

Department on Health and Human Services

United States Senate

Senator Tom Coburn, MD

March 15, 2011

Via U.S. Mail and Electronic Mail

The Honorable Kathleen Sebelius
Secretary
United States Department of Health and Human Services
Hubert Humphrey Building, Room 416G
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Sebelius:

I am interested in obtaining information on certain programs administered by the United States Department of Health and Human Services ("HHS") and would appreciate your assistance. HHS provides a number of programs and services that assist Americans in a number of ways. These programs include, but are not limited to, the following scholarship and loan repayment programs:

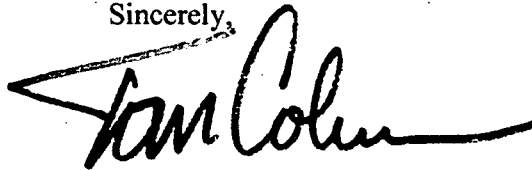
- AIDS Research Loan Repayment Program;
- National Health Service Corps Loan Repayment Program;
- National Health Service Corps Scholarship Program;
- Loan Repayment Program for General Research;
- Nursing Faculty Loan Program;
- Nursing Education Loan Repayment Program;
- Nursing Scholarship Program;
- Nursing Student Loans;
- Health Professions Preparatory Scholarship Program for Indians;
- Indian Health Service Educational Loan Repayment;
- Health Professions Recruitment Program for Indians;
- Health Professions Scholarship Program;
- Health Professions Student Loans, including Primary Care Loans;
- Contraception and Infertility Research Loan Repayment Program;
- National Institutes of Health Loan Repayment Program for Clinical Researchers;
- National Institutes of Health Pediatric Research Loan Repayment Program;
- Clinical Research Loan Repayment Program;
- General Research Loan Repayment Program;
- Health Disparities Research Loan Repayment Program;
- Pediatric Research Loan Repayment Program; and
- American Recovery and Reinvestment Act Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement.

Another program administered by HHS is the newly created Pre-existing Condition Insurance Program.

Please provide the following information for all individuals that received any benefits from the above listed programs during fiscal years 2007, 2008, 2009, and 2010, who also reported an adjusted gross income of \$1,000,000 or greater: (1) name of recipient; (2) total adjusted gross income for the year(s) in which the individual or entity received benefits; (3) name of each program the individual received benefits through; (4) amount of benefits received from each program; and (5) total amount of benefits received during each year. This information should be produced in an electronic usable format, such as Microsoft Excel.

Please provide the above information by March 31, 2011. If you have any questions, including the format in which the information should be produced, please contact

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Coburn", with a large, stylized initial "T" and "C".

Tom Coburn, M.D.
U.S. Senator



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Assistant Secretary
for Legislation

Washington, D.C. 20201

APR 22 2011

The Honorable Tom Coburn
United States Senate
Washington, DC 20510

Dear Senator Coburn:

Thank you for your March 15, 2011, letter requesting information on scholarship and loan repayment programs (LRPs) administered by the Department of Health and Human Services (HHS) as well as the Pre-existing Condition Insurance Plan (PCIP) program. HHS scholarship and loan repayment programs encourage students, health professionals, and scientists to work in underserved communities and to perform critical research. These programs are administered by the Health Resources and Services Administration (HRSA), the Indian Health Service (IHS), and the National Institutes of Health (NIH). The PCIP program provides a bridge to make health insurance available to people with pre-existing conditions until 2014, when Americans will have access to more affordable, comprehensive coverage options. Of the programs listed in your letter, HHS only collects adjusted gross income (AGI) information from certain participants in the NIH loan repayment programs.

NIH administers loan repayment programs to recruit and retain health professionals in vitally needed scientific research careers. Given increasing student loan debt, these programs provide an important incentive to encourage recent graduates to pursue research careers to tackle some of the most challenging health issues facing the nation. Opportunities exist in five extramural¹ research areas: clinical, pediatric, health disparities, contraception and infertility, and clinical research for individuals from disadvantaged backgrounds; and three intramural² research areas: general research, AIDS research, and clinical research for individuals from disadvantaged backgrounds. A recent evaluation of these programs has shown that LRP participants stay in research careers longer, apply for and receive more research grants, and become independent investigators more frequently than peers without LRP funding.

Eligibility for NIH's LRPs requires at least a two-year research commitment. In addition, applicants must have substantial educational debt relative to their wages—a debt-to-salary ratio of 20 percent or higher. This measure is based on the applicant's salary, not adjusted gross income, and AGI generally is not collected from applicants.

¹ Extramural research is research conducted by NIH funding recipients, such as grantees, at non-NIH sites.

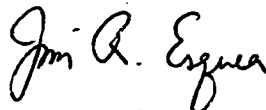
² Intramural research is research conducted by NIH employee-scientists at NIH laboratories.

By statute, NIH LRPs repay a portion of qualified educational debt in exchange for a two-year research commitment. In addition, by statute, the programs pay amounts equal to 39 percent of the loan repayments to the IRS to cover taxes.³ Until the end of fiscal year 2010, participants also had the option to request additional funds, in cases where the standard tax payments were insufficient, to offset the increased federal, state, and local taxes that resulted from their loan repayment income.⁴ To evaluate such requests, NIH reviewed tax return information, which contains AGI.

3,744 participants requested additional tax reimbursement payments from 2007-2010. Of this group, eight individuals—or 0.2% of the group—had AGIs over \$1,000,000 in at least one of the years covered. (See the enclosed table.) Each of these individuals qualified for the LRP based on their debt-to-salary ratio, but may have had higher AGIs due to spousal earnings and/or capital gains. In April 2010, NIH decided to discontinue this aspect of the loan repayment programs, effective for tax year 2011, in order to maximize the number of individuals who can receive benefits under these programs.

We appreciate your interest in these important programs. We trust that this information is helpful to you, and we look forward to continuing to work with you and other members of Congress on these issues.

Sincerely,



Jim R. Esquea

Assistant Secretary for Legislation

U.S. Department of Health and Human Services

Enclosure

³ See 42 U.S.C. 42 USC254l-1(g)(3)(A).

⁴ See 42 U.S.C. 42 USC254l-1(g)(3)(B).

NIH Loan Repayment Programs

Calendar Year		2007		2008		2009		2010	
Participant	LRP	Adjusted Gross Income	Total Benefits Received	Adjusted Gross Income	Total Benefits Received	Adjusted Gross Income	Total Benefits Received	Adjusted Gross Income	Total Benefits Received
		(AGI)	*	(AGI)	*	(AGI)	*	(AGI)	*
1	General	\$ 1,320,659	\$ 40,010	n/a	\$ 19,375	n/a	n/a	n/a	n/a
2	General	\$ 1,072,956	\$ 61,695	\$ 1,241,262	\$ 61,931	\$ 1,395,372	\$ 58,426	n/a	\$ 32,991
3	Clinical	n/a	n/a	\$ 1,925,444	\$ 13,150	\$ 1,582,080	\$ 52,647	n/a	\$ 48,650
4	Clinical	\$ 218,048	\$ 12,804	\$ 1,215,070	\$ 52,525	\$ 502,775	\$ 50,942	n/a	\$ 48,650
5	Clinical	\$ 577,626	\$ 54,335	\$ 1,000,835	\$ 57,652	\$ 1,825,849	\$ 59,690	n/a	\$ 48,650
6	Clinical	\$ 218,687	\$ 21,645	\$ 308,672	\$ 10,409	\$ 6,617,242	\$ 2,568	n/a	\$ 4,367
7	Clinical	n/a	n/a	n/a	n/a	\$ 1,468,968	\$ 8,138	n/a	\$ 29,365
8	Health Disparities	n/a	\$ 16,163	\$ 1,306,413	\$ 14,688	n/a	n/a	n/a	n/a

* Total Benefits Received consists of loan repayments and tax payments.

Prepared April 2011