

Senate Finance Health Care Subcommittee

Hearing Title: Improving Health Care Access in Rural Communities: Obstacles and Opportunities

Wednesday, May 17, 2023, 2:30 PM

On behalf of the American Dental Association's (ADA) more than 159,000 dentist members, thank you for the opportunity to submit testimony for the Senate Finance Health Care Subcommittee's hearing, "Improving Health Care Access in Rural Communities: Obstacles and Opportunities." Addressing dental workforce shortages and maldistribution in rural areas so that everyone has optimal access to oral health care is one of the ADA's top priorities. America's dentists thank you for your leadership and focus on rural health care access.

We would like to highlight four pieces of legislation that reflect ADA's support for solutions targeted at student debt and public service, innovative programs, and Medicaid expansion.

Student Debt and Public Service

Student loan debt presents a major impediment to attracting new dentists to underserved and rural communities. Ensuring that loan forgiveness programs are well funded, easy to navigate and expanded to include shorter time commitments or fewer mandatory weekly hours worked could go far in attracting new dentists to these communities. Other incentives should also be considered, including tax incentives, small business grants and more attractive loan terms for purchasing or building a new dental practice in communities of need.

The Indian Health Service Health Professions Tax Fairness Act

The Indian Health Service Health Professions Tax Fairness Act would amend the tax code to allow dentists and other health care professionals participating in the Indian Health Service (IHS) Loan Repayment Program to exclude interest and principal payments from their federal income taxes, as well as certain benefits received by those in the Indian Health Professions Scholarships Program. This bill would allow qualifying IHS employees the same tax-free status enjoyed by those who receive National Health Service Corps (NHSC) and Army loan repayments. Congress made these loan repayment programs offered by the National Health Service Corps and the U.S. Army permanently tax exempt in 2012.

Under the IHS and NHSC programs, health care professionals provide needed care and services to underserved populations. However, the IHS uses a large portion of its resources to pay the taxes that are assessed on its loan recipients. In years past, IHS spent nearly 30 percent of its Health Professions account on taxes. Based on the 2021 average new award of \$45,850, making the IHS loan repayments and scholarships tax-free would save the agency over \$11.6 million a year and would fund an additional 253 loan repayment awards without increasing the Service's annual appropriation.

The loan repayment program has already proven to be among the IHS's best recruitment and retention tools. Exempting the scholarship and loan repayment funds from gross income would make this tool even more attractive to potential participants. Because IHS currently has a very high vacancy rate, enhancing popular recruitment and retention tools is crucial to providing adequate access to care for IHS beneficiaries, especially in rural areas.

S. 862, Restoring America's Health Care Workforce and Readiness Act

The Restoring America's Health Care Workforce and Readiness Act would double funding for the National Health Service Corps' (NHSC) scholarships and loan repayment programs for health care workers who serve in federally designated shortage areas. It would also provide \$625 million in funding in FY 2024, increasing to \$825 million in FY 2026. By reauthorizing the mandatory portion of the NHSC through 2026, this bipartisan bill prevents the NHSC's programs from expiring in September of this year.

The ADA strongly supports increasing NHSC scholarship and loan repayment opportunities for dentists, dental hygienists, and other health care professionals. Expansion of NHSC programs would address problems with health workforce distribution and local shortages, while also providing an opportunity for dentists and others to reduce student loan debt through service. The burden of paying off student loans for graduate dental education often contributes to geographical gaps in availability of dental services and access to oral health care because indebted graduates must seek out less risky and more lucrative opportunities. The Restoring America's Health Care Workforce and Readiness Act would encourage dentists and promising dental students to practice in underserved areas by providing loan repayment and scholarships in exchange for a service commitment.

The bill also would establish a NHSC Emergency Service demonstration project to improve the national health care surge capacity to respond to public health emergencies like the COVID-19 pandemic. The demonstration project would operate from 2024 to 2026, with up to \$50,000,000 in funding, and participants would be eligible to receive loan repayments of up to 50 percent of the amount of the highest new award made through the NHSC loan repayment program.

S. 704, Resident Education Deferred Interest Act or the REDI Act

S. 704, the Resident Education Deferred Interest Act (REDI Act), is a bipartisan bill that would allow borrowers to qualify for interest-free deferment on their student loans while serving in a medical or dental internship or residency program. The bill would address the difficulty, or inability, of those who must undertake several years of residency with very low pay to begin repaying student debt immediately. Although residents qualify to have their payments halted during residency through deferment or forbearance, their loans nevertheless continue to accrue interest that is added to the balance.

The REDI Act prevents physicians and dentists from being penalized during residency by preventing the government from charging interest on loans during a time when physicians and dentists are unable to afford payments on the principal. The REDI Act does not provide any loan forgiveness or reduce a borrower's original loan balance. By allowing medical and dental residents to save thousands of dollars in interest on their loans, the REDI Act makes opening practices in rural and underserved areas or pursuing an academic or research career in those areas more attractive and affordable to residents.

Innovative Programs

Reauthorize Action for Dental Health

ADA has long championed the Action for Dental Health (ADH) program, which provides federal funding for the dental health needs of underserved, often rural, populations. ADH funding is directed towards dental disease prevention through improved oral health education, reduction of geographic and language barriers, and improved access to care, among other initiatives. Programs supported by ADH advance the important goal of decreasing dental health disparities in communities where better access to care is most needed.

The ADA is asking Congress to reauthorize the Action for Dental Health Act of 2018 (P.L. 115-302) grants for innovative programs for a five-year period, from fiscal year 2024 through fiscal

year 2028. To ensure program accountability and transparency, the ADA also asks that Congress require the Secretary of Health & Human Services (HHS) to submit a report to Congress on the extent to which the grants increased access to dental services in designated dental health professional shortage areas.

Medicaid Expansion

S. 570, Medicaid Dental Benefit Act

The Medicaid Dental Benefit Act would make comprehensive dental care a mandatory component of Medicaid coverage for adults in every state. By securing Medicaid dental coverage for adults, Congress can drive health and economic gains for families, states, and our nation. Covering dental benefits in Medicaid would also expand access significantly in rural areas, where nearly one in four non-elderly people are covered by Medicaid.¹

Many adults who rely on Medicaid benefits find that there is little, if any, coverage for dental care. A long-standing lack of focus on adult oral health care from federal and state governments has created a patchwork of dental coverage by state Medicaid programs. American adults on Medicaid find options for dental care vary based on their state. Less than half of the states provide “extensive” dental coverage for adults in their Medicaid programs. The others offer limited benefits, emergency-only coverage, or nothing at all for adults. Without a federal requirement, and given the competing priorities for state budgets, the optional adult dental benefit is often not provided by states.

This lack of state coverage is particularly problematic because the millions of adults who rely on Medicaid are the least likely to access dental care (including basic preventive services), face the biggest cost barriers to dental care, and are more likely than their higher income counterparts to experience dental pain, report poor mouth health, and find their lives to be less satisfying due to their poor oral health.

Ensuring that states provide comprehensive dental services to adult Medicaid beneficiaries is a sound economic investment. Recently, new research from the ADA’s Health Policy Institute estimated what it would cost to secure dental coverage for the millions of adults who rely on Medicaid for their health care. The study² shows that across the 28 states that currently do not

¹ [The Role of Medicaid in Rural America](#)

² [Making the Case for Dental Coverage for Adults in All State Medicaid Programs](#)

provide comprehensive dental coverage, the net cost of providing extensive adult dental benefits is \$836 million per year. This includes an estimated \$1.1 billion per year in dental care costs and \$273 million per year in medical care savings.³ As Medicaid oral health coverage opens the door to regular care in more appropriate and cost-effective settings, fewer people would turn to emergency departments to relieve dental pain. This change could save our health system \$2.7 billion annually.⁴ Also, poor oral health creates social and economic barriers that prevent many low-income adults from economic advancement.⁵ Eliminating these barriers would generate additional savings and empower people to pursue better jobs and careers.

In conclusion, the ADA would like to reiterate its gratitude for your prioritization of rural access to care issues. Dental access issues should always be included in discussions of general health care access issues, remembering both the unique aspects of dental practice and that oral health is health. The ADA's priorities for addressing rural access to care are:

- Lessening the burden of student loan debt and making practicing in underserved areas more attractive through public service by passing S. 862, Restoring America's Health Care Workforce and Readiness Act and the Indian Health Service Health Professions Act;
- Supporting innovative programs directed towards communities in need by reauthorizing Action for Dental Health; and
- Expanding Medicaid by passing S. 570, the Medicaid Dental Benefit Act.

The ADA looks forward to working with the Finance Health Subcommittee on rural access to care issues in the future. ADA is continuing to work on legislative solutions that would provide tax and other financial incentives to health care professionals who live and practice in rural and underserved communities. If you have any questions, please contact Chris Tampio at tampioc@ada.org.

³ [Making the Case for Dental Coverage for Adults in All State Medicaid Programs](#)

⁴ [Emergency Department Visits for Dental Conditions – A Snapshot](#)

⁵ [Oral Health and Well-Being Among Medicaid Adults by Type of Medicaid Dental Benefit](#)