

# AI/AN Health Partners

October 22, 2021

Senator Catherine Cortez Masto  
SR-204 Russell Office Building  
Washington, DC 20510

Senator Lisa Murkowski  
SH-522 Hart Office Building  
Washington, DC 20510

Dear Senators Cortez Masto and Murkowski:

The American Indian/Alaska Native Health Partners coalition thanks you for introducing S. 2874, the *Indian Health Service Health Professions Tax Fairness Act of 2021*. 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 25 percent of its Health Professions account for taxes. Making the IHS loan repayments and scholarships tax-free would save the agency over \$9.1 million a year and would fund an additional 190 awards without increasing the Service's annual appropriation.

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 2020, a total of 1,608 health care professionals received loan repayment. However, the IHS had 381 requests for loan repayment that could not be fulfilled due to a lack of funding. At the same time, the IHS approved 357 new scholarship applicants but was only able to fund 266 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 S, 2874, the *Indian Health Service Health Professions Tax Fairness Act of 202*. 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 Academy of Pediatric Dentistry  
American Association of Colleges of Nursing  
American Association of Colleges of Osteopathic Medicine  
American Association of Colleges of Pharmacy  
American Dental Association  
American Dental Education Association  
American Optometric Association  
National Kidney Foundation