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## Health Law Diagnosis

Monitoring the Pulse of Health Care and Life Sciences

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## Kentucky Governor Signs Bill Aimed at Mitigating Healthcare Workforce Shortages: Beginning of a Trend?

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On March 22, 2023, Kentucky Governor Andy Beshear signed<u>House Bill 200</u>, referred to as the "Kentucky Healthcare Workforce Development Act" ("the Bill"), into law. The Bill was enacted in response to current healthcare workforce shortages. In an effort to mitigate these workforce shortages, the Bill allocates funds for health care training programs across a wide range of professions, including home health and nursing. The intent of this investment is to remove the financial barriers that discourage many potential students from seeking health care training, and to add new incentives for high-performing health care training programs. The Bill further adds a requirement that all public health care training programs review the cost of attendance against the earning potential of their graduates.

The workforce investment fund created by the Bill is allocated to two important programs that call upon stakeholders across both public and private sectors. The first program allocates 65 percent of the investment fund to scholarships for Kentucky residents seeking financial assistance with health care training. The program is a matching fund where, for each dollar a private-sector partner dedicates to the fund, a match is made by an education program to fund scholarships for health care professionals. Health care training programs then provide scholarships directly to students working towards their health care credentials. As a condition of the scholarship, recipients must work in Kentucky for at least one year after completing their training.

With the remaining 35 percent of the workforce investment fund, the second program adds new incentives for high-performing health care training programs. In awarding funds, the Commonwealth will consider a wide range of criteria including whether graduates go on to serve historically underserved counties, the program's completion and credential examination passage rates, and other factors. Health care training programs that receive grants may invest funds into faculty and staff training and recruitment, or they may use funds to maintain or acquire medical equipment utilized by students in the program.

Notably, the Bill also adds a requirement that all public health care training programs review the cost of attendance against the earning potential of their graduates. The report must include the program's current tuition, student capacity, number of in-state and out-of-state students, average student loan debt accrued by students in the program, and graduation and credential exam passage rates. Programs must also summarize any actions they have taken to reduce financial barriers faced by students. The Programs must submit this report to the Commonwealth on a yearly basis.

The Bill unites public and private interests in pursuit of the shared goal of mitigating healthcare workforce shortages. As healthcare workforce shortages are being experienced nationwide, it will be interesting to see whether this Bill will act as a model for similar bills in other states.

If you have any questions, please contact any member of Robinson+Cole'sHealth Law Group.

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