7:** MLARP/ the Department should consider incorporating a process to pre-approve eligible practice sites (similar to the U.S. Health Resources and Service Administration’s National Health Service Corps), to more easily allow for broadening of the resource infrastructure and accommodate larger health system needs.

## **Conclusion**

The General Assembly's commitment to supporting Maryland's healthcare workforce and achieving optimal healthcare access across Maryland is clear in its support of the Maryland Loan Repayment Programs. The members of the Advisory Council are appreciative of the opportunity to offer recommendations related to strengthening MLARP PPA as one tool for the recruitment and retention of healthcare professionals serving Marylanders.