



Senate

General Assembly

File No. 434

February Session, 2022

Substitute Senate Bill No. 449

Senate, April 12, 2022

The Committee on Public Health reported through SEN. DAUGHERTY ABRAMS of the 13th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE RECRUITMENT AND RETENTION OF PHYSICIANS IN THE STATE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2022*) (a) For the fiscal year ending
2 June 30, 2023, and each fiscal year thereafter, the Office of Higher
3 Education, in collaboration with the Department of Public Health, shall
4 administer, within available appropriations, a physician loan
5 reimbursement grant program to persons who meet the eligibility
6 requirements described in subsection (b) of this section.

7 (b) The program shall provide student loan reimbursement grants to
8 any physician licensed pursuant to chapter 370 of the general statutes
9 who (1) graduated from a medical school in the state or completed his
10 or her medical residency program at a hospital licensed under chapter
11 368v of the general statutes, and (2) is employed as a physician in the
12 state.

13 (c) Any physician who satisfies the eligibility requirements
14 prescribed in subsection (b) of this section and whose application made
15 under subsection (d) of this section is accepted by the Office of Higher
16 Education shall receive a grant for reimbursement of all federal and state
17 educational loans in an amount equal to twenty per cent of the balance
18 of such loans per year for each year the physician is employed as a
19 physician in the state. A physician qualifying under subsection (b) of
20 this section shall only be reimbursed for loan payments made while
21 such physician continues to satisfy such eligibility requirements.

22 (d) Physicians may apply to the Office of Higher Education for grants
23 under this section at such time and in such manner as the executive
24 director of the Office of Higher Education prescribes.

25 (e) Any unexpended funds appropriated for purposes of this section
26 shall not lapse at the end of the fiscal year but shall be available for
27 expenditure during the next fiscal year.

28 Sec. 2. (*Effective July 1, 2022*) (a) On or before January 1, 2023, the
29 Commissioner of Public Health shall convene a working group to advise
30 the commissioner regarding methods to enhance physician recruitment
31 in the state. The working group shall examine issues that include, but
32 need not be limited to, (1) recruiting, retaining and compensating
33 primary care, psychiatric and behavioral health care providers; (2) the
34 potential effectiveness of student loan forgiveness; (3) barriers to
35 recruiting and retaining physicians as a result of covenants not to
36 compete, as defined in section 20-14p of the general statutes; (4) access
37 to health care providers; (5) the effect, if any, of the health insurance
38 landscape on limiting health care access; (6) barriers to physician
39 participation in health care networks; and (7) assistance for graduate
40 medical education training.

41 (b) The working group convened pursuant to subsection (a) of this
42 section shall include, but need not be limited to, the following members:
43 (1) A representative of a hospital association in the state; (2) a
44 representative of a medical society in the state; (3) a physician licensed
45 under chapter 370 of the general statutes with a small group practice; (4)

46 a physician licensed under chapter 370 of the general statutes with a
 47 multisite group practice; (5) one representative each of at least three
 48 different schools of medicine; (6) a representative of a regional physician
 49 recruiter association; (7) the human resources director of at least one
 50 hospital in the state; (8) a member of a patient advocacy group; and (9)
 51 four members of the general public. The working group shall elect
 52 chairpersons from among its members. As used in this subsection,
 53 "small group practice" means a group practice comprised of less than
 54 eight full-time equivalent physicians and "multisite group practice"
 55 means a group practice comprised of over one hundred full-time
 56 equivalent physicians practicing throughout the state.

57 (c) On or before January 1, 2024, the working group shall report, in
 58 accordance with the provisions of section 11-4a of the general statutes,
 59 its findings to the commissioner and to the joint standing committee of
 60 the General Assembly having cognizance of matters relating to public
 61 health.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	New section
Sec. 2	July 1, 2022	New section

Statement of Legislative Commissioners:

In Section 1(c), "and whose application made under subsection (d) of this section is accepted by the Office of Higher Education" was inserted before "shall receive" for clarity and consistency.

PH *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Higher Ed., Off.	GF - Cost	Significant	Significant
Higher Ed., Off.	GF - Cost	90,000	90,000
State Comptroller - Fringe Benefits ¹	GF - Cost	36,477	36,477
UConn Health Ctr.	Various - Savings	Potential	Potential

Note: Various=Various; GF=General Fund

Municipal Impact: None

Explanation

The bill results in a significant cost to the Office of Higher Education (OHE) associated with the creation of a physician student loan reimbursement grant program, starting in FY 23.

The bill establishes a student loan reimbursement program for people who are employed in-state as licensed physicians and meet various graduation and other requirements. Eligible participants are to receive reimbursement grants of 20% of the physician's federal and state student loan balance per year, for five years. It is estimated that the median student loan burden, of a physician, upon graduation is approximately \$161,000. This would equate to a loan reimbursement award in the first year of up to \$32,200. If 50 eligible applicants were to receive such an award, the cost to OHE would exceed \$1.6 million for

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.53% of payroll in FY 23.

their first year of awards.

OHE does not currently have the funds available to operate this program. The awards result in a significant cost to OHE; the scope of the costs is dependent upon the number of approved applicants and their student loan balance reimbursements awarded annually.

OHE does not currently have the staff available to operate the program and would require one full-time program administrator, resulting in annual salary expenses of approximately \$90,000 and corresponding fringe benefit costs of approximately \$36,477.

The bill may have a positive fiscal impact to the University of Connecticut (UConn) Health Center, beginning FY 23. It is possible that the loan reimbursement program will make Connecticut medical schools and job opportunities more attractive, compared to options in other states. In the 2020-21 academic year, substantial shares of UConn's resident graduates and fellowship graduates left Connecticut to practice elsewhere. To the extent that the bill results in more qualified applicants for UConn Health physician vacancies, producing a quicker recruitment process for revenue-generating positions, then higher revenues may result. The bill may also improve physician retention, resulting in lower recruitment expenses (a savings), but this impact is anticipated to be minimal because few UConn Health physicians have left for out-of-state positions in recent years.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in physicians' student loan debt levels, the amount appropriated for the program, and the availability of similar programs in other states.

OLR Bill Analysis**sSB 449*****AN ACT CONCERNING THE RECRUITMENT AND RETENTION OF PHYSICIANS IN THE STATE.*****SUMMARY**

This bill requires the Office of Higher Education (OHE) to administer a physician student loan reimbursement grant program starting in FY 23. OHE must do so in collaboration with the Department of Public Health (DPH) and within available appropriations.

The program must be open to state-licensed physicians employed here who (1) graduated from an in-state medical school or (2) completed their residency at a DPH-licensed hospital. It must provide reimbursement grants of 20% of the physician's federal and state student loan balance per year.

Under the bill, physicians may apply to OHE for grants in the time and manner the executive director prescribes and must only be reimbursed for loan payments made while they are employed as a physician in the state. Any unspent funds appropriated for the program carry forward, rather than lapse, to the next fiscal year.

The bill also requires the DPH commissioner, by January 1, 2023, to convene a working group to advise her on ways to enhance physician recruitment in the state. The group must report its findings to the commissioner and the Public Health Committee by January 1, 2024.

EFFECTIVE DATE: July 1, 2022

PHYSICIAN RECRUITMENT WORKING GROUP

Under the bill, the physician recruitment working group must examine at least the following issues:

1. recruiting, retaining, and compensating primary care, psychiatric, and behavioral health care providers;
2. the potential effectiveness of student loan forgiveness;
3. barriers to recruiting and retaining physicians due to non-compete clauses;
4. access to health care providers and any effect of the health insurance landscape on limiting health care access;
5. barriers to physicians participating in health care networks; and
6. assistance for graduate medical education training.

The group must include at least the following 14 members, as shown in Table 1 below.

Table 1: Physician Recruitment Working Group Required Membership

One representative each from an-state hospital association, in-state medical society, and a regional physician recruiter association
Two state-licensed physicians: <ul style="list-style-type: none"> • one from a small group practice (i.e., less than eight full-time equivalent physicians) • one from a multisite group practice (i.e., a group with over 100 full-time equivalent physicians practicing across the state)
One representative each from at least three different medical schools
The human resources director of at least one in-state hospital
A member of a patient advocacy group
Four public members

The bill requires the group to elect chairpersons from among its members.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 29 Nay 0 (03/25/2022)