

September 23-24, 2004

Rural Physician Incentive Program;  
Office/Commissioner of Higher Education



# MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM

**OFFICE/COMMISSIONER OF HIGHER EDUCATION**

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## **Enactment**

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 the payment of the qualified educational debts of physicians who practice in areas of the state that are medically underserved and that demonstrate the need for assistance in physician recruitment and retention. Annual fees assessed to all Montana WICHE and WWAMI medical students fund this trust.

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

## **Qualified Locations**

Eligible locations qualifying for service awards are communities of rural Montana that have experienced 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. The United States government has designated many of these areas as health professional shortage areas (HPSA's). Hospitals and other community organizations in these areas must verify their inability to recruit and retain sufficient numbers of physicians.

## **Selection/Approval Process**

Applications are submitted jointly by a physician and an organization or institution (i.e., a hospital, clinic or nursing home) located in the community in which the physician wishes to practice. An advisory committee that is appointed by the Commissioner of Higher Education reviews prospective applications for program eligibility and prioritizes them for participation based on community physician needs. Applications recommended for program participation are then submitted to the Board of Regents for approval based upon the availability of funds. Funding priority is given to WICHE and WWAMI graduates who contributed to the trust fund.

## Benefits

Current program benefits allow repayment of up to \$45,000 in total toward the qualified medical education loans of participating physicians over a one-to five-year period of service in a location of physician need. Graduated payments are disbursed directly to verified lending institutions in six-month increments over the physician's designated service period.

## Participation Status

Since the inception of the program in 1993, 85 applications have been submitted for consideration of which 72 have been approved, and 2 are currently pending review/approval. The following table illustrates the status of all applications.

Status	No. of Physicians
Currently In Loan Repayment	27
Completed Loan Repayment	19
MRPIP Approved—All Debt Repaid Under Federal Loan Repayment Program	5
Pending Federal Loan Repayment Participation	4
Received Partial Loan Repayment/Withdrew	11
Withdrew	6
Pending Review/Approval	2
Denied	11
<b>TOTAL</b>	<b>85</b>

## Locations of MRPIP Physicians

CITY/TOWN	COUNTY	CITY/TOWN	COUNTY
Anaconda (4)	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 (9)	Custer County
Columbus (1)	Stillwater County	Plains (4)	Sanders County
Conrad (1)	Pondera County	Plentywood (1)	Sheridan County
Culbertson (1)	Roosevelt County	Polson (4)	Lake County
Deer Lodge (3)	Powell County	Red Lodge (1)	Carbon County
Dillon (2)	Beaverhead County	Ronan/St. Ignatius (1)	Lake County
Ennis (2)	Madison County	Scobey (1)	Daniels County
Forsyth (2)	Rosebud County	Seeley Lake (1)	Lake County
Glasgow (1)	Valley County	Shelby (6)	Toole County
Glendive (2)	Dawson County	Sidney (5)	Richland County
Hamilton (4)	Ravalli County	Superior (2)	Mineral County
Hardin (1)	Big Horn County	Stevensville (2)	Ravalli County
Harlowton (1)	Wheatland County	Thompson Falls (1)	Sanders County

**Program Financial Status**

**MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM  
Fund Balance FY 2004 and FY 2005**

	FY 2004 Actual			FY 2005 Budgeted		
	Annual Surcharge	No. of Students	Amount	Annual Surcharge	No. of Students	Amount
<i><b>BEGINNING FUND BALANCE</b></i>			\$554,532			\$542,497
<i><b>INCOME:</b></i>						
Medical Student Surcharges	\$ 1,896	103	\$195,288	\$ 1,968	103	\$202,704
Osteopathic Student Surcharges	\$ 1,256	6	\$7,536	\$ 1,304	6	\$7,824
STIP Earnings			\$6,269			\$0
<b>Total Income</b>			\$209,093			\$210,528
<i><b>EXPENSES:</b></i>						
Loan Disbursements			(\$221,128)			(\$283,000)
Administrative Expenses			\$0			\$0
<b>Total Expenses</b>			(\$221,128)			(\$283,000)
<i><b>ENDING FUND BALANCE</b></i>			<b>\$542,497</b>			<b>\$470,025</b>

**MONTANA RURAL PHYSICIAN INCENTIVE PROGRAM  
Contract Liability as of September 1, 2004:**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Current MRPIP Participants	<u>\$241,000</u>	<u>\$235,500</u>	<u>\$221,500</u>	<u>\$178,000</u>	<u>\$69,000</u>	<u>\$21,500</u>	<u>\$5,500</u>
<b>Total</b>	<b><u>\$241,000</u></b>	<b><u>\$235,500</u></b>	<b><u>\$221,500</u></b>	<b><u>\$178,000</u></b>	<b><u>\$69,000</u></b>	<b><u>\$21,500</u></b>	<b><u>\$5,500</u></b>
<b>TOTAL MRPIP CONTRACT OBLIGATIONS THROUGH FY 2011:</b>							<b><u>\$972,000</u></b>