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MAY 29, 2009

Texas Legislature Gives Final Approval to Historic Physician Loan Repayment Bill

Landmark Legislation Expected to Bring Up to 900 New Doctors to Urban, Rural Areas

AUSTIN, Texas – The historic Physician Education Loan Repayment measure has been approved by the Texas Legislature and is headed to the governor’s desk for his signature into law. The Texas House approved the measure by an overwhelming 122-21 margin late Friday, after the Senate had approved it 29-2 on Tuesday. The bill was authored by Houston state Rep. Al Edwards and the Senate sponsor was Sen. Juan “Chuy” Hinojosa of McAllen.

House Bill 2154 is designed to bring physicians to medically underserved areas of the state and also to provide a cut in the franchise tax for at least 40,000 small businesses in Texas. The measure has emerged as one of the centerpiece bills of the 2009 legislative session.



“Physicians and health centers consider House Bill 2154 to be one of the most significant pieces of legislation to pass in decades because of its potential to bring basic medical care to millions of Texans in the inner cities and rural areas of our state. Texans for years to come should know it was the dedication and tireless work of state Rep. Al Edwards, Sen. Hinojosa and our many legislative champions that have improved access to health care,” said Tom Banning, chief executive officer of the Texas Academy of Family Physicians (TAFP).

Rep. Sylvester Turner, Warren Chisum and Veronica Gonzalez also played instrumental roles in the passage of HB 2154 by submitting critical amendments to the legislation authored by Rep. Edwards.

HB 2154 will fund a loan repayment program for doctors who practice in medically underserved areas across Texas. The repayment program will attract more than 225 physicians annually to the state’s Health Professional Shortage Areas (HPSAs), including many in urban centers.

“The legislation was carefully crafted to solve a very real problem in Texas. This is an incredibly important measure, and our health centers throughout Texas are deeply indebted to all the legislative supporters of the bill for their outstanding work on behalf of the people of this state,” said TACHC Executive Director Jose Camacho.

“Our centers desperately need and are counting on this legislation to provide us with primary care physicians to serve in our clinics, located in Health Professional Shortage Areas. The impact of this legislation will be seen from our rural communities to our urban cores,” he said.

Texas Association of Business President Bill Hammond said the legislation is just as important to Texas' small business owners.

“In these tough economic times the significant tax cut funded through Rep. Edwards’ bill could well mean the difference between businesses staying open or closing their doors. Small businesses are a huge economic engine for Texas, creating 70 percent of the new jobs in the last 10 years and employing almost half of the Texas workforce, and they are breathing a little easier today thanks to Rep. Edwards’ leadership,” Hammond said.

Banning said, “Within four years, Texas will have 900 new physicians serving communities in need. Texas established the nation’s first physician loan repayment program and will once again serve as a national model for recruiting and retaining physicians to serve in our medically underserved communities.”

The medical importance of Rep. Edwards’ bill is underscored by the statistics for physicians working in medically underserved areas:

- The national average is 81 primary care physicians for every 100,000 people. Texas averages 68 for every 100,000 people.
- By 2015, Texas will need more than 4,500 additional primary care physicians and other providers to care for the state’s underserved population, predicted to be 5.3 million people.
- More than half of Texas’ counties need more primary care physicians. 114 counties do not meet the national standard of one physician for every 3,500 people.

HB 2154 revamps the Texas Physician Education Loan Repayment Program that was first established in 1985. Currently, the state forgives up to \$45,000 of a medical graduate's loans for practicing in a shortage area. However, most physicians graduate with more than \$160,000 in school loans.

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