

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2276

Introduced by

Senators Nething, Fischer, Kilzer

Representatives Byerly, Eckre, Hawken

1 A BILL for an Act to create and enact a new chapter to title 43 of the North Dakota Century
2 Code, relating to a dentists' loan repayment program; to provide an appropriation; and to
3 declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new chapter to title 43 of the North Dakota Century Code is created and
6 enacted as follows:

7 **Loan repayment program - Dentists - Maximum amount of funds.** Each year the
8 state health council shall select from a pool of applicants no more than three dentists who shall
9 provide dental services to communities in this state. The dentists are eligible to receive funds
10 for the repayment of their education loans. The funds, which are payable over a four-year
11 period, may not exceed eighty thousand dollars per applicant.

12 **Loan repayment program - Dentists - Powers of state health council.** The state
13 health council may:

- 14 1. Determine the eligibility and qualifications of an applicant for loan repayment funds
15 under this chapter.
- 16 2. Identify communities that have fewer than ten thousand residents and that are in
17 need of a dentist, and establish a priority ranking for participation in the program by
18 the selected communities.
- 19 3. Create and distribute a loan repayment application.
- 20 4. Determine the amount of the loan repayment funds for which a dentist is eligible
21 under this chapter and in making this determination, examine any outstanding
22 education loans incurred by the applicant.
- 23 5. Establish conditions regarding the use of the loan repayment funds.

6. Enter a four-year nonrenewable contract with the dentist and the selected community to provide to the dentist funds for the repayment of education loans in exchange for the dentist agreeing to practice in the selected community.
7. Receive and use funds appropriated for the program.
8. Enforce any contract under the program.
9. Cancel a contract for reasonable cause.
10. Participate in federal programs that support the repayment of education loans incurred by dentists and agree to the conditions of the federal programs.
11. Accept property from an entity.
12. Cooperate with the state department of health to effectuate this chapter.

Dentist selection criteria - Eligibility for loan repayment.

1. In establishing the criteria regarding a dentist's eligibility for loan repayment funds under this chapter, the state health council shall include consideration of:
 - a. The dentist's training in general dentistry or in a dental specialty and the extent to which such services are needed in a selected community.
 - b. The dentist's commitment to serve in a community that is in need of a dentist.
 - c. The compatibility of the dentist with a selected community.
 - d. The date by which the dentist would be available for service to the selected community.
 - e. The dentist's competence and professional conduct.
 - f. The dentist's willingness to accept medicare and medicaid assignments.
2. A dentist who is selected to receive loan repayment funds under this chapter:
 - a. (1) May not have practiced dentistry full-time in this state during the three years immediately preceding the application;
 - (2) Must have graduated from an accredited graduate specialty training program in dentistry during the year immediately preceding the application or within one year after the date of the application; or
 - (3) Must be enrolled in an accredited graduate specialty training program in dentistry; and
 - b. Must be licensed to practice dentistry in this state.

- 1 3. One of the dentists selected annually shall contract to provide full-time dental
2 services for a minimum of four years in one or more selected communities having
3 fewer than two thousand residents. Each of the remaining dentists selected
4 annually shall contract to provide full-time dental services for a minimum of four
5 years in one or more selected communities having fewer than ten thousand
6 residents.

7 **Community selection criteria.**

- 8 1. The state health council shall apply the following criteria in selecting a community
9 with a defined need for the services of a dentist:
10 a. The size of the community.
11 b. The number of dentists practicing in the community and the surrounding area.
12 c. The access by residents to dentists practicing in the community and the
13 surrounding area.
14 d. The mix of dental specialties in the community and surrounding area.
15 e. The degree to which residents support the addition of a dentist within the
16 community.
17 2. The state health council shall give priority for participation to a community that
18 demonstrates a need for a dentist or for an individual who is trained in a dental
19 specialty.
20 3. In evaluating communities for participation in this program, the state health council
21 may consult with public and private entities and visit the communities.

22 **Eligible loans.** The state health council may provide for loan repayment funds to a
23 dentist who has received an education loan. The council may not provide funds for the
24 repayment of any loan that is in default at the time of the application. The amount of repayment
25 must be related to the dentist's outstanding education loans. A dentist is eligible to receive loan
26 repayment funds in an amount equal to the outstanding balance of the dentist's education loans
27 with applicable interest, or eighty thousand dollars, whichever is less. Loan repayment funds
28 may not be used to satisfy other service obligations under similar programs.

29 **Breach of loan repayment contract.** If a dentist who receives loan repayment funds
30 under this chapter breaches the loan repayment program contract by failing to begin or failing
31 to complete the obligated service, the dentist is liable for the total amount of any loan

1 repayment funds received. Any damages the state is entitled to recover under this chapter
2 must be paid to the state health council, within one year from the date of the breach. Any
3 amounts not paid within one year from the date of the breach are subject to the collection
4 process and may be recovered through deductions in medicaid payments. Damages
5 recoverable for a breach of the contract include all interest, costs, and expenses incurred in
6 collection, including attorney's fees. Damages collected under this section by the health council
7 must be deposited in the state general fund. The health council may agree to accept a lesser
8 measure of damages for breach of a loan repayment program contract if compelling reasons
9 are demonstrated.

10 **Release from contract obligation.**

- 11 1. The state health council shall release a dentist from the dentist's loan repayment
12 contract, without penalty, if:
- 13 a. The dentist has completed the service requirements of the contract;
 - 14 b. The dentist is unable to complete the service requirement of the contract
15 because of a permanent physical disability;
 - 16 c. The dentist demonstrates to the health council extreme hardship or shows
17 other good cause justifying the release; or
 - 18 d. The dentist dies.
- 19 2. A decision by the state health council not to release a dentist from the dentist's
20 loan repayment contract without penalty is reviewable by district court.

21 **Payment.** The state health council may not provide any loan repayment funds to a
22 dentist under this chapter until the dentist has practiced at least six months on a full-time basis
23 in the selected community. Loan repayment funds for a year of obligated service are payable
24 by the state health council no later than the end of the fiscal year in which the dentist completes
25 the year of obligated service.

26 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
27 community health trust fund in the state treasury, not otherwise appropriated, the sum of
28 \$180,000, or so much of the sum as may be necessary, to the state health council for the
29 purpose of providing a dentists' loan repayment program, for the biennium beginning July 1,
30 2001, and ending June 30, 2003.

31 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.