Alaska’s SHARP Program

Recruitment & Retention Services for Alaska’s Healthcare Workforce

Proposal: SHARP-3

Executive Summary

Alaska’s SHARP Program has helped build a more sustainable health care workforce in Alaska. Since 2008, SHARP has worked to increase practitioner recruitment, reduce turnover, and improve geographic distribution. Thus far, SHARP has two components, SHARP-1 and SHARP-2. SHARP has had continued and steadily improving success in all main aspects of program management: clinician and site solicitation cycles, revenue development, clinician contracts and amendments, and its quarterly reporting, payment and employer invoicing cycle. SHARP has been successful in providing support-for-service to its first 194 clinician-participants across 54 different agencies statewide.

We propose to add a third component, SHARP-3, which will further address our widely noted healthcare shortages and mal-distributions.   The intent of SHARP-3 is to further increase the availability of health services for under-served populations and health professional shortage areas, as determined by the State of Alaska. The strategy is to increase the recruitment and retention of health professionals working in Alaska by providing loan repayment incentive to health professionals who have historically not had this option. SHARP-3 will allow practitioner and site eligibilities that transcend the confines dictated by SHARP-I and SHARP-II resources. This may yield more participation for at least two reasons. One is simply a raw increase in the number of participants, i.e. there will be more positions that receive the loan repayment benefit. In addition, however, SHARP-3 also allows for practitioners in: (a) new practice settings (e.g. ER, LTC), (b) new occupations (e.g. hospitalists, facility leaders, specialists), (c) new agencies (e.g. Banner, Providence), (d) new locations (e.g. not in HPSAs per se), and (e) new roles (e.g. healthcare faculty at Providence, and UA Health Programs). Overall, SHARP will become more robust, able to more immediately respond to changing human resource needs in many agencies, and in doing so, to better meet the real challenges that still face the state’s health workforce. SHARP-3 will give agencies the ability to offer loan repayment on an ongoing basis throughout the year. Further, SHARP will provide a formal practitioner recruitment service.

To do this, funding must be secured that does not have the strictures of SHARP-I and SHARP-II. We can do this by deriving funds from two sources: (a) a contribution of 80% of award from the participating employer, and (b) an associated contribution of 20% of award from some other entity (largely of the employer’s choosing, e.g. private foundation, trade association, government entity, community foundation, advocacy organization, universities, or other).

This proposal presents the need, goals and timeline for our proposed SHARP-3. SHARP-3 fits squarely within the long-term goal of the SHARP program overall, which is by 2020 to have developed a sustainable infrastructure, and to be widely recognized for its demonstrated impact on Alaska’s health workforce and thus on access to healthcare, through targeted enhancement of healthcare recruitment and retention.

Proposed SHARP-3 has Four Elements

SHARP-3 is a public-private partnership, and is composed of four program elements. Each is presented below: (1) Expanded Loan Repayment, (2) Partnership Funding, (3) Program Administration Fee, and (4) Formal Recruitment. For SHARP-3 program detail, see Table-1 (comparison of SHARP components), and for budget projection detail, see Table-2 (scenario).

Element-1: Expanded Loan Repayment

What: Eligible education loan debt is paid by Alaska's SHARP Program for health professionals selected for participation. SHARP contract values, duration, quarterly payment, employer invoice, and operation details are keeping with traditional SHARP processes. However, the SHARP-3 innovation is that a much wider range of health occupations and settings will be potentially eligible, with more practitioners being able to participate within urban areas, hospitals and large systems.

Why: This broader range of health occupations and settings is can be eligible because the funds for loan repayment are from sources that do not have federal HRSA-SLRP or state AS 18.29 strictures. Illustrative occupations include hospitalists, specialists, allied health disciplines, facility leadership, and healthcare faculty. As effective as traditional SHARP has been as a catalyst for change, the system is still missing some key aspects:

- Much of urban Alaska is not covered
- Very few hospitalists, and/or specialists participate
- No LRP support for allied health, faculty or administrative personnel
- No involvement of private philanthropy
- Only modest contribution from industry
- No contribution from communities
- No tax-exemption available for industry-provided loan repayment
- Only episodic relief from use of Locum Tenens
- Current SHARP solicitations are not frequent enough

How: All candidates must (a) be selected by their employer, (b) apply through regular SHARP process, (c) be formally recommended by SHARP's Advisory Council, (d) sign a standard four-way service contract (MOA), which specifies established service expectations and terms, and (e) Standard quarterly SHARP practices are required (i.e. work reports, monitoring, payments process, & employer invoicing). The capacity to offer expanded loan repayment is based two resources: (1) a program administration fee, and, (2) loan repayment funds that are not derived from state or federal resources.

Quarterly loan repayments are made by SHARP directly to the eligible loan lender, and are exempt from federal personal income tax. Federal law (PL 111-148, Sec 10908) clarified the question of federal taxability of state loan repayment programs. This section puts the state loan repayment programs on par with the NHSC and federal/ state SLRP programs in terms of federal exemption from taxability. The key passage follows:

SEC. 10908. EXCLUSION FOR ASSISTANCE PROVIDED TO PARTICIPANTS IN STATE STUDENT LOAN REPAYMENT PROGRAMS FOR CERTAIN HEALTH PROFESSIONALS.

(a) IN GENERAL. — Paragraph (4) of section 108(f) of the Internal Revenue Code of 1986 is amended to read as follows: ''(4) PAYMENTS UNDER NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM AND CERTAIN STATE LOAN REPAYMENT PROGRAMS.—In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act, or under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of health care services in underserved or health professional shortage areas (as determined by such State)." (Effective: 12/31/08)

Who: There are four contract parties: (a) selected health professional, (b) participating healthcare employer, (c) other financial contributor (e.g. foundation, enterprise, community, local government, etc.), and (d) SHARP Program, Alaska DHSS.

Element-2: Partnership Funding

What: SHARP has a mission-driven budget. Funding for clinician loan repayment is paid by two sources: (a) Employer (80%), and (b) Another Contributor (20%). These support-for-service funds are not derived from either federal HRSA or State-GF.

Why: This approach to funding greatly expands the opportunity for loan repayment to many more health professionals, working in new occupations and settings. In addition, there are three other benefits: (a) Significant leveraging of facilities' recruitment package dollars; (b) Funds spent on Locum Tenens costs can instead be spent on stable staffing; and (c) Inclusion of private philanthropy into Alaska's loan repayment.

How: Funding for clinician loan repayment is paid by two sources: (a) Employer, and (b) Another Contributor. Each participant's total loan repayment award is based on standard SHARP determinants (i.e. occupation tier-level, contract duration, full-time or half-time, and regular-fill vs. very hard-to-fill). The SHARP contract specifies all terms, including quarterly schedule by which Employer (80%) and Contributor (20%) are invoiced.

Who: (a) Varied employers in the healthcare system (e.g. hospitals, community health centers, mental health facilities, homeless shelters, private clinics, prisons, drug treatment facilities, University of Alaska, and others; and (b) Contributors, for instance private foundations, local governments, other healthcare employer(s), community foundations, private enterprises, universities, and long-term care facilities.

Element-3: Administration Fee

What: SHARP program administration costs is paid for, in part, by charging all participating employers a standard fee, which is 5% of each clinician's total award.

Why: New revenues for program administration are needed because traditional public sources are under increasing pressure. Five factors are driving this need: (a) federal HRSA-SLRP has never paid for administration; (b) Alaska's State General Fund is being reduced; (c) SHARP-II's administration budget (from AS 18.29) was never adequate; (d) Alaska's federal PCO grant has been reduced drastically; and (e) SHARP is growing.

The collection of a user fee has some precedent. In terms of collecting required "employer-match," SHARP has had complete success. Initially, SHARP began using employer-match in July 2013, with the first incoming SHARP-II clinicians, as a result of AS 18.29. Thereafter, based on that success, we began using partial employer-match in the SHARP-I component, starting in March 2015. The percent increase in quarterly employer match revenues over the last seven quarters has been 158%. More generally, user fees are employed for varied purposes throughout state government.

This revenue strategy has several advantages. (a) It will produce funds that adequately address the actual cost of SHARP operations (e.g. records management, budget management, program visibility, etc.), funds that currently do not exist. Funding is needed for part of the Director's salary, and related funding for a full-time administrative or program assistant. The position of a full-time SHARP administrative or program assistant is needed for several reasons, including clear evidence that the Director's workload is solidly more than one FTE. (b) This strategy does not require any State-GF. (c) This strategy will result in further reserving the SHARP-1& 2 options for use in yet higher need populations. And (d) this administration fee can be collected efficiently.

How: The program administration fee (admin fee) is paid by two sources: (1) Employer, and (2) Another Contributor. Calculation of the admin fee is 5% of total loan repayment award for each practitioner. That Admin Fee will be paid by two sources: the Employer (80%) and, (b) related Contributor (20%), with each billed for respective portions of the admin fee on quarterly basis, at the time Partnership Funding (for the LPR) is invoiced.

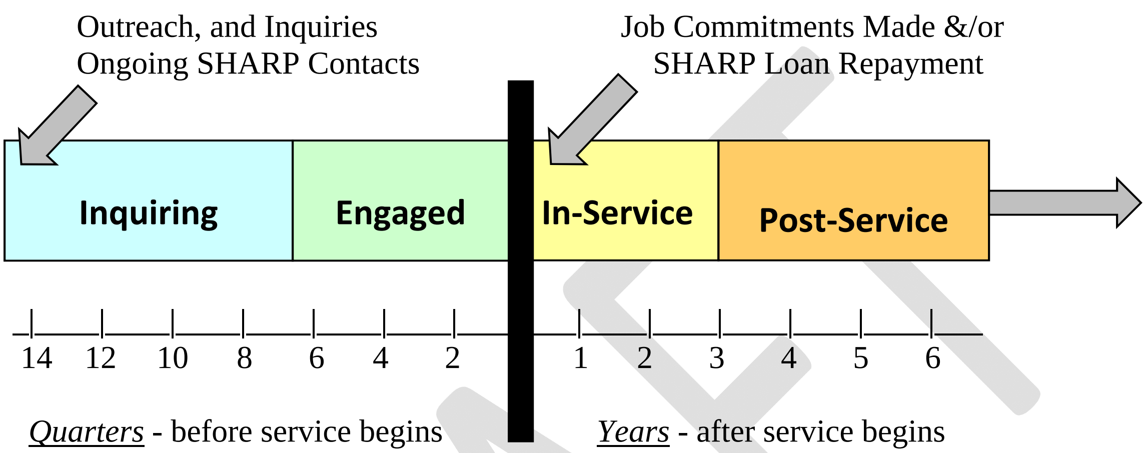
Who: Each Employer and associated Contributor that are specified in each participant's SHARP service contract.

Element-4: Formal Recruitment

What: SHARP will deliver a formal recruitment service, as part of its core support-for-service process, by adding an augmented recruitment module.

Why: There is a shortage of healthcare practitioners in Alaska. In addition, for those practitioners in jobs, the turnover rate is high. Further, the distribution of practitioners across the state remains imbalanced. There is no statewide recruitment function, and several prior attempts in private hands have not worked out. Thus, this strategy will help Alaska to become more competitive in recruitment for a range of key occupations.

How: SHARP staff will deliver formal recruitment services, the degree of enhancement based on amount of collected program administration fees, and related revenue. The process is a client-management approach, with milestones such as: (a) Outreach (proactive, visible and ongoing), (b) Engagement (increasing follow-along, and referral), (c) Contracts (jobs and/or SFSP), (e) In-Service Monitoring, and (f) Post-Service Retention (follow-along, & assessment). The capacity to offer this formal recruitment service is based on the ability to collect adequate administrative funding, here-proposed as the flat 5% program administration fee (see Element-3).



Who: SHARP will target the following interested parties both in Alaska and throughout the Lower-48 through this formal process: (a) current health professionals, (b) graduating students and trainees in the health occupations, (c) practice sites of a wide assortment, and (d) trade associations, and (e) related stakeholders.

Main Implementation Steps

- Proposal team discussion May 2015
- SHARP Council review: June 2015
- Site Reps group-work: June 2015
- Proposal revisions, if any June 2015
- DHSS/DPH discussion: June 2015
- Admin assistant plan: June 2015
- SH-3 MOA-3 written: June 2015
- Stakeholder reviews: June 2015
- Site Reps group-work: June 2015
- Proposal – final issued: June 2015
- General presentations: July 2015
- LB&A & OMB meeting Aug. 2015
- Regulations (if needed) Fall 2015
- Site Reps meetings Fall 2015
- Marketing to sites Fall 2015
- SHARP-3 begins Jan. 2016