



Loan Forgiveness Program Evaluation

Loan Forgiveness Program

Minnesota’s Loan Forgiveness program has been evaluated twice in recent years, once in 1999 and again in 2007. Both evaluations describe an effective program that meets its goals of recruiting providers to underserved areas, and that is an influential factor in recipients’ decision of where to practice after graduation.

Most participants reported loan forgiveness was important to very important in influencing their decision to practice in a rural or underserved area.ⁱ

States loan forgiveness programs, with budgets from \$90K - \$35 million, and there are 26,000 participants nationally. According to a national studyⁱⁱ, “state [Loan Forgiveness] programs bring physicians to needy communities where they find satisfying work and remain for many years,” and retention outcomes for loan forgiveness are better than other incentives such as scholarships or stipends.

Recipient Data

Minnesota’s Loan Forgiveness program dates back to 1992, and has changed over the years to include new provider types, and various levels of funding. Here is ten fiscal years of data outlining the funding by source, and the number of new awards:

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Appropriations (1,000s)										
Health Care Access Fund	740	740	740	740	740	740	740	740	740	740
Board of Nursing SGSR					200	200	200	200	200	125
Board of Medical Practice SGSR					200	200	200	200	200	200
Loan Forgiveness GF					155	155	155	155	155	95
<i>MMA Foundation</i>	50	50	50	50			50			
Total Loan Forgiveness Funding	790	790	790	790	1,295	1,295	1,345	1,295	1,295	1,160
Number of New Awards	16	18	16	23	28	22	36	35	48	46

ⁱ Both evaluations are available at: <http://www.health.state.mn.us/divs/orhpc/funding/loans/index.html>

ⁱⁱ Pathman et al, Medical Care 2004 42: 560-568

New Findings

In the summer of 2014, MDH evaluated retention data for the program. MDH used program data, licensing board data, and in certain cases survey data to verify practice site for recipients of the program. Past recipients were tallied based on whether their current practice site would still qualify them for the program. The timeframes are the number of years after completion of program requirements.

Rural Physician Loan Forgiveness Program	5 Years (FY10-14)	10 Years (FY04-14)	15 Years (FY00-14)	20 Years (FY94-14)	20+ Years (FY91-14)
Stayed in rural community by original definition of rural area	88.9% (8)	87.9% (36)	78.3% (94)	73.5% (125)	74.5% (149)
<i>Participants</i>	9	41	120	170	192

Rural MidLevel Loan Forgiveness Program	5 Years (FY10-14)	10 Years (FY04-14)	15 Years (FY00-14)	20 Years (FY94-14)	
Stayed in rural community by original definition of rural area	100% (5)	93.1% (27)	71.6% (48)	70.2% (80)	
<i>Participants</i>	5	29	67	114	

Rural Pharmacist Loan Forgiveness Program	5 Years (FY10-14)	8 Years (FY06-14)			
Stayed in rural community by original definition of rural area	80% (8)	84.2% (32)			
<i>Participants</i>	10	38			

Nurse Loan Forgiveness Program	5 Years (FY10-14)	10 Years (FY04-14)	15 Years (FY00-14)	20 Years (FY94-14)	
Stayed in Licensed Nursing Home or Independent Care Facility	N/A	73.7% (14)	69.7% (23)	56.7% (38)	
<i>Participants who responded to the MDH survey</i>	0	19	33	67	

Dentist Loan Forgiveness Program	5 Years (FY10-14)	10 Years (FY04-14)	12 Years (FY02-14)		
Active MN License and Practicing, offering Public Assistance	66.7% (4)	51.6% (16)	51.7% (31)		
<i>Participants</i>	6	31	60		

Nurse and Allied Health Faculty Loan Forgiveness Program	5 Years (FY10-14)	10 Years (FY04-14)			
Teaching Nursing/Allied Health in a MN University/College Setting	100% (8)	76.6% (36)			
<i>Participants</i>	8	47			