Service Obligations Brief

Due to individual, economic and cultural factors, the US educational system does not train enough clinicians to meet the population's primary care needs. The US healthcare workforce does not reflect the larger population demographically or in distribution across the country. Some areas have more clinicians than needed, other areas have little to no access to care.

For almost 50 years a variety of state and federal programs have attempted to address these supply and maldistribution issues via a variety of policy solutions. One of the most enduring tools is the use of incentives tied to service obligations to encourage clinicians to choose primary care professions and practice in underserved communities.

At a high level, a service obligation is a contract that a person signs, promising that he or she will perform some activity in return for a benefit. The benefit involved can vary but most commonly is a conditional scholarship award, conditional loan with favorable terms, loan repayment award or privileged visa or immigration status.

In order to receive the benefit, the individual becomes contractually obligated to meet the service requirements. These requirements typically include practicing a specified occupation in a specified location for a specified period of time. The length of service obligation vary by program but are typically between two to five years. Statute creates the length of the service obligation but the operationalization of the service obligation occurs in rule or policy.

Setting the terms of a service obligation requires the creation of policies covering a host of factors, as well as the penalties that are imposed should the service obligation not be meet. Items that must be defined by the program include:

- Criteria for locations to be approved service sites
    - Some loan repayment programs require a practice to accept Medicare, Medicaid, have a sliding fee scale and be located in a federally designated shortage area.
- Number of days or weeks that must be spent working at the approved location
    - Loan repayment programs typically require 45 weeks per year be worked, sites have to report days away from practice. If a clinician is gone more than the allowed number of days then extra time must be calculated and added to the end date of the service obligation.
- Allowed types of practice specialties and what counts as practice
    - Loan repayment programs typically only allow outpatient primary care with a few exceptions. Time spent on call, teaching and administration work doesn't count towards service hours required. Telemedicine is approved to count towards service obligation in only some circumstances, etc.
- Allowable circumstances for a clinician to change practice locations and a process for approving transfer requests.

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Service obligations require extensive staff time to monitor and require years of follow up to ensure the obligated clinician is meeting requirements. They impose a burden on the employer to submit reports detailing the clinician's hours, time away from the practice and attesting that service is to the intended population. Particular challenges can arise when a clinician is place bound and there are limited or no approved service locations near him or her. This can lead to a clinician being in default on his or her service obligation due to their inability to move.

When creating new program it's important to consider whether a service obligation is justified given the possible number of participating individuals, cost of administration, and stated policy goal of the program.

The Legislative intent language in 2SSB 5846 indicates a desire to support the integration of international medical graduates (IMGs) into Washington's primary care system. The bill language is silent regarding intent to increase access to underserved populations specifically. Given this direction from the Legislature – if a service obligation is recommended at all – it is logical to limit it to requiring the physician to practice primary care in Washington. This would be similar to a federal loan program that grants a more favorable loan interest rate so long as the physician practices primary care. So long as the physician practiced primary care anywhere in Washington then the terms of the obligation would be met. This could simplify the tracking of service obligations. There would still need to be a determination and enforcement of consequences should the physician not fulfill this obligation. The Washington Health Corps (formerly the Washington Health Professional Loan Repayment and Scholarship Program) requires a fiscal penalty set in RCW when a participating provider defaults. Clinician defaults are not frequent but they are also not uncommon.

Another option for the group to consider is to not recommend a service obligation. Facilitating the primary care practice of Washington IMGs could be assumed to represent a net positive for the state primary care workforce. More Washington residents would complete primary care residencies in the state and remain here to practice medicine. US medical graduates do not incur a service obligation when entering a Washington-funded primary care residency position. Those US medical graduates also incur no service obligation when they attend medical schools in Washington where tuition is partially subsidized with tax-payer dollars. Imposing a service obligation on a Washington IMG that is not imposed on a Washington medical school graduate could be considered inequitable.

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