

CASE STUDY

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How L.A. Care Designed a Provider Loan Repayment Program

Improving the supply and diversity of physicians serving in safety net settings

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Overview

The challenge

In the United States, a growing shortage of primary care physicians is projected to impact millions of patients. Safety net health systems that provide care to low-income patients, including uninsured and Medicaid populations, struggle to offer competitive physician salaries. Primary care physicians facing financial pressure from educational debt may be influenced to seek higher paying positions, resulting in a severe impact to vulnerable patients as the physician shortage worsens. More than ever, candidates from underrepresented racial and ethnic backgrounds need support to enter health care professions and commit to serving vulnerable communities.

The organization

L.A. Care Health Plan is the nation's largest publicly operated health plan serving more than 2.5 million members. Established in 1997, L.A. Care's mission is to provide access to quality health care for Los Angeles County's vulnerable and low-income populations and to support the safety net systems in place to serve them.

The approach

L.A. Care launched the Elevating the Safety Net (ESN) initiative in 2018, with a commitment of \$155 million dollars over five years to support the recruitment and retention of physicians from underrepresented racial and ethnic groups into Los Angeles County's safety net. A core program of the ESN initiative is the Provider Loan Repayment Program (PLRP). This initiative awards primary care providers up to \$180,000 in exchange for a three-year commitment to practicing in the safety net. L.A. Care approached the creation of the PLRP by assessing gaps in their workforce, creating clear application criteria, establishing strategic community partnerships, and integrating this program into their larger ESN initiative.

OVERVIEW**The result**

Since program launch in 2018, L.A. Care has distributed over 100 PLRP awards to primary care physicians, with 64% of awardees identifying with an underrepresented racial/ethnic group in medicine. The PLRP cohort has an 89% retention rate, and L.A. Care plans to sustain multi-year grants in addition to the nearly \$26 million already committed to the program. This initiative has successfully recruited providers and created a competitive advantage to attract primary care physicians into safety net settings.

Approach

L.A. Care is a publicly operated health plan seeking to improve the supply and diversity of physicians serving in safety net settings. Its investment into the Provider Loan Repayment Program (PLRP) is an example of meaningful commitment to diversity, equity, and inclusion (DEI). While L.A. Care does not directly recruit or pay physicians, it identified physician loan repayment as a way to address the primary care workforce shortage in their community, support safety net providers unable to pay higher salaries, and strengthen the care system for their underserved, low-income members. L.A. Care's PLRP, and the broader overall ESN initiative, is an excellent example of a health plan investing financial support and creating infrastructure to advance DEI in its community.

As of 2022, nearly \$26 million of the ESN initiative funds have been dedicated to the Provider Loan Repayment Program.

The design of the PLRP was guided by a diverse set of stakeholder groups, including L.A. Care board members, who represent members, consumers, federally qualified health centers, hospital systems, the Los Angeles Department of Health and Social services, children's health care providers, private practices, and community clinics.

APPROACH

The four strategies

L.A. Care approached the creation and implementation of the PLRP with four key strategies:

01 Design program to account for local context

02 Create clear application criteria

03 Establish strategic partnerships to facilitate program administration

04 Consider extending financial support to safety net employers and medical students

01 Design program to account for local context

L.A. Care grounded the design of the Provider Loan Repayment Program in evidence they obtained from analyzing the specific characteristics and needs of their service region.

Prior to launching the PLRP, L.A. Care conducted research to identify the impact of the primary care physician shortage on their members. As of 2017, Los Angeles County had 48 primary care providers per 100,000 people in comparison to the recommended 60 to 80. Moreover, according to a July 2020 report from the California Health Care Foundation, among the over 10 million people living in Los Angeles County, over 3.7 million live in an area with a shortage of primary care health professionals, including nearly 59,000 people who are experiencing homelessness—many of whom have extensive health needs.

L.A. Care recognized that Medi-Cal (California's Medicaid Program) populations are among the most severely impacted by the primary care shortage. Safety net employers struggled to offer competitive salaries and loan repayment programs compared to larger and for-profit health care employers. Primary care physicians, while often expressing a desire to serve in safety net settings, also face financial pressures from educational debt that may influence their decisions to take higher paying jobs.

L.A. Care also conducted a demographic analysis of their Medi-Cal membership, finding that nearly 40% identified as Hispanic or Latino and that 37% listed a preferred language other than English, including 27% who listed Spanish as their preferred language. L.A. Care wanted to build a workforce to better reflect their members.



DESIGN PROGRAM TO ACCOUNT FOR LOCAL CONTEXT

L.A. Care saw an opportunity as a publicly operated health plan to support the safety net systems that provide health care to most of their members and improve representation in the local workforce. In July 2018, L.A. Care established the Provider Loan Repayment Program to increase the supply, distribution, and diversity of physicians who commit to serving in safety net settings.

The design of the PLRP was further guided by consultations with similar programs focused on mitigating workforce shortages. L.A. Care modeled their program after the Office of Statewide Health Planning and Development's (OSHPD's) Steven M. Thompson Physician Corps Loan Repayment Program, which focuses on increasing physician retention for medically underserved areas of California. However, while OSHPD's program awards physicians \$105K for a three-year commitment, L.A. Care instituted a \$180K maximum reward based on the high cost of living in Los Angeles County to offer a competitive alternative. Tailoring the loan repayment award to account for local context was critical to ensure successful recruitment of providers.

Early in the program, L.A. Care also decided to track four main data domains to measure the impact of the program:

Domain	Metrics
Demographics	Race, ethnicity, gender, and language spoken
Distribution	Service planning area, primary care specialty, and employer type
Finances	Educational debt and award total
Retention	Length of practice in the safety net and reason for leaving the program (i.e., debt paid off or change in employment status)

02 Create clear application criteria

Primary care physicians are eligible to apply for the Provider Loan Repayment Program if they meet a rigorous set of requirements. The criteria below allow L.A. Care to capture the right applicants and make progress toward the goals of attracting, retaining, and growing the network of physicians who commit to practicing in a safety net setting.

To be eligible for a Provider Loan Repayment Program award, a primary care physician must:

- Practice in an eligible specialty, including family medicine, internal medicine, obstetrics/gynecology, pediatrics, or psychiatry
- Be new to L.A. Care’s Medi-Cal network
- Apply within six months of being hired by a qualified safety net practice site
- Provide board eligibility or certification in one of the approved specialties
- Clear L.A. Care’s credentialing process
- Commit to practicing in the safety net for at least 36 months
- Provide at least 16 hours of direct patient care per week
- Demonstrate financial need based on outstanding educational debt
- Demonstrate cultural and linguistic competency, although not required to speak a Medi-Cal threshold language
- Complete all application materials
- Submit annual reports summarizing outstanding educational debt and payments in the last year
- Participate in post-program survey activities to evaluate program effectiveness

03 Establish strategic partnerships to facilitate program administration

Prior to establishing the Provider Loan Repayment Program, L.A. Care evaluated its organizational capabilities and sought support for facilitating logistics. L.A. Care partners with an external organization, Uncommon Good, to manage the administration of the loan repayment awards. Uncommon Good is a nonprofit organization based in Claremont, California. Uncommon Good’s mission is to break the intergenerational cycle of poverty through programs in education, health, and environmental health, and this organization has administered programs similar to the PLRP for over 20 years. Specifically, Uncommon Good had experience facilitating a program called Medicine for Economically Disadvantaged (MED), which provides educational loan repayment assistance to health practitioners in return for serving low-income populations.

Each year, L.A. Care allocates a lump-sum grant to Uncommon Good—this started at \$3 million in 2018 and has risen to \$7.96 million in 2022. Uncommon Good then reviews PLRP award applications, makes recommendations to L.A. Care for funding considerations, and disburses the monthly awards to the individual physicians. Uncommon Good also administers a post-program survey to collect qualitative data from physicians who exit the program (either upon contract completion or early departure), which enables assessment of provider satisfaction and areas for future improvement. While L.A. Care provides the data infrastructure and financial support necessary to run the program, Uncommon Good’s community knowledge and program management experience enables smooth facilitation of the Provider Loan Repayment Program.

04 Consider extending financial support to safety net employers and medical students

L.A. Care recognized that addressing the workforce shortage and improving the racial/ethnic diversity of the health care workforce requires a multipronged approach. The Provider Loan Repayment Program is one of three core components within Elevating the Safety Net (ESN), L.A. Care’s umbrella initiative focused on recruiting physicians to L.A. County’s safety net.

L.A. Care launched the ESN initiative in 2018 with three core programs: the Provider Loan Repayment Program, a Provider Recruitment Program, and a Medical School Scholarship Program. The Provider Recruitment Program awards safety net employers up to \$125,000 per primary care provider hired and committed to at least three years of practice in the safety net. The Medical School Scholarship Program awards full-tuition scholarships to students who demonstrate financial need, come from disadvantaged backgrounds, and express a sincere commitment to practicing in the safety net upon completion of their medical training.

Since 2018, L.A. Care has added seven programs to the ESN initiative focused on mobilizing community partners to support the health care workforce:

- **Residency Support Program:** Dedicated funding for new residency positions to expand local medical training in underserved community settings
- **IHSS+ Home Care Training Program:** Offers a 10-week curriculum that educates and empowers caregivers who provide services for home-bound seniors and persons with disabilities
- **Community Health Worker (CHW) Training Program:** 9-week course in collaboration with Loma Linda University to integrate CHWs in the primary care workforce serving vulnerable populations

CONSIDER EXTENDING FINANCIAL SUPPORT TO SAFETY NET EMPLOYERS AND MEDICAL STUDENTS

- **National Medical Fellowships:** 6-week service-learning experience that matches medical school students to community health centers in Los Angeles and provides them with a \$5,000 stipend
- **Health Career Connection Internship Program:** 8-week summer internships for undergraduate students designed to encourage future pursuit of health care careers and offers a \$4,200 stipend
- **Keck Graduate Institute (KGI) School of Medicine Support Program:** \$5 million grant covering full tuition for 45 students from underserved communities to pursue a master’s degree in community medicine in conjunction with the MD degree
- **Charles R. Drew University of Medicine and Science – New Medical Education Program:** \$5 million grant to expand the availability of medical training in underserved communities by supporting key components of the program, which is set to welcome the first class of 60 new medical students starting in 2023

L.A. Care launched the Elevating the Safety Net initiative with a commitment of \$155 million over five years and has invested nearly \$93.6 million across 10 programs. (As of December 2021, nearly \$26 million went specifically to PLRP awards.) Beyond providing an incentive to individual providers to enter the safety net practice setting, L.A. Care’s approach enables multiple stakeholders to benefit—employers are incentivized to hire primary care providers, and students still in medical school can begin exploring options for their future careers. The presence of these programs within the larger structure of the ESN initiative contributes to the success of the PLRP by enabling a holistic approach to physician recruitment and retention. L.A. Care looks for synergies across the individual ESN programs. For example, the health plan encourages qualified practice sites to apply to the Provider Recruitment Program *and* tell prospective employees about the PLRP.

Results

How we know it's working

As of 2022, L.A. Care has distributed 108 PLRP awards to primary care physicians, with 96 current active awards. Of the providers receiving awards, 42% are licensed in family medicine, 32% in pediatric medicine, 18% in internal medicine, 6% in psychiatry, and 2% in obstetrics/gynecology.

The PLRP also supports improved care for Medi-Cal members, with 54% of awardees practicing in a Federally Qualified Health Center, 24% in a Los Angeles County Department of Health Services facility, 13% in a medical group, 2% in private practice, and 7% in a Los Angeles County Department of Mental Health facility (where psychiatrists can serve Medi-Cal members in a co-located primary care setting).

Underrepresented racial and ethnic groups are well represented among the PLRP awardees. L.A. Care reports that the awardees are 16% Asian, 9% Black or African American, 28% White or Caucasian, 21% Hispanic or Latinx, 12% Native Hawaiian or Pacific Islander, and 14% other. Gender representation is 65% female and 35% male. In addition, the languages spoken by PLRP providers (other than English) include: 43% Spanish, 5% Mandarin (Mandarin Chinese), 4% Armenian, 4% Cantonese (Yue Chinese), 4% Tagalog, 3% Farsi (Persian), 2% Korean, 1% Russian, 1% Arabic, and 19% other, including no response.

Of the 108 providers who have received PLRP awards, only 12 did not complete their three-year service commitment and 4 of them paid off their debt before the completing the commitment. Overall, L.A. Care has a nearly 89% retention rate for the PLRP cohorts.


RESULTS

This data demonstrates that the PLRP successfully recruits diverse providers and creates a competitive advantage to attract primary care physicians into safety net settings. L.A. Care's approach serves as a model for intentional design and thorough implementation in efforts to advance workforce diversity and equity while also addressing clinician shortages.




What's next

As L.A. Care completes the last year of its five-year funding commitment, the organization has a clear plan in place for ensuring that the Provider Loan Repayment Program can continue supporting physicians who commit to practicing in safety net settings. In 2021, L.A. Care's board of governors approved a new grant of \$7.96 million to provide loan repayment awards to 30 to 60 new providers. The organization also plans to extend existing awards by an additional two years for up to 22 providers who completed their three-year service commitment yet have remaining educational debt. Moving forward, L.A. Care plans to sustain multi-year grants and contracts, identify alternative and matching funds that can strengthen the PLRP, and establish partnerships to expand support for their local safety net workforce for an additional five years, through 2027. To ensure the longevity of the program, L.A. Care is conducting an evaluation to assess the investments made to date, identify priority areas for funding to support DEI among the local physician workforce, and explore new opportunities to secure funding.

This strategic vision for financial sustainability is a critical component that maximizes the impact of the PLRP. With secured funding for loan repayment awards, L.A. Care can continue advancing workforce equity by building its network of diverse providers committed to practicing in safety net settings.

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