

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 781 - HB 1281

March 11, 2023

SUMMARY OF BILL: Creates a family medicine student loan repayment grant program, administered by the Department of Health (DOH), to incentivize physicians in residency training to provide medical health services in health resource shortage areas following completion of their training. Authorizes the DOH to award family medicine student loan repayment grants to qualifying physicians of up to \$40,000 per year for a maximum of five years.

Establishes that to be eligible a person must: (1) have graduated from an accredited medical school; (2) be actively enrolled in a Tennessee family medicine residency training program, matched through the existing matching process used for graduate medical education and accredited for certification by the American Board of Family Medicine; (3) apply during family medicine residency training; and (4) enter into a contract with the DOH to provide medical health services in a Tennessee health resource shortage area for at least five years following residency training in family medicine.

Authorizes the DOH to use private donations, grants, federal monies, and state monies to implement, support, promote, or maintain the family medicine student loan repayment program. Requires the DOH to issue an annual report to the Governor, the Chair of the Education Administration Committee of the House of Representatives, and the Chair of the Senate Education Committee detailing the number of physicians applying for and awarded grants, including the number of applicants and grant recipients identified by health resource shortage area.

Authorizes the DOH, in consultation with the Tennessee Student Assistance Corporation, the Board of Medical Examiners, and the Board of Osteopathic Examination, to promulgate rules and regulations for the management and administration of the family medicine student loan repayment program.

FISCAL IMPACT:

Increase State Expenditure - \$520,000/FY23-24

Exceeds \$520,000/FY24-25 and Subsequent Years

Other Fiscal Impact – To the extent the Department of Health receives private donations or is awarded federal monies, any such funding would be expended towards the proposed program. The extent and timing of any such funding and subsequent expenditures for the program is unknown.

Assumptions:

- The proposed legislation establishes the amount of student loan repayment grants be up to \$40,000 for five years, but not more than the physician's total student loan debt.
- According to Association of American Medical Colleges, the median education debt of medical school graduates was \$200,000, as of the year 2020.
- There are 11 family medicine residency training programs in the state. An average of 66 graduates were matched in these programs each year between 2017 and 2022.
- This analysis assumes approximately 20 percent of those graduates will participate in the grant program, or 13 individuals (66 x 20%).
- The increase to state expenditures is estimated to be \$520,000 (13 recipients x \$40,000 award) in FY23-24.
- The increase to state expenditures is estimated to exceed \$520,000 in FY24-25 and subsequent years.
- The DOH can administer the program and compile and submit the required reports within existing resources.
- To the extent the DOH receives private donations or is awarded federal monies, any such funding would be expended towards the proposed program. The extent and timing of any such grant or donation and subsequent expenditures for the program is unknown.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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