States Use Loan Repayment Programs to Attract Dentists to Underserved Areas

By Tim Weldon
Parts of some states can’t seem to attract enough dentists. Some states are responding to that need by offering repayment of dental school loans as an incentive to move to those underserved areas.

Nici Bishop of Phillips County, Colo., sees the lack of dentists in her hometown as a problem on two fronts.

As a mother, Bishop has to drive about 50 miles to take her three children to a dentist in the next county. As the county’s director of economic development, she knows the challenges it creates in attracting employers to her county.

With a population under 4,500, Phillips County in northeastern Colorado has had trouble attracting enough dentists—or any dentists, for that matter. In August 2007, one dentist set up shop in Haxtun, one of two towns in Phillips County, but packed up his dental picks, probes and mirrors just nine months later and left town.

The search is on, again, for another dentist to serve Phillips County.

“That’s part of the infrastructure needs you have to have to build a thriving community, and that’s one piece we’re lacking,” Bishop said.

Phillips County is far from being alone. It’s one of nine counties in Colorado without a dentist. According to data from the U.S. Health Resources and Services Administration, 29 counties in Colorado, and more than 3,700 nationwide, do not have enough dentists. More than 250 counties nationwide have none at all.

David Bowman, a spokesman for the health resources agency, said every state has designated dental Health Professional Shortage Areas. It would take more than 6,700 additional dentists to meet the needs in those counties, according to Bowman.

Colorado Repays Student Loans

The problem in Colorado may not be the number of dentists in the state, but how they’re distributed. Although nearly half the state’s counties are designated shortage areas for dentists, only nine states have more dentists per capita than Colorado.

State Dental Director Diane Brunson points out that 80 percent of Colorado’s dentists and 80 percent of the state’s population are located within 25 miles of the Interstate 25 corridor, which spans the state from north to south. That leaves the rest of Colorado isolated and underserved by dentists and other medical professionals.

In 2001, Colorado’s legislature authorized a loan repayment program to encourage dentists to treat underserved populations. It pays off educational loans up to $25,000 per year for two years for dentists who agree to treat underserved patients. The amount of the loan repayment awards is determined by the number of underserved patients the dentist treats each month. Those receiving the maximum award must treat at least 40 patients per month.

Colorado defines underserved patients as those enrolled in Medicaid or the Children’s Basic Health Plan Program, uninsured patients treated on a sliding-fee scale, or low-income senior citizens. Since the program’s inception, more than 120,000 low-income patients in Colorado have received dental treatment from dentists practicing in 13 shortage area counties and five other counties in Colorado with extensive underserved populations.

Colorado’s loan repayment program doesn’t require dentists to practice in underserved areas as long as they agree to treat these patients. In fact, Brunson said most of Colorado’s underserved population lives in Denver, not in the state’s more isolated regions. Geographic distribution, however, is her top criteria in determining which dentists will receive awards.

During the 2006-07 fiscal year, the state earmarked approximately $200,000 from tobacco settlement money for the loan repayment program. That money helped pay student loans for 21 dentists in Colorado last year, including nine who joined the program for the first time.

A Dentist’s Perspective

Dr. Boone Karr is one of those dentists. He treats more than 150 underserved patients each month at the Sunrise Community Health Center dental clinic in Greeley, Colo.

Karr graduated from the University of Minnesota’s School of Dentistry in 1997 with $127,000 in student loans. More than 10 years later, he is still paying off those debts. After working for several years at a private dental practice, he accepted a job at Sunrise, a Federally Qualified Health Center for low-income patients. He said Colorado’s loan repayment program influenced his decision to take the job.

“I think it was one of the factors that I considered in accepting the job here, but I don’t think it was the only factor. I looked at it as a nice bonus,” he explained.

According to a survey conducted by the American Dental Education Association, more than 90 percent of dental school graduates have student loan debts. The average debt load for a new dentist graduating in 2007 was $172,627.

Karr calls the loan repayment program a win-win situation. In addition to encouraging greater numbers of dentists to treat low-income patients, the program will help him pare down his student loan debt.

While Karr said he is grateful for the program, he pointed out that state and federal taxes on his loan repayment award reduces the amount he receives by more than a third. “I wish we could increase the amount available and decrease the amount at which they’re taxed,” he added.

Other States Try Loan Repayment

Most states offer student loan repayment programs to dentists who practice in underserved areas or who treat underserved populations.

Like Colorado, Maryland’s dental loan repayment program, first funded by the state legislature in 2000, is tied to the number of disadvantaged patients a dentist treats rather than where a dentist practices. However, unlike Colorado, dentists participating in Maryland’s Dent-Care
Dentists are

Loan Assistance Repayment Program receive as much as $30,000 to cover federal taxes in addition to $70,000 in loan repayment over a three-year period.

In return, the dentists must agree to provide treatment to low-income patients enrolled in the Maryland Medical Assistance Program for three years. Those patients must account for at least 30 percent of the total number of clients treated by dentists participating in the loan repayment program.

Many other state loan repayment programs require dentists to practice in designated shortage areas. Examples of those repayment programs include:

- **Texas**: Dentists willing to practice in federally-designated shortage areas can receive up to $10,000 and may also qualify for matching federal funds. In addition to practicing in a designated shortage area, dentists in Texas must agree to accept Medicaid as full payment for services provided and may not deny services based on a patient’s ability to pay.

- **North Dakota**: Dentists are required to make a four-year commitment to practice in an underserved area of North Dakota. Preference is also given to dentists who agree to accept Medicaid patients in proportion to the percentage of Medicaid-eligible people in the dental service area, which is 10 percent in most areas of the state. Dentists selected for the program can receive up to $80,000 for student loan repayment over four years.

- **Virginia**: In addition to a loan repayment program, Virginia also provides scholarships to dentistry students at Virginia Commonwealth University who agree to practice in areas with dental shortages. For each year of a scholarship or loan repayment, dentists are obligated to provide one year of full-time service in a state-designated area of need or be employed in a qualifying state facility. In its first two years, the Virginia program has provided 15 loan repayment awards ranging from approximately $10,000 to $15,000. Loan repayment awards in Virginia will vary, depending on public university tuition for the year in which the loan was acquired.

Virginia policymakers are beginning to favor loan repayment for practicing dentists over scholarships to dental students, according to Elizabeth Barrett, manager of the Virginia Oral Health Promotions Unit. “With loan repayment, there’s more of an assurance that the person’s going to do what they say they’re going to do,” she said. “It’s difficult for students to know what they’re going to be doing four years down the line.”

The federal government also operates loan repayment programs for dentists, including the National Health Service Corps, which provides loan repayment to dentists and other health professionals who agree to work full-time in a public or nonprofit location within a shortage area.

However, advocates of state loan repayment programs point out the federal programs are necessarily effective in luring dentists to underserved areas. She said dentists often can earn more money practicing in urban areas and are frequently turned off by the lifestyle in rural counties.

A recent survey asking Colorado dentists what factors influenced their decisions on where to practice appears to support her conclusion.

“The location of the community, their scope of practice, the fit between family and the community, and recreational sports and activities were the top four decision items … where somebody decided to practice,” Brunson explained. “Loan repayment was second to the bottom.”

In another survey, dentists and medical doctors were asked about the role loan repayment programs played in deciding to practice in underserved areas, Brunson said. While physicians responded that loan repayment programs were important in their decisions, “overwhelmingly, for dentists it was not important,” she said.

“What we have found is that those folks would practice (in an underserved area) anyway. They’re interested in public health,” she added.

However, a 2005 study of 27 state loan repayment programs for dentists by the National Conference of State Legislatures concludes, “loan repayment is cost-effective, is increasing the number of providers in underserved areas and is enhancing access to oral health in those communities.”

A 2004 study of California’s loan repayment program concluded that the program’s cost amounted to just $10 per patient treated by participating dentists. That report also estimated that half the dentists in California’s loan repayment program would remain in underserved areas after they completed the program.

—Tim Weldon is a health policy analyst for The Council of State Governments.