

# AI/AN Health Partners

March 27, 2022

The Honorable Gwen Moore  
2252 Rayburn House Office Building  
Washington, DC 20515

The Honorable Tom Cole  
2207 Rayburn Office Building  
Washington, Dc 20515

Dear Representatives Moore and Cole:

The American Indian/Alaska Native Health Partners coalition thanks you for introducing the *Indian Health Service Health Professions Tax Fairness Act of 2022*. This important bill would amend the tax code to provide health care professionals who receive student loan repayments and scholarships from the Indian Health Service (IHS) the same tax-free status enjoyed by those who receive National Health Service Corps (NHSC) loan repayments.

Under the IHS and NHSC programs, health care professionals provide needed care and services to underserved populations. However, unlike the NHSC program the IHS uses a large portion of its resources to pay the taxes that are assessed on its loan recipients. Currently, the Service is spending 29 percent of its Health Professions account for taxes. Making the IHS loan repayments and scholarships tax-free would save the agency over \$11.6 million a year and would fund an additional 253 loan repayment awards without increasing the Service's annual appropriation. This is based on the 2021 average new award of \$45,850.

The loan repayment program has proven to be the IHS's best recruitment and retention tool to ensure an adequate health workforce to serve in remote locations. The IHS currently has over 1,398 vacancies for health care professionals including: physicians, dentists, nurses, advanced practice registered nurses, pharmacists, physician assistants, dietitians, and nurse practitioners. The IHS Health Professions Scholarship Program and the Loan Repayment Program play a significant role in the recruitment and retention of healthcare professionals needed to fill these vacancies.

In Fiscal Year 2021, a total of 1,658 health care professionals received loan repayment. This included 539 new awards, 604 contract extensions, and 515 health professionals starting the second year of their FY 2020 two-year contract. The IHS had 341 requests for loan repayment that could not be fulfilled. At the same time, the IHS had over 500 new scholarship applicants but was only able to fund 255 new awards.

The taxation of these benefits blunts their impact and limits their reach to health professionals who are interested in doing this critical work, and for whom recruitment and retention tools like loan repayments and scholarships are vital.

The COVID-19 pandemic has disproportionately affected AI/AN communities and exacerbated health inequities. Health care professionals working within IHS, Tribal facilities, and Urban Indian Organizations were stretched to meet patients' needs and continue to face substantial challenges responding to the pandemic and related health effects. Now is a critical time for this policy to enhance recruitment and retention to support the IHS health workforce on the front lines of this pandemic.

Thank you again for your bipartisan leadership in introducing, the *Indian Health Service Health Professions Tax Fairness Act of 2022*. We look forward to working with you to pass this important legislation.

Sincerely,

Academy of Nutrition and Dietetics  
American Academy of Dermatology Association  
American Academy of PAs  
American Academy of Pediatrics  
American Association of Colleges of Nursing  
American Association of Colleges of Osteopathic Medicine  
American College of Obstetricians and Gynecologists  
American Dental Association  
American Dental Education Association  
American Optometric Association  
American Physical Therapy Association  
Commissioned Officers Association of the USPHS  
National Kidney Foundation