

Effectiveness of Virginia's Nursing Incentive Programs

A Report for the Virginia General Assembly

August 15, 2014

Executive Summary

At the direction of Item 283E of the 2014 Appropriation Act of the General Assembly Special Session 2014, the Virginia Department of Health (VDH) in collaboration with the Office of the Secretary of Health and Human Resources was tasked with evaluating the effectiveness of existing incentive programs designed to attract nurses to underserved areas, to specifically include the Nursing Scholarship and Loan Repayment Program.

To perform the requested evaluation, VDH created and conducted a survey study of current and former incentive program participants, as well as nursing school staff and health care providers. Additional objective data was collected from VDH records including: total number of active participants, number of applicants per year, number of recipients turning down the scholarships and number of participants in default of the contract terms. These data were evaluated by VDH staff and pooled to collectively evaluate the efficacy of the current nursing incentive programs with regard to their stated purpose of attracting and retaining qualified nursing professionals to underserved areas within the Commonwealth of Virginia.

The following conclusions and recommendations are made:

1. Virginia's nursing incentive programs are beneficial in recruitment and retention of nursing professionals; however, contract stipulations and requirements may need reevaluation to increase participation in programs and reduce number of participants in default status.
2. Awareness of Virginia's nursing incentive programs is limited; the programs would benefit from an increase in marketing efforts and targeted marketing strategies to potential participants.
3. While some nursing incentive programs require participants to be employed in designated underserved areas of Virginia, others require only that a participant work in Virginia; increased efforts and/or contract requirements focused on recruiting and retaining nursing professionals in Virginia's underserved areas would assist in reducing state health workforce shortages.

I. Background of Virginia's Nursing Incentive Programs

There is a long history of nursing scholarship and loan repayment programs established by acts of the Virginia General Assembly and administered by VDH. The VDH Office of Minority Health and Health Equity (OMHHE) administers these programs. There are currently four active nursing scholarship and loan repayment programs that are collectively referred to as the "nursing incentive programs." These nursing incentive programs were established to directly address the shortage of trained nursing professionals in the Commonwealth. The intent of these programs is three-fold. First, they are intended to attract qualified nursing students and nursing professionals to the state. Second, the programs are designed to retain these professionals in Virginia on a long-term basis. Finally, the expectation is that the recipients will practice in underserved areas as defined by § 32.1-122.5 in the Code of Virginia.

The nursing incentive programs include: the General Assembly Nursing Scholarship program also known as the Mary Marshall Nursing Scholarship program, established in 1958 by §§ 32.1-122.6:01 and 54.1-3011.2 in the Code of Virginia; the Nurse Practitioner/ Nurse Midwife Scholarship program, established in 1993 by § 32.1-122.6:02 in the Code of Virginia; the Scholarship and Loan Repayment Program for Nurses Practicing in a Long-Term Care Facility, established in the 2000 Session of the General Assembly by amendment of language in § 32.1-122.6:01; and finally, the Nurse Educator Scholarship program, established by the Appropriations Act of 2009.

Since 1992, VDH has been the recipient of the Federal Virginia State Loan Repayment Program (VA-SLRP) grant provided by the Health Resources and Services Administration (HRSA). This program assists specified health practitioners with repayment of educational loans in exchange for service in a federally designated (Primary Care, Mental or Dental) Health Professional Shortage Area (HPSA). Registered nurses, nurse practitioners and nurse midwife professionals are included amongst eligible recipients.

II. Purpose of General Assembly Report

VDH-OMHHE has been directed by the General Assembly of Virginia to conduct an evaluation of the four nursing incentive programs. The funding and expectations of these grants are detailed below:

- The Mary Marshall Nursing Scholarship program is funded by both the General Assembly of Virginia and the Virginia Board of Nursing to assist students working toward a Licensed Practical Nursing (LPN) or Registered Nursing (RN) degree. The state currently allocates \$50,000 a year and the Board of Nursing (using funds from license fees) generally contributes close to \$60,000. The number and amount of scholarships is dependent on the amount of funds and the number of qualified applicants. Recently, awards of up to \$2,000 a year have been available for up to four years if the student is working towards a Bachelor's degree. With in-state tuition, fees and books total over \$12,000; this scholarship covers approximately 16% of educational costs. A

recipient agrees to obtain his/her license and full-time employment within sixty days of graduation and to work one month in Virginia for every \$100 received.

- The Nurse Practitioner/Nurse Midwife Scholarship program is funded by the General Assembly of Virginia. The number of scholarship recipients is dependent upon funds appropriated and the number of qualified applicants. Recently the program has been funded with \$25,000 a year, enabling five recipients to receive up to \$5,000 a year (for two years) towards the cost of his/her master's degree program. At this time, in-state tuition and fees total over \$16,000 a year, meaning this scholarship covers approximately 30% of costs. The recipient agrees to work in a medically underserved facility for one year for every year a scholarship is awarded. Full-time employment must begin within two years of graduation.
- Currently, the Nurse Educator Scholarship program is allocated \$50,000 a year by the General Assembly of Virginia. A maximum of \$20,000 per recipient is granted each year. Recently there have been three recipients a year; as in-state school costs now come to approximately \$11,000, this grant may cover some living expenses as well as tuition. A recipient is required to teach two years in a Virginia school of nursing for every year a scholarship is received. Full-time employment must begin within 12 months of completing the educational program.
- To date, the Scholarship and Loan Repayment Program for Nurses Practicing in a Long-Term Care facility has not been funded; thus, the program has remained inactive.
- In May 2012, the VA-SLRP was expanded to include Nurse Practitioners and Nurse Midwives in those eligible for assistance in paying off their student loans. This funding of up to \$400,000/yr from HRSA requires a 50 percent community cash match. VA-SLRP recipients must agree to work for a nonprofit entity at least two years in a HPSA in Virginia. This program is available to a range of medical professionals and may provide up to \$30,000 for the first two years and \$20,000 for the third and fourth years. Full-time clinical practice is defined as a minimum of 40 hours per week in a clinical practice for a minimum of 45 weeks per service year. There have been fewer VA-SLRP recipients since the termination of state funding of the required match in 2010; the VDH-OMHHE continues to reach out to new community funders to expand this opportunity.

III. Current Program Statistics

Records of nursing scholarship programs maintained by VDH were reviewed to ascertain up-to-date statistics about each of the current programs through end of fiscal year 2014. Data evaluated included:

1. Total number of active participants in the program (including enrollees in school and those currently in service obligation period): ***183 active participants***

2. Total number of applicants each year for the last 5 years (by incentive program):

Table 1

	Mary Marshall LPN	Mary Marshall RN	Nurse Practitioner/Nurse Midwife	Nurse Educator
2010	106	43	7	16
2011	78	100	7	23
2012	34	58	2	10
2013	41	38	9	7
2014	50	43	9	5
Total:	309	282	34	61

*VA-SLRP is not included in the chart above as the majority of applicants are not nursing professionals.

3. Total number of recipients who turned down the scholarship each year for the last 5 years (by incentive program):

Table 2

	Mary Marshall LPN	Mary Marshall RN	Nurse Practitioner/Nurse Midwife	Nurse Educator
2009	16	0	0	0
2010	23	0	0	0
2011	12	10	1	0
2012	6	5	1	0
2013	1	3	4	0
Total:	58	18	6	0

*VA-SLRP is not included in the chart above as the majority of recipients are not nursing professionals.

**2014 statistics are not yet available.

4. Total number of participants in default:

Table 3

32 active default individuals.	“Active default individuals” is defined as individuals who are making payments.
209 individuals written off for a total of \$326,089.19.	Any earnings received by these individuals have been taken to pay off their debt.
226 individuals written off and delinquent for a total of \$345,284.84.	Individuals with outstanding debt and delinquent status in the state of Virginia.

IV. Survey to Past/Current Nursing Incentive Program Participants, Nursing School Staff/Local Health District Staff

In accordance with the General Assembly mandate, VDH-OMHHE conducted two surveys to determine the effectiveness of Virginia’s nursing incentive programs on achieving their goal of decreasing the health workforce shortage in Virginia. One survey was distributed to prior and current recipients of the nursing incentive programs, and a separate survey was distributed to a list of contacts at approved nursing programs in Virginia as well as local health district staff that utilize these funds in recruiting the health workforce in medically underserved areas of Virginia.

Survey Components – Past/Current Nursing Incentive Program Participants

The survey to prior and current recipients was distributed via e-mail to over 700 individuals based on VDH-OMHHE’s record of past and current program participants. The e-mail included a link to an online version of the survey. Responses were anonymous, and the survey took approximately 5-10 minutes to complete.

Survey questions for past and current nursing incentive program participants included:

- 1. Questions regarding the respondent’s award and service obligation:** Which nursing incentive program did you participate in? Which year did you receive your award? Did you receive more than one award? Did you fulfill your service obligation? If you did not fulfill your service obligation, why not? Did you work beyond your service obligation? Did you work in a rural or urban area?
- 2. Questions regarding the respondent’s current employment status:** Are you currently working as an RN, LPN, Nurse Educator or Nurse Practitioner/Nurse Midwife? Are you practicing in Virginia? If so, are you practicing in a rural, urban or low-income area?
- 3. Questions regarding the respondent’s impression of the program, experience working in Virginia and suggestions for improvement:** Please rate the impact of

Virginia’s nursing incentive programs on your education, the quality of interactions with VDH-OMHHE staff, your overall impression of Virginia’s nursing incentive programs and your overall experience practicing nursing in Virginia on a scale of 1 to 5. Would you recommend Virginia’s nursing incentive programs? Do you have any comments or suggestions in regards to Virginia’s nursing incentive programs?

Survey Components – Nursing School Staff/Health Care Providers

The survey to Virginia nursing school staff and local health district staff was distributed via e-mail to approximately 100 individuals. The e-mail included a link to complete an online version of the survey. Responses were anonymous, and the survey took approximately 5-10 minutes to complete.

The survey for nursing school staff and health care providers included:

1. **Questions regarding the respondent’s experience with Virginia’s nursing incentive programs:** Are you familiar with the following Virginia nursing incentive programs? Have you worked with a participant of Virginia’s nursing incentive programs? What is your impression of the program?
2. **Questions regarding the respondent’s awareness of Virginia’s nursing incentive programs and suggestions for improving reach to target audiences:** Do you feel that our current marketing strategies are sufficient in spreading the word about Virginia’s nursing incentive programs? Do you have any suggestions to improve marketing strategies?

V. Results and Analysis

Past/Current Nursing Incentive Program Recipient Survey

Program and Year Representation

In total, 86 past or current nursing incentive program recipients completed the survey, providing a 12% response rate. The average response rate for external, online surveys is 10 – 15%. Table 4 shows the sampling representation from each program.

Table 4

Program	Responses	Percentage
Mary Marshall RN Scholarship	55	67.1%
Mary Marshall LPN Scholarship	11	13.4%
Virginia Nurse Educator Scholarship	11	13.4%
Virginia’s Nurse	3	3.7%

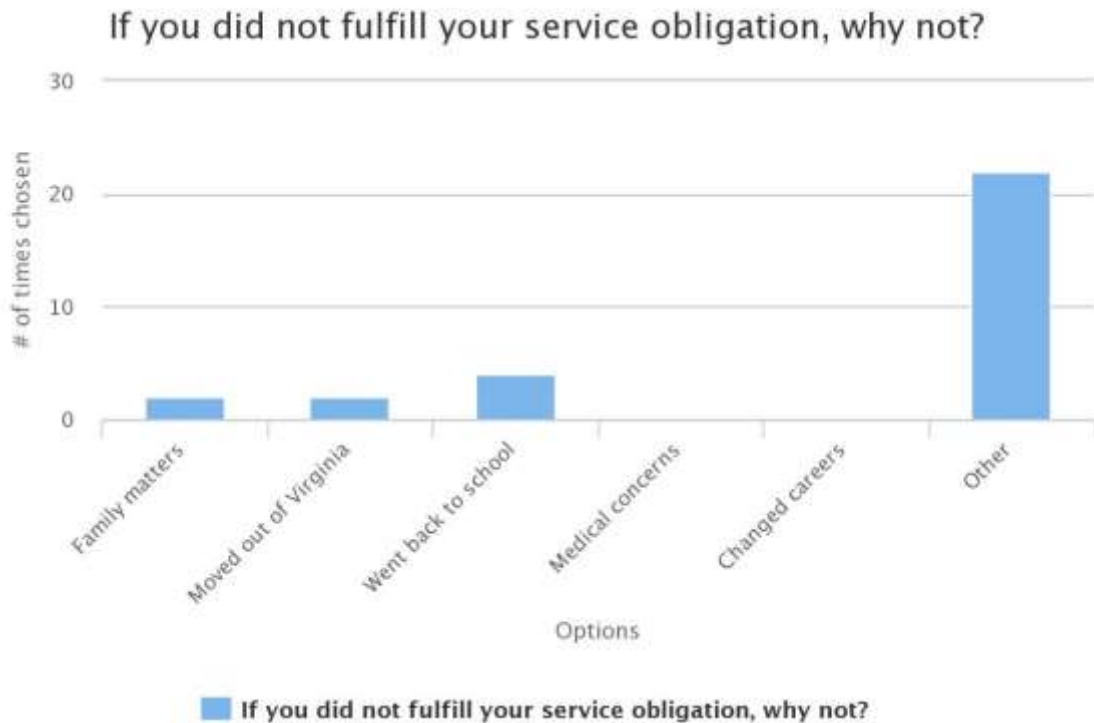
Practitioner/Nurse Midwife Scholarship		
Virginia's State Loan Repayment Program for Nursing	2	2.4%

Respondents indicated that they received their awards between **2005 and 2014**. Four respondents could not remember which year they received their award. **Only 23.2% of respondents indicate that they received more than one award, while 76.8% were one-time recipients.**

Service Provided to the Commonwealth

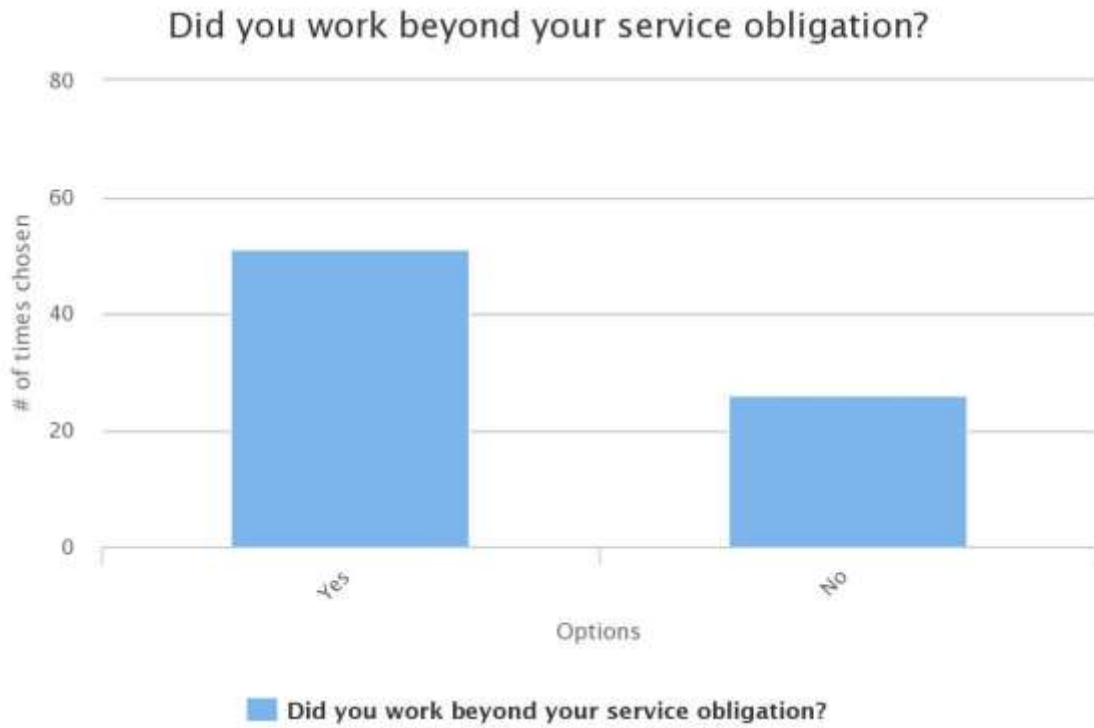
The survey reveals that **66.3% of respondents fulfilled their service obligation** to Virginia based on their program award contract, while **33.8% did not fulfill contract obligations**. Figure 1 shows the reasons respondents selected for unfulfilled service obligations. *It should be noted that some respondents are in the process of fulfilling their service obligation.*

Figure 1



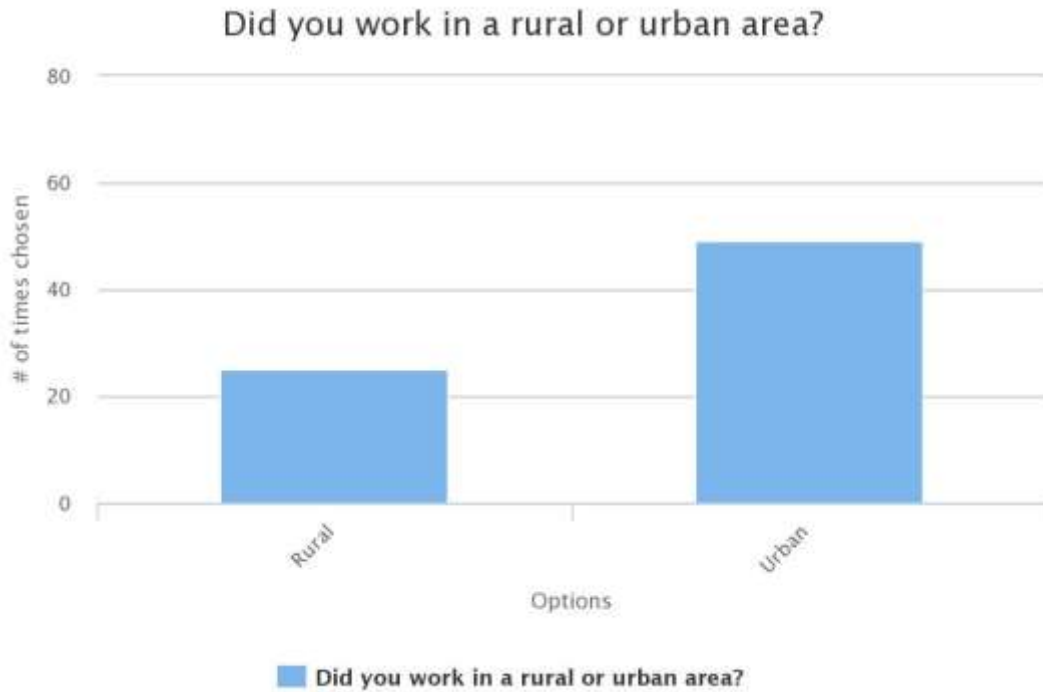
Survey results show that **66.2% of respondents worked beyond their service obligation**, while **33.8% did not work beyond their contract requirements**. Figure 2 shows this statistic.

Figure 2



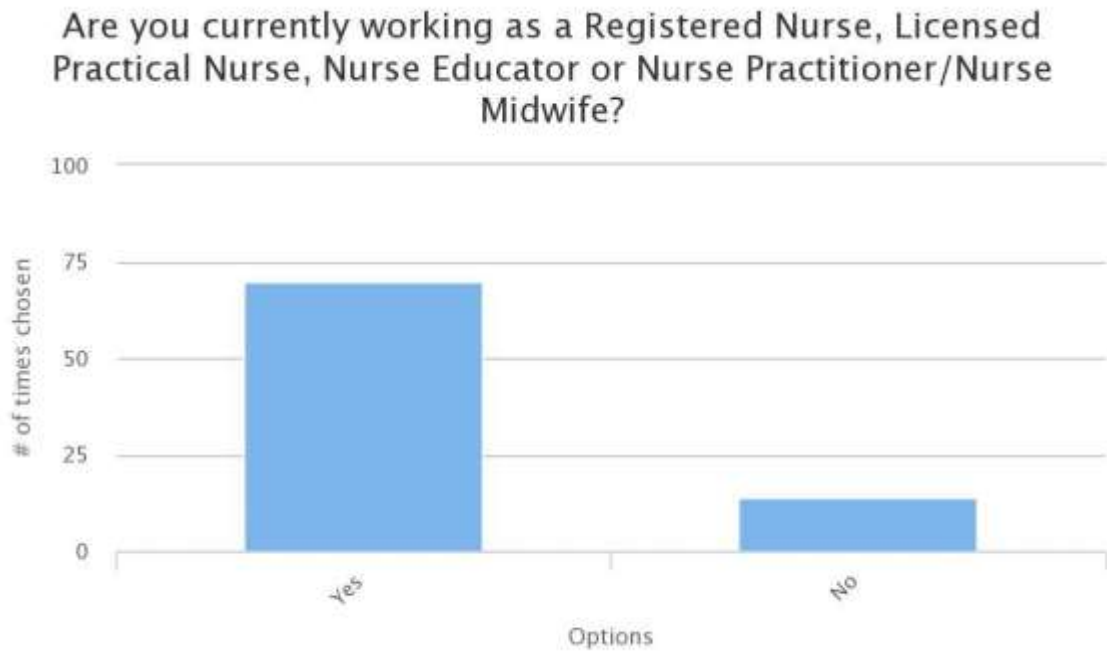
Respondents were also asked whether or not they work/worked in a rural or urban area of Virginia during their service obligation. **Only 33.8% of respondents indicate that they work/worked in a rural area of Virginia, while 66.2% of respondents indicate that they work/worked in an urban area of Virginia.**

Figure 3



Respondents were asked if they currently work in the profession that their award was designated to help fund. **A vast majority, 83.3%, of respondents indicate that they are currently working as an RN, LPN, Nurse Educator or Nurse Practitioner/Nurse Midwife, while 16.7% of respondents are not working in one of these roles.** Figure 4 below reflects these percentages.

Figure 4



If respondents were still working in the profession that their award was designated to help fund, they were asked to indicate whether they were currently working in Virginia, in a state other than Virginia, in a rural location, in an urban location or in a low-income area. Respondents were able to check all categories that applied to them. **Respondents indicated that 92.8% are currently practicing in Virginia, while 7.2% are practicing in a state other than Virginia. Further, 18.8% of respondents identified they are working in a rural location, while 29.0% are working in an urban area. Finally, 15.9% of respondents identified they are working in a low-income area.** Figure 5 represents these statistics.

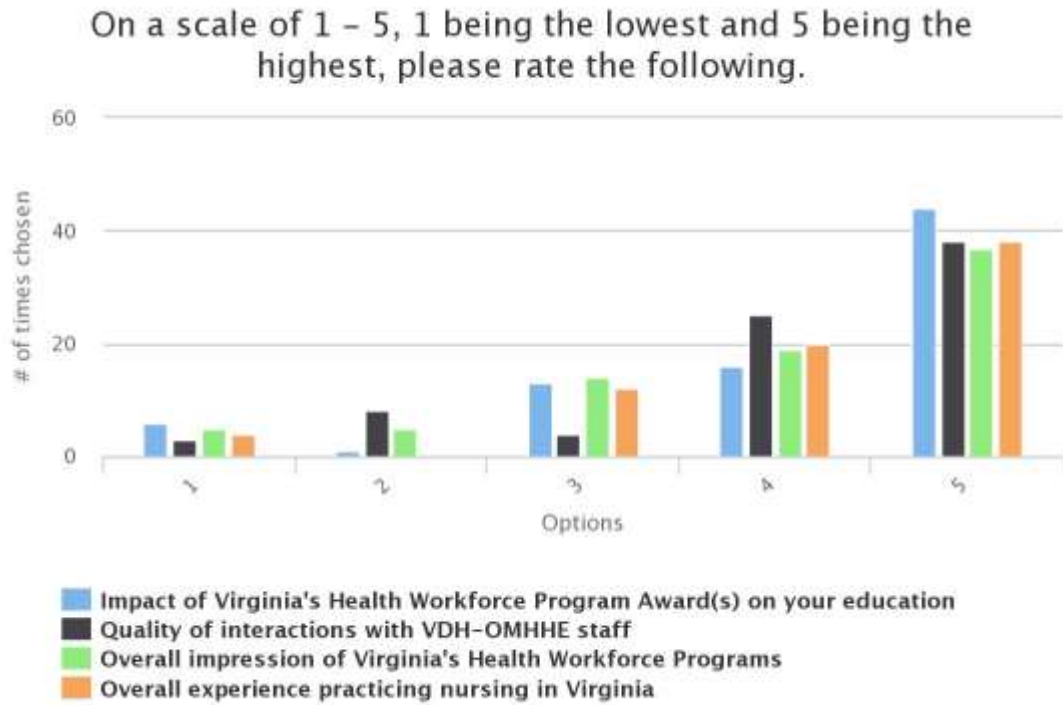
Figure 5



Experience with Nursing Incentive Programs

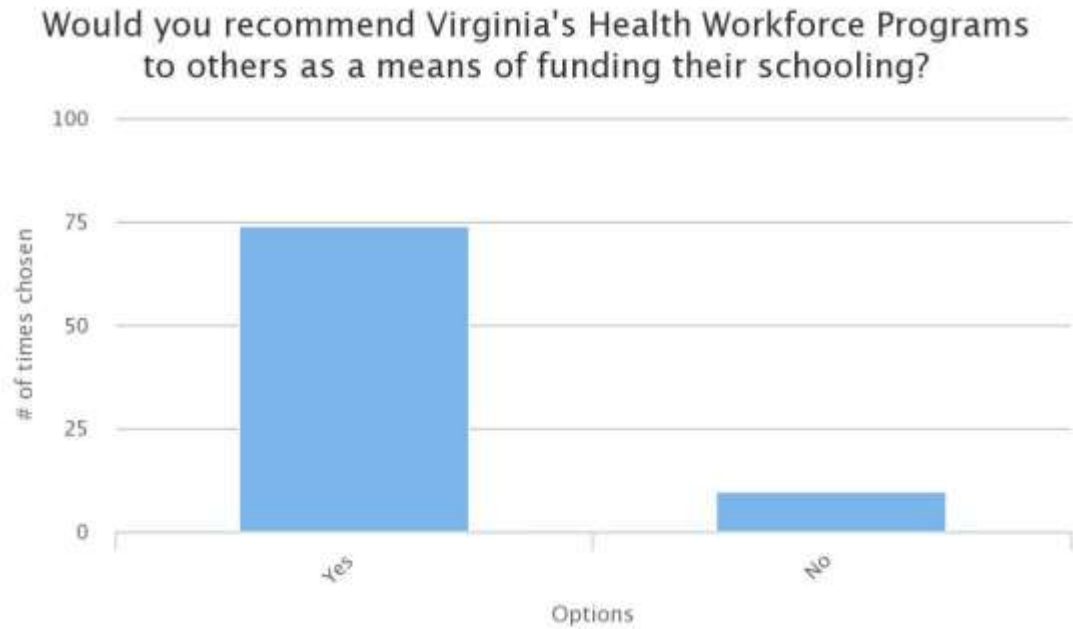
Respondents were asked to provide a 1 to 5 rating (1 being the lowest and 5 being the highest) of their experience with Virginia’s nursing incentive programs. Categories included: impact of Virginia’s nursing incentive program on education, quality of interactions with VDH-OMHHE staff, overall impression of Virginia’s nursing incentive programs and overall experience practicing nursing in Virginia. **Across all categories, a rating of 5 was the most commonly selected response, followed by a rating of 4.** Figure 6 reflects the results.

Figure 6



In addition, respondents were asked if they would recommend Virginia’s nursing incentive programs to others as a means of funding their nursing education. **An overwhelming 88.1% responded “Yes,” they would recommend the programs, while only 11.9% would not recommend the programs.** Figure 7 reflects these statistics.

Figure 7



Respondents who selected “No” were asked to explain why they would not recommend these programs to others. A few of the respondents’ explanations are provided here:

“I have been working 24-28 hours per week for more than 18 months. My hours do not meet the 32 hours per week required for repayment of the awards I received. It seems the repayment could be prorated or otherwise adjusted without compromising the intent of the scholarship.”

“I was awarded the Mary Marshall scholarship and declined it because of the tight stipulations. It was very little money for what they were wanting in return and not worth the aggravation. I would expect to have my whole tuition paid for before I would abide by those regulations not a mere fraction.”

“The only reason that I wouldn’t recommend the program is because 60 days from the day that you graduate is not enough time to be sure that you pass the NCLEX and get a full-time job. I graduated at the beginning of June and still have not received my green light from ATI to take the NCLEX....If the time was 90 days it seems like it would be more manageable to pass the NCLEX and get a full-time job.”

“The obligation is 40 hours/week, but an inpatient nurse works 36-37 hours/week (12 hour shifts). I tried talking with the VDH staff about this and they were very strict about 40 hours. This was unreasonable and I could not fulfill my obligation, so I had to pay my scholarship back with interest. Huge disappointment.”

Respondents were asked to give any additional comments and suggestions in regards to Virginia's nursing incentive programs. Below are a few selected responses:

“The Virginia workforce program completely funded my MSN education at Lynchburg College and made it possible for me to become a college-level nurse educator. Even though I was not able to immediately obtain employment as a full-time nurse educator upon completion of my education, the program was extremely considerate as I worked as a nurse educator part-time for one year. I have now taught nursing full-time for two years at Lynchburg College and plan to continue in this role for at least 4 more years. I am very grateful to the program and have recommended it to colleagues. My only suggestion – my clinical RN colleagues are not aware of the program and therefore are not considering applying for benefits.”

“Make an easier route for nurses to take who have received these awards and want to go back to school. We should be rewarded for continuing education, not penalized. I appreciated the staff keeping in close communication with me and the program is well-organized.”

“My sister-in-law lives in Georgia and received a similar scholarship but the one she received paid for her entire tuition. I would expect the same since it requires so much in return, but I was only offered \$1200. Signing away that I have to work one month full-time, 40 hours a week to pay back \$100 of what I was given as a ‘scholarship’ really isn’t a scholarship. Most work weeks for nurses are 36 hours. Why would I want to have to work overtime because of a little \$100 I received as a scholarship? They shouldn’t be called ‘scholarships’ but rather ‘work agreements.’”

“I was extremely appreciative to have been awarded the maximum amount of \$2,000. I’ve not currently fulfilled my service obligation because not enough time has elapsed since award was received. As a VDH employee, I was the only RN-BSN student in my entire class who was not receiving any employer tuition assistance. I find that appalling and frustrating.”

Nursing School Staff/Health Care Providers Survey

Experience with Nursing Incentive Programs

In total, 26 Virginia nursing school staff and health care providers completed the survey, providing a 26% response rate. The average response rate for external, online surveys is typically 10 – 15%. Respondents were asked to indicate their familiarity with each of the incentive programs, marking all programs that they knew existed. Table 5 shows respondents' awareness of each nursing incentive program.

Table 5

Nursing Incentive Program	Percentage of Respondents Who Are Aware of Program
Mary Marshall Nursing Scholarship Program	61.1%
Virginia’s Nurse Practitioner/Nurse Midwife Scholarship	27.8%
Virginia’s Nurse Educator Scholarship Program	38.9%
Virginia State Loan Repayment Program for Nursing	72.2%

Respondents were asked whether they had worked with a participant of Virginia’s nursing incentive programs in the past. **Overwhelmingly, 80% of respondents indicated that they had *not* worked with a participant in the past, while 20% reported that they did have experience working with a program participant.** Those respondents who did work with a participant were asked for their overall impression of the programs. **Approximately 83.3% had a positive impression of the programs, while 16.7% were neutral.**

Marketing of Nursing Incentive Programs

Respondents were asked to provide feedback on the current marketing strategies for Virginia’s nursing incentive programs. **With a clear majority, 64% of respondents think that current marketing strategies for the programs are insufficient, while 8% think they are sufficient and the remaining 28% report that they don’t know.** Respondents were also asked if they had any suggestions to improve current marketing strategies for the programs. A sampling of responses is provided below.

“Communicate with the various professional organizations for nursing. VNA could help get the word out.”

“Would it be reasonable for you to attend the Virginia Student Nurse Association yearly meetings? I also think some education of nursing faculty would be really useful. We find out about these opportunities when our students ask us to sign something, and we could do much more with information on our own websites.”

“Direct e-mails to students.”

Respondents were given an opportunity to provide any additional comments regarding Virginia’s nursing incentive programs. Several responses follow below.

“The reasons a lot of people don’t try to continue their education is due to money. If they were aware of programs like these, it may be an incentive to continue their education.”

“This is a critical workforce need, particularly given that a significant portion of nursing leadership is approaching retirement.”

“Faculty loan repayment programs need to be considered for all levels of nursing (MSN, DNP) and for different roles. More information needs to be provided to students and colleges.”

“These have been great and the students who have received funding would not otherwise be able to attend the programs without it.”

VI. Conclusion on Effectiveness of Virginia’s Nursing Incentive Programs

Based on survey results and current data and statistics, the following conclusions can be made in regards to Virginia’s nursing incentive programs.

- 1. Virginia’s nursing incentive programs are beneficial in recruitment and retention of nursing professionals; however, contract stipulations and requirements may need reevaluation to increase participation in programs and reduce number of participants in default status.*

Overwhelmingly, 88.1% of respondents would recommend the programs and 74% said the programs had a high impact on their education. Written responses indicate that those who would not recommend the programs list strict contract stipulations such as the 60 day time frame to obtain employment after graduation and the full-time, 40 hours per week employment requirement as reasons for their poor impressions. Respondents also listed the minimal funding provided through the programs for the amount of service required in return as a key reason for their dissatisfaction. A reevaluation of the program requirements and funding availability has the potential to increase participation as well as reduce the number of participants in default status due to contract violations.

- 2. Awareness of Virginia’s nursing incentive programs is limited; the programs would benefit from an increase in marketing efforts and targeted marketing strategies to potential participants.*

Survey results indicate that less than half (27.8%) of Virginia nursing school staff and health care provider respondents were familiar with Virginia’s Nurse Practitioner/Nurse Midwife Scholarship. Likewise, only 38.9% were familiar with Virginia’s Nurse Educator Scholarship. Over half of respondents (64%) feel that current marketing strategies for the program are insufficient. Written responses suggest reaching out to nursing students directly

and improving relationships between VDH-OMHHE and nursing associations in Virginia as possible strategies for increasing awareness of programs.

3. *While some nursing incentive programs require participants to be employed in designated underserved areas of Virginia, others require only that a participant work in Virginia; increased efforts and/or contract requirements focused on recruiting and retaining nursing professionals in Virginia's underserved areas would assist in reducing state health workforce shortages.*

Over half of program participants, 66.2%, indicated that they work(ed) in an urban area of Virginia while only 33.8% provided service in a rural Virginia area. Of the respondents still practicing nursing, 18.8% were employed in a rural location, 29.0% were employed in an urban location and 15.9% were employed in a low-income area. Increasing the efforts to recruit and retain nursing professionals in Virginia's areas of highest need is recommended in order to reduce the state health workforce shortage; a possible strategy to achieve this could include modification of the contract requirements of some programs to mandate service in an underserved area of Virginia.