

August 9, 2000

The Honorable Donna E. Shalala  
Secretary  
Department of Health and Human Services  
615F Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, D.C. 20201

Dear Madam Secretary:

A recent *New York Times* article portrayed several healthcare providers who were promised National Health Service Corps (NHSC) loan repayment bonuses in exchange for their service in medically and dentally underserved areas. To their surprise, the NHSC informed them that loan repayments would not be provided due to a shortage of funds. According to the article, nearly 700 providers have been denied loan repayment funds this year due to a shortage of program funds.

Each year, our respective organizations promote the NHSC and its loan repayment and scholarship programs with students and graduates, many of who opt to practice in health professions shortage areas. The Corps' treatment of these healthcare providers is inexcusable, especially at a time when the nation is struggling to increase the availability of medical, dental, and mental/behavioral health care services in underserved rural, frontier, and metropolitan areas.

The message this sends contradicts the Health Resources and Services Administration's (HRSA) *100% Access, 0% Disparities* program goals and could possibly damage the reputation and credibility of the NHSC for years to come.

The problem appears to stem not only from the unavailability of funds but also from the administrative procedures in place to manage the NHSC loan repayment program. First, the promise of loan repayment is tacitly implied when candidate practitioners are provided lists of underserved areas and instructed that the first step is to sign contracts with clinics in these areas. Second, assurances of loan repayment are made at local, regional, and federal levels, when, in fact, only HRSA staff in Rockville, Maryland know the level of current year funding.

Regardless of the reason, these healthcare providers made their decisions to take positions in medical and dental underserved areas based on a "good faith" assumption that the federal government would make loan repayments available.

**The undersigned groups urge the Department to use end of year funds and keep the promise made to these dedicated providers.**

Sincerely,  
American Association of Colleges of Nursing  
American College of Nurse-Midwives  
American Academy of Child and Adolescent Psychiatry

American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Neurology  
American Academy of Orthopaedic Surgeons  
American Academy of Otolaryngology – Head and Neck Surgery  
American Academy of Pediatrics  
American Association of Electrodiagnostic Medicine  
American College of Cardiology  
American College of Emergency Physicians  
American College of Nuclear Physicians  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Surgeons  
American College of Osteopathic Emergency Physicians  
American College of Osteopathic Family Physicians  
American College of Physicians-American Society of Internal Medicine  
American College of Preventive Medicine  
American College of Radiology  
American College of Surgeons  
American Dental Association  
American Dental Education Association  
American Gastroenterological Association  
American Medical Association  
American Medical Group Association  
American Osteopathic Association  
American Psychiatric Association  
American Psychological Association  
American Society for Reproductive Medicine  
American Society of Anesthesiologists  
American Society of Cataract and Refractive Surgery  
American Society of Clinical Pathologists  
American Society of General Surgeons  
American Society of Hematology  
American Society of Plastic Surgeons  
American Thoracic Society  
American Urological Association  
Association of Colleges of Osteopathic Medicine  
National Dental Association  
National Medical Association  
Renal Physicians Association  
Society of Nuclear Medicine

Cc:

Dr. Claude E. Fox, Administrator, HRSA  
Marilyn Gaston, Associate Administrator, HRSA