



## State Strategies to Enhance Workforce Retention

Retaining health care workers is a top priority. There are a number of professional and social factors influencing retention of health care workers. Financial incentives are among the factors that have an important role in retaining workers. Health care worker compensation varies widely by profession, practice type/specialty, geography, and various other characteristics. Among some health workforces, such as direct care workers, low wages threaten retention of workers who may pursue higher paying jobs with fewer requirements in other sectors. Other health workforces, such as the licensed health care professions, require at least a baccalaureate degree to qualify for licensure, and many require a master's or doctoral degree. Upon completion of an academic training program, many health care professionals graduate with a debt burden. There are a number of strategies that have been explored, both within states and by states, to support health care workforce retention.

### Loan Repayment

Loan repayment is a common strategy to incentivize health care professionals to practice in areas of need. Loan repayment programming exists at the national level for many health professions through the National Health Service Corps and Nurse Corps, administered by Health Resources Services Administration. In addition to national programming, states have invested in loan repayment strategies to support strategic recruitment and retention of health professionals. One such strategy is the State Loan Repayment Program through NHSC which requires a state match commitment and adherence to federal requirements. States may also develop additional state-level loan repayment strategies where the state has more autonomy over program design and implementation. Generally, state-operated loan repayment strategies are appropriated funding through the legislature and are designed to address a specific state workforce need.

- For more information about the National Health Service Corps loan repayment opportunities, visit [here](#).
- For more information about the Nurse Corps Loan Repayment Program, visit [here](#).
- For more information about the federal match State Loan Repayment Program, visit [here](#).
- Below are some examples of states with state-operated loan repayment programs to address specific state needs.
  - *Comprehensive Loan Repayment Programming:* [Nebraska](#) has created a suite of loan repayment programming for health care professionals, and published an [evaluation](#) of this programming which reported that the overall fiscal impact on communities was 72 times the loan repayment funds invested by the state.
  - *Broad Loan Repayment Programming:* [Colorado](#) operates a Health Service Corps Program which includes a large number of eligible professions at various approved sites throughout the state.
  - *Addressing Behavioral Health Needs:* [New Jersey](#) established the Behavioral Healthcare Loan Redemption Program which offers \$50,000 to behavioral healthcare providers in exchange for two years of service at an approved site (an additional \$5,000 is available for professionals working primarily with children or adolescents).

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- *Addressing Nursing Faculty Needs:* [Colorado](#) has established a Nurse Faculty Loan Repayment program to support recruitment and retention of nurses with master's degrees to serve as faculty.
- *Supporting Retention in Rural Communities:* [Minnesota](#) operates a [suite of Health Care Loan Forgiveness Programs](#), including programs targeting recruitment and retention in rural communities. Separate programs are in place to support rural health care professionals in the following profession types: 1) Dental Therapists/Advanced Dental Therapist, 2) Mental Health Professionals, 3) Advanced Practice Providers, 4) Pharmacists, 5) Physicians, and 6) Public Health Nurses. In a similar vein, [Kansas](#) operates a Residency Bridging Loan Agreement, which is funded through appropriation, and is used to provide a payment to residents agreeing to establish a practice in certain non-metro counties. [Colorado](#) also offers a Rural Essential Access Provider Loan Repayment Program to support rural providers.

### **Tax Incentives**

States may consider tax incentives, such as Tax Credits, as a strategy to retain health care workers. A tax credit is an amount of money that a taxpayer can subtract, dollar-for-dollar, from the income tax owed. State tax credit strategies may focus on providing retention incentives to specific professions or for professionals working in specific geographies.

- [Colorado](#) and [Maryland](#) have established an Income Tax Credit for Preceptors to support individuals that serve as an uncompensated preceptor in shortage areas.
- [New Mexico](#) has established a Rural Health Care Practitioner Tax Credit Program which allows certain healthcare providers who provide care in rural and underserved areas to be eligible for an income tax credit of \$3,000 or \$5,000.
- [Georgia](#) and [Oregon](#) have established a \$5,000 tax credit for physicians who practice and reside in a rural county or a county contiguous to a rural county.
- [Oregon](#) has also established a Rural Volunteer EMS Provider Tax Credit whereby qualifying volunteer providers may receive a \$250 personal income tax credit for their service.
- [Utah](#) has established a \$10,000 tax credit for qualifying mental health care practitioners renewable for up to 10 years.

### **Housing Support**

The United States Department of Agriculture offers a number of programs to provide housing support for both [single family](#) and [multi-family](#) housing for first time home buyers in rural America. While multi-family opportunities are accessible to applicants directly through the U.S. Department of Agriculture at the federal level, single family housing support programs are administered through the [state rural development office](#). Both programs offer support in the form of no downpayment, low rates, relocation, and/or construction support for qualifying individuals seeking housing in rural communities.

In addition to state-level approaches, health care employers are also working to address housing challenges. A recent report by the [American Hospital Association](#) presents several examples of health care employer housing assistance programs.