

MISSISSIPPI

UMMC Rural Scholarships Programs
Performance Review

August 2023

SHAD WHITE
State Auditor

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Executive Summary

For the second consecutive year, Mississippi's health system ranks worst in the United States.¹ In 2019, Mississippi ranked 49th and 48th among states in our nation for physicians and dentists per capita, respectively.² For perspective, at least 83% of Mississippians live in counties without adequate access to primary care and at least 85% without adequate access to dental care.^{3, 4}

To address our state's longstanding healthcare shortage, the Mississippi Legislature established the Mississippi Rural Physicians Scholarship Program (MRPSP) in 2007 and the Mississippi Rural Dentists Scholarship Program (MRDSP) in 2013.⁵ These programs incentivize future physicians and dentists to practice in medically underserved or rural areas in Mississippi and are administered by the University of Mississippi Medical Center (UMMC) MRPSP/MRDSP office.⁶

Rural Physicians and Rural Dentists Scholarship recipients are awarded financial support of \$35,000 per school year for no more than 4 years. In return, recipients must practice in rural or medically underserved areas in Mississippi for at least the same number of years they were awarded the scholarship. Their practice must begin soon after completing their primary care residency or dental training. Failure to meet any of the programs' requirements constitutes a breach of contract, which results in financial penalties.⁷

The Rural Physicians and Dentists Programs are meant to provide a crucial service for Mississippi by sending doctors and dentists to areas with the greatest healthcare needs. The Mississippi Office of the State Auditor conducted a review of these programs to ensure they operate efficiently and assure taxpayers' money is spent wisely.

¹ See [2022 report](#) and [2023 report](#) from The Commonwealth Fund.

² See [physician](#) and [dentist](#) data published by the Center for Disease Control.

³ See HRSA [maps](#).

⁴ Analysts used population [data](#) to determine percentages.

⁵ See [Miss. Code Ann. §§ 37-144-1 — 37-144-21](#) and see [Miss. Code Ann. §§ 37-146-1 — 37-146-21](#).

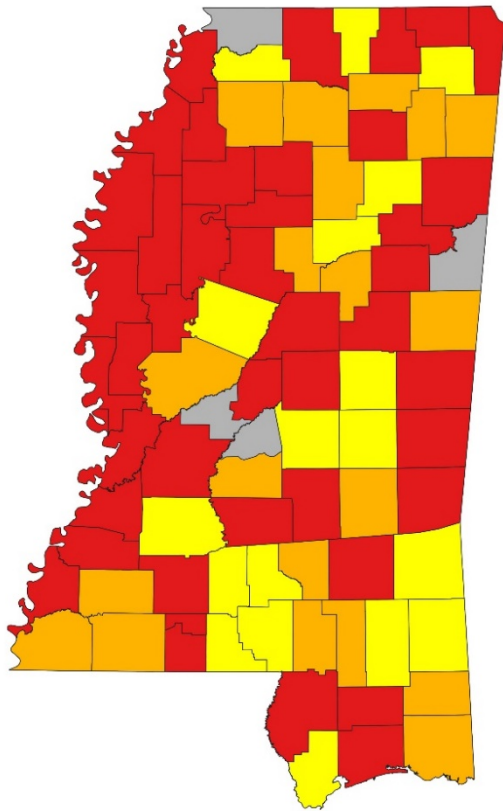
⁶ Ibid.

⁷ This information is contained in the programs' contracts. The policies and procedures and state law allow participants to receive financial assistance for up to 5 years; however, the contracts state up to 4 years.

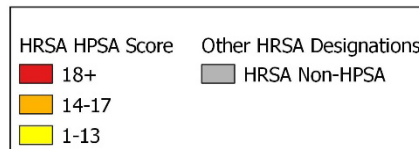
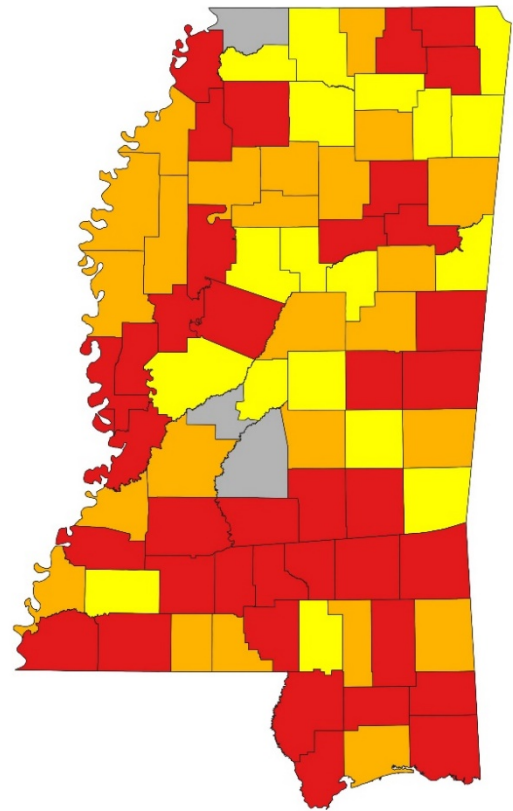
Mississippi has a statewide shortage of medical and dental primary care providers.

The Health Resources and Services Administration (HRSA) is a federal agency working to improve access to healthcare for people who are uninsured, underserved, or medically vulnerable.⁸ One of its major functions is designating geographic areas as Health Professional Shortage Areas (HPSAs), which are rigorously evaluated annually.^{9, 10} In Mississippi, the HRSA classifies 80 of 82 counties as containing shortages in either primary or dental care.¹¹ Figure 1 and Figure 2 show the healthcare needs of each Mississippi county by its respective Primary and Dental Care HPSA score.¹²

**Figure 1:
HRSA Primary Care HPSAs**



**Figure 2:
HRSA Dental Care HPSAs**



⁸ See the HRSA [website](#).

⁹ See the HRSA [website](#) for the formulas used to score shortage designations.

¹⁰ See [42 USC § 254e](#).

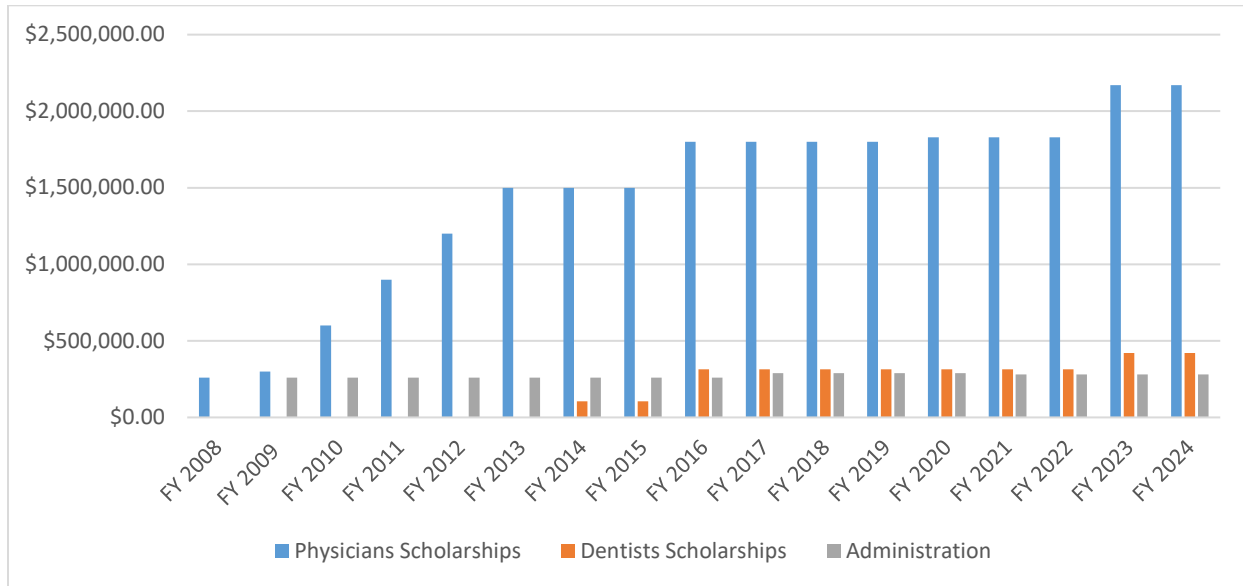
¹¹ See previous note.³

¹² A higher HPSA score indicates a higher level of need for healthcare.

Taxpayers have spent over \$33 million on the Rural Scholarships Programs.

Each year since the programs were established, the Mississippi Legislature has passed appropriations bills to provide funding for the Rural Scholarships Programs. Figure 3 shows the amount of taxpayer money the programs have been appropriated each year and how the programs have received more funding over time.

Figure 3:
FY 2008 through FY 2024 Scholarships and Administration Appropriations



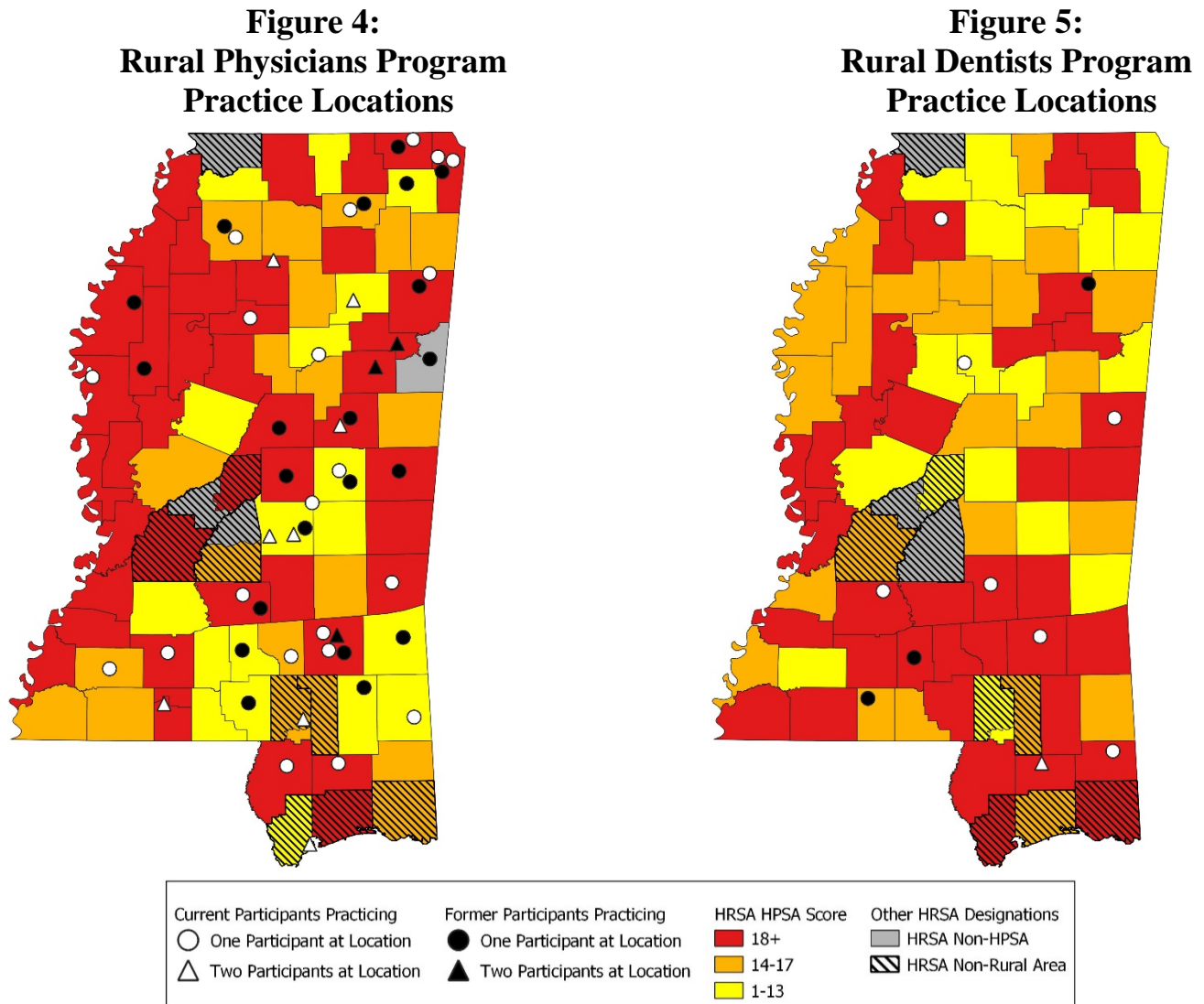
Overall, the Legislature has appropriated over \$33.5 million for scholarships, administration, and other expenses to these programs.¹³ As a result of this funding, the Rural Scholarships Programs have placed at least 119 physicians and 17 dentists into healthcare practice.¹⁴ The Mississippi Legislature has recently expanded both programs—appropriating \$2,170,000 to Rural Physicians Program scholarships and \$420,000 to Rural Dentists Program scholarships in both FY 2023 and the upcoming FY 2024.

¹³ These numbers were obtained from the Mississippi Legislative Budget Office and appropriation bills for FY [2008](#) through FY [2024](#). In FY [2014-15](#) and FY [2023-24](#), the Legislature appropriated additional funds for the programs. These additional funds are not included in Figure 3 but are accounted for in the total amount listed above.

¹⁴ Some of these physicians and dentists did not fulfill program obligations.

The Rural Scholarships Programs are placing healthcare professionals in HPSAs.

Analysts reviewed participants' practice locations provided by the MRPSP/MRDSP office. Figure 4 and Figure 5 show every dentist and nearly every physician is currently fulfilling his or her service obligation or practicing in HRSA-designated rural areas.^{15,16}



The figures show 64 physicians and 12 dentists who have completed or are completing their respective programs' service obligations and currently practicing in Mississippi. Of these, at least 27 physicians and 3 dentists remained practicing in rural areas after fulfilling their service obligations.¹⁷

¹⁵ State law grants each program discretion to define rurality differently from the HRSA.

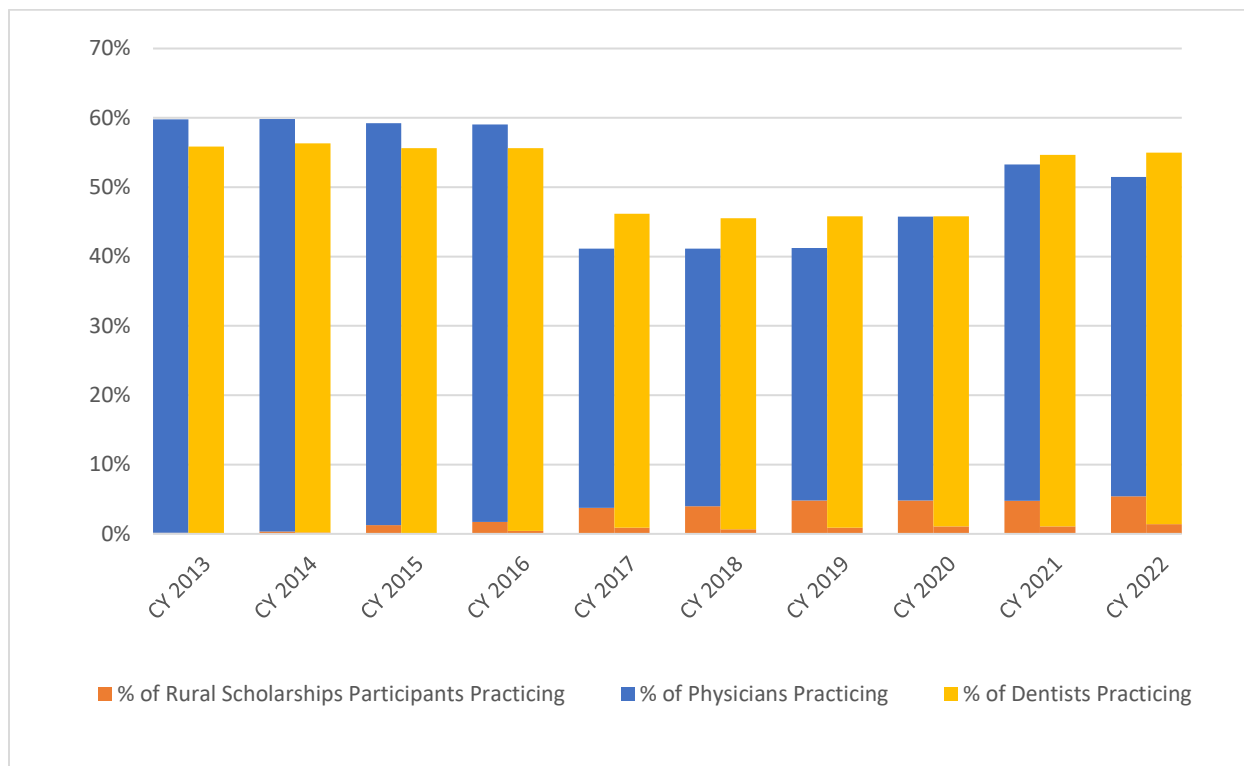
¹⁶ The MRPSP and MRDSP do not use the same definition of rurality.

¹⁷ This information was last updated in January 2023.

Rural Scholarships are producing healthcare professionals in rural areas—but not fast enough.

Each year, the HRSA monitors the number of physicians and dentists practicing in rural areas of Mississippi. It calculates the number of practicing physicians and dentists to determine the percent of need met to remove HPSA designations. Figure 6 shows Mississippi's percent of need met for both primary and dental care HPSAs and the impact the Rural Scholarships Programs have had on these percentages.^{18, 19}

Figure 6:
Percent of Need Met for Primary Care and Dental Care HPSAs



The Rural Physicians and Rural Dentists Programs target the most critical component of the federal government's assessment of HPSAs: the population-to-provider ratio. However, data show Mississippi's percent of need met for both primary and dental care HPSAs has decreased over the last 10 years despite increased investment into the Rural Scholarships Programs. In 2022, participants from the Rural Physicians and Dentists Programs only comprised 5% and 1% of need met, respectively. In 2022, Mississippi had less

¹⁸ The "Rural Scholarships" category shows only primary and dental care providers actively fulfilling their service obligations. While imperceptible, physicians are included each year and dentists each year after 2013.

¹⁹ This figure was created by analysts using information provided by the HRSA.

than 60% of the primary and dental care providers required to fully address the health and dental needs in Mississippi HPSAs.

The programs' policies need improvement.

Each program has its own commission to establish policies and procedures for the Rural Scholarships Programs within the bounds of state law. However, state law is vague and allows each commission broad discretion to administer the respective programs. For example, the rules for the programs do not preclude the City of Flowood from being designated as a rural area because it is a municipality with a population of fewer than 15,000 people despite the fact that it borders Jackson—Mississippi's largest city. The HRSA, however, accounts for a location's proximity to a metropolitan area and does not designate the City of Flowood as a rural area. Because of this difference, approximately 10% of active participants in the Rural Physicians Program are practicing in areas the HRSA does not consider rural.^{20,21} Additionally, analysts noted both programs allow participants from non-rural areas to receive scholarships despite state law requiring participants to be from rural areas of Mississippi.²²

The programs fail to respond appropriately when participants do not meet scholarship requirements.

The MRPSP/MRDSP office and the Office of Student Financial Services (OSFS) execute the policies and procedures set forth by the programs' commissions. These offices share responsibility for the administrative functions of the Rural Scholarships Programs, but analysts noted both the MRPSP/MRDSP office and OSFS inconsistently applied these policies when participants breached their contracts.

According to MRPSP/MRDSP office data, approximately 25% of all Rural Physicians and 14% of all Rural Dentists Program participants have breached their contracts. On the date a participant breaches his or her contract, OSFS converts the scholarship into a loan with interest assessed from the date of the first disbursement.²³ When participants breach and repay loans, the money is deposited into an account maintained by the UMMC Accounting Department and used to fund additional scholarships.

²⁰ While no program participants practice(d) in Flowood, this example—along with the 10% of Rural Physicians Scholarship recipients who analysts identified currently practice in areas the federal government does not consider rural—provides a compelling reason for both programs to consider adopting the HRSA definition of rurality.

²¹ The "MRPSP Policy and Procedures" document states "[t]he Commission should consider such things as population, number of physicians, age of physicians, and any other relevant data" when approving rural practice locations.

²² See previous note.⁵

²³ The Programs' policies and procedures allow participants to apply for and be granted a one-year grace period.

Currently, neither office reliably identifies when a participant has breached his or her contract despite participants being required to submit documentation showing they have met program requirements. Additionally, the MRPSP/MRDSP office and OSFS provided analysts with conflicting lists of breached participants. Without reliable breach data, OSFS cannot calculate an accurate interest penalty to charge breached participants. In some instances, analysts identified records for which the interest penalty owed by breached participants had been handwritten and miscalculated. Identifying breached participants and applying the correct interest amounts to their loans are vital to ensure the accurate repayment of state funds.

Conclusion

The Rural Scholarships Programs are paying for doctors and dentists to work in Mississippi, but the programs can be improved. The commissions running each program should update their policies and procedures to ensure they are consistent with the intent of state law. The MRPSP/MRDSP office and OSFS should also improve their oversight of breach protocols to ensure both taxpayers and participants are treated fairly. With these improvements, the Legislature will be able to make more informed decisions when deciding to invest more funds into the Rural Scholarships Programs. By investing in the Rural Scholarships Programs and similar programs aimed at expanding healthcare availability throughout our state, the Legislature can better develop the healthcare landscape to meet the needs of Mississippi taxpayers.