

# Assembly Bill 2048

## State Loan Repayment Program Streamlining

*Assemblymember Adam Gray, 21<sup>st</sup> Assembly District*



### IN BRIEF

AB 2048 streamlines participation in the State Loan Repayment Program (SLRP) by:

- Automatically enrolling Federally Qualified Health Centers (FQHCs) as a Certified Eligible Sites;
- Eliminating the three year renewal application to remain a Certified Eligible Site;
- Notifying Certified Eligible Sites when the SLRP provider application cycle opens;
- Supporting community health centers ability to participate in the program by matching federal investment in the program with state resources, and thereby eliminating the financial burden that has so far, blocked participation;
- Requiring OSHPD to provide a report to the Legislature detailing program information.

### THE PROBLEM

Federally Qualified Health Centers (FQHCs) are safety net providers that serve some of the nation's most vulnerable communities. They are required to offer services to all persons regardless of their ability to pay, be a nonprofit or public organization, serve a medically underserved area, and provide comprehensive primary care services. FQHCs reduce health disparities by serving communities that would otherwise not have access to services. Care received at these centers is ranked among the most cost-effective, producing \$24 billion in annual health system savings, yet studies have found that the quality of care provided is equal to or even greater than the quality of care provided elsewhere.

The State Loan Repayment Program (SLRP) was created in 1987 to increase and retain the number of primary care physicians, dentists, nurse practitioners, pharmacists, and mental and behavioral specialists in health professional shortage areas.

While the SLRP is an important program to recruit healthcare professionals to communities in need, FQHCs face burdensome obstacles to participation. Despite their federal designation, each FQHC is required to submit an application to be placed on the list of Certified Eligible Sites before applicants from their facility may be considered for loan repayment. In addition, FQHCs must renew their application every three years to continue participation in the SLRP.

Finally, federal SLRP dollars require a state match, but, while other states provide this match themselves, California has shifted the cost onto the health centers. California receives just \$1 million in federal funding annually, but many small and medium size health centers that cannot afford to provide matching funds are precluded from SLRP participation.

As a result of these requirements, less than one third of the health centers in the state are currently listed as Certified Eligible Sites.

### THE SOLUTION

AB 2048 streamlines participation in the SLRP by eliminating Certified Eligible Site application and renewal requirements for FQHCs, creating notification and reporting requirements to keep health centers and the Legislature informed about the program, and lifting the financial burden of providing matching funds off the shoulders of the health centers.

### SUPPORT

CaliforniaHealth+ Advocates  
Central Valley Health Network

### FOR MORE INFORMATION

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**TALKING POINTS**

- AB 2048 is a simple, yet effective way to support community health centers ability to recruit and retain providers by strengthening the California State Loan Repayment Program (SLRP).
- For community health centers and other employers who are recruiting providers to underserved communities, SLRP is a vital program and resource.
- Unfortunately, SLRP is currently structured in a way that disincentives participation among Federally Qualified Health Centers who serve low-income and uninsured communities.
- AB 2048 will address these challenges by streamlining participation in the State Loan Repayment Program (SLRP) and by requiring the matching of federal investment in the program with state resources, and thereby eliminating the financial burden that has so far, blocked participation.
- PROVIDE REAL LIFE EXAMPLE FROM YOUR HEALTH CENTER.