

[NCUIH Endorses Bipartisan Bill to Make Indian Health Service Loan Repayment Assistance Tax-Exempt](#)

Category: Policy Blog

written by Meredith Raimondi | May 9, 2022

On April 18, 2022, Representatives Gwen Moore (D-WI-04) and Tom Cole (R-OK-4) [reintroduced](#) the bipartisan *Indian Health Service Health Professions Tax Fairness Act of 2022* ([H.R. 7539](#)). The bill would amend the Internal Revenue Code for payments under the Indian Health Service (IHS) Loan Repayment Program and the Indian Health Professions Scholarships Program to provide health care professionals who receive student loan repayments from IHS the same tax-free status enjoyed by individuals under other similar programs such as the National Health Service Corps (NHSC) loan repayment program. The *Indian Health Service Health Professions Tax Fairness Act of 2022* is co-sponsored by Representatives Andre Carson (D-IN-7), David Joyce (R-OH-14), and Eleanor Norton (D-DC-1). The bill has been endorsed by leading Native American advocacy groups— including the National Indian Health Board, AI/AN Health Partners, and NCUIH.

“The National Council of Urban Indian Health (NCUIH) is pleased to endorse Rep. Moore and Rep. Cole’s *Indian Health Service Health Professions Tax Fairness Act of 2022*. This bill would assist with the challenges faced by Indian Country to recruit and retain quality health care providers by the IHS and at urban Indian organizations (UIOs). The entire IHS I/T/U system (Indian Health Service, Tribal, and UIO) struggles to hire the essential staff needed to provide culturally competent health care and to fill vacancies for physicians, nurses, dentists, and pharmacists.” - **Francys Crevier (Algonquin), CEO, NCUIH.**

“It is critical that Congress addresses health care provider shortages in IHS facilities, especially given they provide care to the majority of Native Americans and Alaskan Natives,” said Congresswoman Moore. “One way to reduce inequities facing these communities and combat this challenge is to exempt these programs from federal income tax requirements, which already exist for similar programs. This change will remove unfair financial barriers preventing IHS from filling crucial jobs and increasing staff retention and will help increase the quality of care for patients. With our bipartisan bill, we help Native Americans enter health professions and invest in the health of their communities.”

“To ensure the federal government meets its trust and treaty obligations to provide health care services to Native Americans and eliminate health care disparities, it is important to improve the ability to recruit and retain health care professionals in Indian country,” said Congressman Cole. “While IHS already offers scholarships and loan repayment assistance, making this assistance tax exempt, as it is for other federally-operated health care loan repayment programs, would be an important tool to help address the severe workforce shortages in Native American communities. I am proud to join in the bipartisan introduction of this commonsense legislation that supports tribal health and economic prosperity.”

Next Steps

The bill was referred to the House Ways and Means Committee. It currently awaits consideration. This bill has been added to the NCUIH legislative tracker and can be found [here](#).

Background

IHS faces challenges with provider recruitment and retention. In 2018, the U.S. Government Accountability Office (GAO) released a [report](#) finding that IHS suffers from long-standing vacancy rates and faces ongoing challenges in filling provider vacancies. GAO estimated an average vacancy rate for physicians, nurses, and other care providers of 25%. To address this issue, IHS provides financial aid to qualified American Indian/Alaska Native (AI/AN) students through the Indian Health Professions Scholarships Program, and loan repayment assistance to health professionals through the IHS Loan Repayment Program. The IHS Loan Repayment Program (LRP) can help dedicated health professionals at Indian Health Service facilities, Tribally-Operated 638 Health Programs, and Urban Indian Organizations. The LRP funds IHS clinicians to repay their eligible health profession education loans — up to \$40,000 — in exchange for an initial two-year service commitment to practice in health facilities serving American Indian and Alaska Native communities. Opportunities are based on Indian health program facilities with the greatest staffing needs in specific health profession disciplines. Under current law, amounts received from IHS are included in gross income for students under the Indian Health Professions Scholarships Program and for providers under the IHS Loan Repayment Program. The *Indian Health Service Health Professions Tax Fairness Act of 2022* brings parity to IHS by excluding gross income amounts received under both programs and allowing for a tax-free status similar to other federal scholarship and loan repayment programs.

- [House Text of Bill](#)
- [Representative Moore's Press Release](#)

NCUIH has long supported this parity effort to assist IHS health professionals. In 2019, NCUIH endorsed Senator Tom Udall's identical bill, the *Indian Health Service Health Professions Tax Fairness Act of 2019* ([S. 2871](#)).