

SENATE BILL NO. 2375

Introduced by

Senators Fischer, Wardner

Representative Maragos

1 A BILL for an Act to provide for a pharmacist loan repayment program; to provide an
2 appropriation; to provide a continuing appropriation; and to declare an emergency.

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

4 **SECTION 1. Pharmacist loan repayment program - Maximum amount of funds.**

5 1. Except as provided in subsection 2, each year the state health council shall select
6 from a pool of applicants no more than two pharmacists who shall provide
7 pharmacy services to communities in this state. The pharmacists are eligible to
8 receive funds for the repayment of their education loans. The funds, which are
9 payable over a four-year period, may not exceed forty thousand dollars per
10 selected pharmacist.

11 2. If the state health council accepts any gifts, grants, or donations under this chapter,
12 the council may select additional pharmacists for participation in the loan
13 repayment program.

14 **SECTION 2. Powers of state health council.** The state health council may:

- 15 1. Determine the eligibility and qualifications of an applicant for loan repayment funds
16 under this Act;
- 17 2. Identify communities that are in need of a pharmacist and establish a priority
18 ranking for participation in the program by 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 pharmacist is
21 eligible under this Act 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 pharmacist and the selected community to provide to the pharmacist funds for the repayment of education loans in exchange for the pharmacist 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 pharmacists; and
11. Cooperate with any state agency to effectuate this Act.

SECTION 3. Pharmacist selection criteria - Eligibility for loan repayment.

1. In establishing the criteria regarding a pharmacist's eligibility for loan repayment funds, the state health council shall consider:
 - a. The extent to which a pharmacist's services are needed in a selected community;
 - b. The pharmacist's commitment to serve in a community that is in need of a pharmacist;
 - c. The compatibility of the pharmacist with a selected community;
 - d. The date on which the pharmacist would be available for service to the selected community;
 - e. The pharmacist's competence and professional conduct; and
 - f. The pharmacist's willingness to accept medicare and medicaid patients.
2. A pharmacist who is selected to receive loan repayment funds:
 - a. May not have practiced pharmacy full-time in this state for more than two years;
 - b. Must have graduated from an accredited training program in pharmacy within the two years preceding the application or within one year after the date of the application; and
 - c. Must be licensed to practice pharmacy in this state.
3. At least one pharmacist selected annually shall contract to provide full-time pharmacy services for a minimum of four years in one or more selected communities having fewer than two thousand five hundred residents. At least one

pharmacist selected annually shall contract to provide full-time pharmacy services for a minimum of four years in one or more selected communities having fewer than ten thousand residents.

SECTION 4. Community selection criteria.

1. The state health council shall consider the following in selecting a community with a defined need for the services of a pharmacist:
 - a. The size of the community;
 - b. The number of pharmacists practicing in the community and the surrounding area;
 - c. The access by residents to pharmacists practicing in the community and the surrounding area; and
 - d. The degree to which residents support the addition of a pharmacist within the community.
2. The state health council shall give priority for participation to a community that demonstrates a need for a pharmacist.
3. In evaluating the communities for participation in the pharmacist loan repayment program, the state health council may consult with public and private entities and visit the communities.

SECTION 5. Eligible loans. The state health council may provide for loan repayment funds to a pharmacist who has received an education loan. The council may not provide funds for repayment of any loan that is in default at the time of the application. The amount of repayment must be related to the pharmacist's outstanding education loans. A pharmacist is eligible to receive loan repayment funds in an amount equal to the outstanding balance of the pharmacist's education loans with applicable interest, or forty thousand dollars, whichever is less. Loan repayment funds may not be used to satisfy other service obligations under similar programs.

SECTION 6. Breach of loan repayment contract. If a pharmacist who receives loan repayment funds under this Act breaches the loan repayment program contract by failing to begin or failing to complete the obligated service, the pharmacist is liable for the total amount of any loan repayment funds received. Any damages the state is entitled to recover under this Act must be paid to the state health council, within one year from the date of the breach. Any

amounts not paid within one year from the date of the breach are subject to the collection process and may be recovered through deductions in medicaid payments. Damages recoverable for a breach of the contract include all interest, costs, and expenses incurred in collection, including attorney fees. Damages collected under this section by the state health council must be deposited in the state general fund. The state health council may agree to accept a lesser measure of damages for breach of a loan repayment program contract if compelling reasons are demonstrated.

SECTION 7. Release from contract obligation.

1. The state health council shall release a pharmacist from the pharmacist's loan repayment contract without penalty if:
 - a. The pharmacist has completed the service requirements of the contract;
 - b. The pharmacist is unable to complete the service requirements of the contract because of a permanent physical disability;
 - c. The pharmacist demonstrates to the state health council extreme hardship or shows other good cause justifying the release; or
 - d. The pharmacist dies.
2. A decision by the state health council not to release a pharmacist from the pharmacist's loan repayment contract without penalty is subject to judicial review.

SECTION 8. Payment. The state health council may not provide any loan repayment funds to a pharmacist under this Act until the pharmacist has practiced at least six months on a full-time basis in the selected community. Loan repayment funds for a year of obligated service are payable by the state health council no later than the end of the fiscal year in which the pharmacist completes the year of obligated service.

SECTION 9. Continuing appropriation. The state health council may accept any conditional or unconditional gift, grant, or donation, for the purpose of providing funds for the repayment of pharmacists' education loans. If any entity desires to provide funds to the state health council to allow an expansion of the program beyond the limits of this Act, the entity shall commit to fund fully the expansion for a period of four years. The state health council may contract with any public or private entity and may expend any moneys available to the council to obtain matching funds for the purpose of this chapter. All monetary gifts, grants, or donations

1 under this Act are appropriated as a continuing appropriation to the state health council for the
2 purpose of providing funds for the repayment of additional pharmacist education loans.

3 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the
4 community health trust fund in the state treasury, not otherwise appropriated, the sum of
5 \$80,000, or so much of the sum as may be necessary, to the state health council for the
6 purpose of providing a pharmacist loan repayment program, for the biennium beginning July 1,
7 2003, and ending June 30, 2005.

8 **SECTION 11. EMERGENCY.** This Act is declared to be an emergency measure.