

AI/AN Health Partners

October 22, 2021

The Honorable Charles E. Schumer
Majority Leader
SH-322 Hart Office Building
Washington, DC 20510

Dear Majority Leader Schumer:

The American Indian/Alaska Native Health Partners coalition urges you to include S. 2874, the *Indian Health Service Health Professions Tax Fairness Act of 2021* in the Senate's reconciliation bill. S. 2874 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, 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 the 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.

As you craft policies to satisfy Senate reconciliation instructions, we urge you to include S. 2874 to address health care provider shortages in Indian Country. We believe that doing so will address an urgent and immediate need that will benefit IHS, Tribal facilities, and Urban Indian Organizations. It has gone unaddressed for too long.

We look forward to working with you on including S. 2874 in reconciliation legislation.

Sincerely,

Academy of Nutrition and Dietetics
American Academy of Dermatology Association
American Academy of Pediatrics
American Association of Colleges of Osteopathic Medicine
American Dental Association
American Dental Education Association