



PODIATRIC SCHOLARSHIP AND RESIDENCY ACT ANNUAL REPORT FOR 2016

BACKGROUND

The Podiatric Scholarship and Residency Act (Act) [110 ILCS 978] was established in 1993 to increase access to podiatric services for Illinois residents. The Act authorizes grants to podiatric medicine residency programs, scholarships to podiatric medical students, and a loan repayment program for podiatric physicians who agree to practice in areas of the state demonstrating the greatest need for additional health care professionals.

Per Section 25 of the Act, the Illinois Department of Public Health (IDPH) is required to report annually to the Illinois General Assembly and the Governor on the results and progress of these programs. The annual report is due on or before March 15 of each calendar year.

Since the Act's establishment, IDPH has not received funding for podiatric medicine residency grants or loan repayment for podiatric physicians. To date, funds have been appropriated only for the scholarship program. Scholarship funds cover the cost of tuition and related fees. In addition, a living stipend is provided to the recipient. A recipient can receive a maximum of four years of scholarship assistance. IDPH's Center for Rural Health administers the scholarship program. IDPH began issuing scholarship awards in state Fiscal Year 1994.

FUNDING

Funding for the scholarship program comes from podiatric physicians' license fees deposited into the Illinois State Podiatric Disciplinary Fund (see Section 19 of the Podiatric Medical Practice Act of 1987 [225 ILCS 110/19]). From the amount deposited into this fund, \$200,000 is appropriated to IDPH to support the scholarship program. The remaining balance in the fund is used to offset the expenses incurred by the Illinois Department of Financial and Professional Regulation in the administration of the podiatric licensing program. Podiatric physicians' licenses are renewed biennially, requiring the \$200,000 appropriation to be divided equally between two program years. As a result, \$100,000 is available each state fiscal year. The current funding level supports one full-time podiatric medical student with tuition and a living stipend annually.

Initially, the scholarship award was for a maximum of two years and only covered tuition and related fees. In state Fiscal Year 2009, IDPH revised its administrative rules to extend the scholarship to four years and to include a living stipend (77 Ill. Adm. Code 593.200(e)). When issued, scholarship funds for tuition, fees, and the stipend are sent directly to the podiatric

medical school. The school uses the funds to offset tuition and fee expenses incurred by the recipient. In addition, the school dispenses stipend money to the recipient on a monthly basis during the academic year.

Since the program's inception (state Fiscal Year 1994), IDPH has provided \$680,922 in scholarship assistance (see Table Four).

ELIGIBILITY

To apply for a podiatric scholarship, an applicant must meet the following eligibility criteria:

1. Be an Illinois resident at the time of application;
2. Be studying podiatric medicine in a podiatric medical school located in Illinois; or
3. Be accepted for enrollment in a podiatric medical school located in Illinois;
4. Exhibit financial need; and
5. Agree to practice full-time in a designated shortage area as a podiatric physician for at least one year for each year he or she is a scholarship recipient.

Students who receive monies from other scholarship or loan funds that require a service commitment that would prevent the student from fulfilling the service obligation of the Podiatric Scholarship are ineligible to apply.

PODIATRIC MEDICAL SCHOOL

Rosalind Franklin University of Medicine and Science (University), which is located in North Chicago, is one of only seven colleges of podiatric medicine in the U.S. and the only accredited podiatric medical school located in Illinois. The University offers the Doctor of Podiatric Medicine degree through the Dr. William M. Scholl College of Podiatric Medicine. Thus to receive a scholarship, an applicant would need to demonstrate that he or she has been accepted to or attends this University.

SELECTION OF RECIPIENTS

IDPH utilizes various criteria in the selection of scholarship recipients. First, preference is given to individuals who have received the scholarship previously, provided that the recipient:

1. Requests a continuation of scholarship funds;
2. Is enrolled and is in good academic standing at the podiatric medical school located in Illinois;

3. Would not be repeating the same year of school due to poor academic performance; and
4. Has not voluntarily withdrawn from podiatric medical school.

If the current recipient does not request a continuation of the scholarship or if he or she graduates from podiatric medical school, IDPH utilizes the following criteria to select a new recipient:

1. Per Section 5 of the Act, minority students receive preference in the selection of scholarships. A minority student is any person who is: African American, Hispanic, Asian American, Native American, or Alaskan Native.
2. If more than one minority student applies or if no minority students apply, then the selection criteria include:
 - a. Interest in pursuing podiatric medicine;
 - b. Previous experience with medically underserved populations;
 - c. Previous experience in the health care delivery system, with preference given to those whose experience has involved primary care;
 - d. Academic capabilities as reported by the podiatric medical school;
 - e. Financial need;
 - f. Greater number of years of podiatric medical school remaining;
 - g. Stated willingness to provide podiatric medical care to Illinois citizens residing in Health Professional Shortage Areas (HPSAs), Medically Underserved Areas (MUAs), or citizens considered part of a Medically Underserved Population (MUP);
 - h. Greater number of years of residence in Illinois; and
 - i. U.S. citizens or those granted permanent residence in the U.S.

Since the program's inception, 11 individuals have received scholarship assistance. Of these recipients, seven were males and four were females. In fulfilling the Act's requirement of diversity and minority representation, IDPH notes that six of the 11 recipients are minorities. Tables One and Two display this information.

TABLE ONE	
Podiatric Scholarship Recipients	
Award Distribution By Gender	
State Fiscal Years 1994 - 2016	
Gender	Number of Recipients
Male	7
Female	4
TOTAL	11

TABLE TWO	
Podiatric Scholarship Recipients	
Award Distribution by Ethnicity	
State Fiscal Years 1994 - 2016	
Ethnicity	Number of Recipients
African American	5
Asian American	1
Hispanic	0
Native American / Alaskan Native	0
White (not Hispanic)	5
TOTAL	11

GRANT AGREEMENT

Before receiving scholarship funds, a recipient must enter into a grant agreement with IDPH. This agreement sets forth the terms of performance while in podiatric medical school and the service obligation that results from receipt of the scholarship. Failure to meet those obligations requires the recipient to repay the State three times the amount of scholarship funds received within the same period the funds were disbursed.

OBLIGATION

After a recipient graduates from podiatric medical school, completes a podiatric medical residency, and becomes licensed in Illinois as a podiatric physician, he or she is required to fulfill a service obligation. Recipients must work full-time at a medical facility (either a public or nonprofit private facility) located in a HPSA, MUA, or MUP, and provide direct patient care. Determination on whether a medical facility is located in a HPSA, MUA, or MUP is obtained from the U.S. Department of Health and Human Services, Health Resources and Services Administration (<https://datawarehouse.hrsa.gov/tools/analyzers/geo/ShortageArea.aspx>). Recipients must begin fulfilling the service obligation no later than 30 days after completing their podiatric residency and receiving their podiatric medical license. IDPH must approve the obligation prior to the recipient providing service. A recipient's internship, residency, or other advanced clinical training does not qualify as service repayment of the obligation. Also, without prior approval from IDPH, time spent in a specific practice location will not count towards the recipient's service obligation.

Per Section 10 of the Act, medical facilities can include any of the following: a hospital, state mental health institution, public health center, migrant health center, a community health center, or a state correctional institution. Recipients must provide one year of service for each year of scholarship assistance received.

OUTCOMES

Since the program's inception, 11 students have received scholarships. Of these 11 recipients, seven have graduated from podiatric medical school and fulfilled their obligation by providing service at a medical facility in an underserved area in Illinois. Six recipients fulfilled their obligation at medical facilities in urban locations, while one recipient practiced in a rural area. Table Three displays this information.

TABLE THREE		
Podiatric Scholarship Recipients Who Fulfilled Their Service Obligation		
State Fiscal Years 1994 - 2016		
Recipient ⁽¹⁾	Location Where Obligation Was Fulfilled	Urban / Rural Designation ⁽²⁾
1	Chicago	Urban
2	Chicago	Urban
3	Pekin	Urban
4	Chicago	Urban
5	Rockford	Urban
7	Chicago	Urban
8	Sterling	Rural

1 – Recipient 6 did not complete podiatric medical school (see Table Four).
2 – Urban/ rural designation provided by IDPH's Podiatric Scholarship and Residency Program Code (77 Ill. Adm. Code 593.10).

Two individuals (recipients 10 and 11) have graduated from podiatric medical school and are in podiatric medical residency. Once residency is complete, these individuals will be required to provide medical services in underserved areas in Illinois. The recipients will complete podiatric medical residency in July 2017 and June 2018 respectively. Recipient 10 will have a four-year service obligation, while recipient 11 will have a three-year commitment. IDPH notes there are currently no recipients in the program who are fulfilling a service obligation.

Two individuals (recipients six and nine) did not fulfill their scholarship obligation. Recipient six was unable to complete podiatric medical school due to academic failure. Since the individual was unable to complete school, the service obligation was waived by IDPH in June 2005. At the time this waiver was issued, IDPH's administrative rules stated that if a recipient did not complete podiatric medical school due to academic failure, the recipient was discharged from all obligations to the program. As a result of this waiver, the recipient was not required to repay the scholarship funds received. In March 2011, IDPH revised its administrative rules to state that if a recipient failed to fulfill the scholarship obligation due to academic failure, withdrew from podiatric medical school, or completed school but failed to become licensed as a podiatrist in Illinois, the recipient must repay IDPH three times the amount of scholarship assistance received (see 77 Ill. Adm. Code 593.230(b)).

Recipient nine graduated from podiatric medical school but was unable to pass the state's licensure examination. Per the requirements in Section 30 of the Act and IDPH's corresponding administrative rule, the recipient is required to repay IDPH three times the amount of scholarship assistance received ($\$142,162 \times 3 = \$426,486$). IDPH is pursuing repayment from this individual. The assessment of treble damages fulfills two public policy requirements. First, it provides a financial incentive to recipients to successfully complete podiatric medical school and

become licensed as a podiatrist. Second, it represents the fair market value of services lost by the State of Illinois. Also, per Section 30 of the Act, monies collected by IDPH are used to expand access to comprehensive primary care in medically underserved communities through Illinois (see Section 200 of the Department of Public Health Powers and Duties Law [20 ILCS 2310/2310-200]). Table Four displays information on all of the recipients.

TABLE FOUR Summary of Podiatric Scholarship Recipients State Fiscal Years 1994 - 2016								
Recipient	Year(s) of Scholarship Assistance Provided	Total Scholarships Provided	Assistance Provided In State Fiscal Year(s) ^(a)	In Podiatric Medical School	In Podiatric Residency	Fulfilled Service Obligation	Service Obligation Waived	In Default
1	1	\$16,405	1994			x		
2	2	\$33,978	1995, 1996			x		
3	2	\$35,503	1996, 1997			x		
4	1	\$20,279	1999			x		
5	2	\$20,810	2000, 2001			x		
6 ^(b)	2	\$46,945	2002, 2003				x	
7	2	\$45,254	2003, 2004			x		
8	2	\$51,162	2005, 2006			x		
9 ^(c)	4	\$142,162	2007, 2008, 2009, 2011					x
10 ^(d)	4	\$171,352	2009, 2010, 2011, 2012		x			
11 ^(e)	3	\$97,072	2012, 2014, 2015		x			
Totals		\$680,922		0	2	7	1	1
a) No award was made in Fiscal Year 1998 as available funds were insufficient to meet the cost of one scholarship. b) Recipient did not complete podiatric medical school. IDPH waived the recipient's service obligation and repayment requirements. c) Recipient was unable to obtain a podiatric medical license and defaulted on the scholarship. Per the Act, recipient must repay three times the amount of scholarship assistance received (\$426,486). IDPH is pursuing repayment from the recipient. d) Recipient is expected to complete podiatric medical residency in July 2017. e) Scholarship funds were not awarded in Fiscal Year 2013 because recipient repeated classes due to academic failure. Recipient subsequently graduated from podiatric medical school and is expected to complete podiatric medical residency in June 2018.								

PROSPECTIVE RECIPIENTS and FUTURE OBLIGATION

IDPH did not award a podiatric scholarship during state Fiscal Year 2016 because no individual applied who met all of the applicable selection criteria. In addition, a scholarship was not awarded in state Fiscal Year 2017 because no individual applied. IDPH anticipates re-opening the application opportunity during state Fiscal Year 2018.