

HOUSE BILL NO. 1396

Introduced by

Representatives Sukut, Damschen, Fehr, Hatlestad, Lefor, Rohr

Senator Bekkedahl

1 A BILL ~~for an Act to create and enact a new section to chapter 23-01 of the North Dakota~~
2 ~~Century Code, relating to student loan repayment grants for health professionals; to amend and~~
3 ~~reenact sections 43-17.2-01, 43-17.2-02, 43-17.2-03, 43-17.2-04, 43-17.2-05, 43-17.2-06,~~
4 ~~43-17.2-08, and 43-17.2-09 of the North Dakota Century Code, relating to the physician loan~~
5 ~~repayment program; and to provide for the application of this Act.~~for an Act to provide student
6 loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2
7 of the North Dakota Century Code, relating to loan repayment programs for nurse practitioners,
8 physician assistants, certified nurse midwives, and physicians; to provide for a continuing
9 appropriation; and to provide for an application.

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

11 ~~SECTION 1. A new section to chapter 23-01 of the North Dakota Century Code is created~~
12 ~~and enacted as follows:~~
13 ~~**Health professionals – Student loan repayment grants.**~~
14 ~~1. The health council shall administer a grant program to assist with the repayment of~~
15 ~~student loans incurred by eligible health professionals.~~
16 ~~2. To be eligible for a student loan repayment grant under this section, an applicant must:~~
17 ~~a. Be employed as a health professional by a public or private healthcare provider~~
18 ~~in this state; and~~
19 ~~b. Have a student loan with the Bank of North Dakota or other participating lender.~~
20 ~~3. The health council shall distribute grants awarded under this section directly to the~~
21 ~~Bank of North Dakota or to another participating lender to assist in the repayment of~~
22 ~~the applicant's outstanding student loan principal balance.~~
23 ~~4. The maximum repayment grant for which an applicant may qualify under this section is~~
24 ~~ten thousand dollars.~~

1 ~~_____ a. One third of the total grant amount is payable at the conclusion of the first twelve~~
2 ~~_____ months of employment;~~

3 ~~_____ b. One third of the total grant amount is payable at the conclusion of twenty-four~~
4 ~~_____ months of employment; and~~

5 ~~_____ c. One third of the total grant amount is payable at the conclusion of thirty-six~~
6 ~~_____ months of employment.~~

7 ~~_____ 5. If in any year the grant applications exceed the amount appropriated for this program,~~
8 ~~_____ the health council shall prorate the grants among all eligible applicants.~~

9 ~~_____ 6. For purposes of this section, an "eligible health professional" means an individual who~~
10 ~~_____ is authorized by this state to function as a:~~

11 ~~_____ a. Clinical laboratory scientist or technician;~~

12 ~~_____ b. Medical assistant;~~

13 ~~_____ c. Nutritionist;~~

14 ~~_____ d. Occupational therapist;~~

15 ~~_____ e. Paramedic;~~

16 ~~_____ f. Pharmacist;~~

17 ~~_____ g. Physical therapist;~~

18 ~~_____ h. Practical nurse;~~

19 ~~_____ i. Radiologic technologist;~~

20 ~~_____ j. Registered dietician;~~

21 ~~_____ k. Registered nurse;~~

22 ~~_____ l. Respiratory therapist;~~

23 ~~_____ m. Sonographer; or~~

24 ~~_____ n. Surgical technician.~~

25 ~~_____ **SECTION 2. AMENDMENT.** Section 43-17.2-01 of the North Dakota Century Code is~~
26 ~~_____ amended and reenacted as follows:~~

27 ~~_____ **43-17.2-01. State community matching physician loan repayment program.**~~

28 ~~_____ 1. The North Dakota state community matching physician loan repayment program is~~
29 ~~_____ established as provided by this chapter.~~

30 ~~_____ 2. The purpose of the program is to increase the number of physicians practicing~~
31 ~~_____ medicine in North Dakota communities with defined health professional medical need.~~

1 ~~3. Under the program, loan repayments may be made to a lending institution on behalf of~~
2 ~~a recipient for educational expenses incurred while by the recipient was while attending~~
3 ~~an accredited four-year allopathic or osteopathic medical school located in the United~~
4 ~~States, its possessions, territories, or Canada and approved by the state board of~~
5 ~~medical examiners or by an accrediting body approved by the board.~~

6 ~~4. Each recipient is limited to a forty five thousand dollar~~

7 ~~a. The maximum loan repayment from the state to be paid over two on behalf of a~~
8 ~~recipient under this chapter is one hundred thousand dollars and the maximum~~
9 ~~term of repayment is five years. The loan repayment from the selected~~
10 ~~community must be in an amount that equals or exceeds the amount equal~~
11 ~~twenty five percent of the loan repayment provided by the state. The selected~~
12 ~~community may negotiate a period of service longer than two years.~~

13 ~~b. The repayments must be made to a lending institution at the conclusion of each~~
14 ~~six month period using a graduated repayment schedule as follows:~~

15 ~~(1) Five thousand dollars at the conclusion of the first six months of service;~~

16 ~~(2) Five thousand dollars at the conclusion of twelve months of service;~~

17 ~~(3) Seven thousand five hundred dollars at the conclusion of eighteen months~~
18 ~~of service;~~

19 ~~(4) Seven thousand five hundred dollars at the conclusion of twenty four~~
20 ~~months of service;~~

21 ~~(5) Ten thousand dollars at the conclusion of thirty months of service;~~

22 ~~(6) Ten thousand dollars at the conclusion of thirty six months of service;~~

23 ~~(7) Twelve thousand five hundred dollars at the conclusion of forty two months~~
24 ~~of service;~~

25 ~~(8) Twelve thousand five hundred dollars at the conclusion of forty eight months~~
26 ~~of service;~~

27 ~~(9) Fifteen thousand dollars at the conclusion of fifty four months of service;~~
28 ~~and~~

29 ~~(10) Fifteen thousand dollars at the conclusion of sixty months of service.~~

30 ~~5. The state health council may select any number of recipients and communities each~~
31 ~~year as participants in the program, subject to the availability of funding.~~

1 — ~~**SECTION 3. AMENDMENT.** Section 43-17.2-02 of the North Dakota Century Code is~~
2 ~~amended and reenacted as follows:~~

3 — ~~**43-17.2-02. Powers of state health council.**~~

4 — ~~The state health council may:~~

5 — ~~1. Determine eligibility and qualifications of an applicant to receive loan repayment in~~
6 ~~accordance with section 43-17.2-03.;~~

7 — ~~2. Identify communities with health professional medical need and establish a priority~~
8 ~~ranking for program participation of the selected communities.;~~

9 — ~~3. Determine the amount of the loan repayment an applicant may receive within the~~
10 ~~parameters of this chapter. This, provided this determination must include an~~
11 ~~investigation of the outstanding education loans incurred by the applicant.;~~

12 — ~~4. Determine the condition of loan repayment to an applicant.;~~

13 — ~~5. Enter into a two-year five-year nonrenewable loan repayment program contract with~~
14 ~~the applicant and the selected community to provide repayment of education loans in~~
15 ~~exchange for the physician agreeing to practice medicine in the selected community.;~~

16 — ~~6. Receive and use funds appropriated for the program.;~~

17 — ~~7. Receive and use funds paid by the selected communities for repayment of education~~
18 ~~loans for physicians who apply and qualify for assistance under the program.;~~

19 — ~~8. Enforce any contract under the program.;~~

20 — ~~9. Cancel a contract for reasonable cause.;~~

21 — ~~10. Participate in federal programs supporting repayment of loans to eligible physicians,~~
22 ~~and agree to the conditions of the federal programs.;~~

23 — ~~11. Create a loan repayment application packet.;~~

24 — ~~12. Accept property from any entity.;~~ and

25 — ~~13. Work with the university of North Dakota's center for rural health in implementing this~~
26 ~~chapter.~~

27 — ~~**SECTION 4. AMENDMENT.** Section 43-17.2-03 of the North Dakota Century Code is~~
28 ~~amended and reenacted as follows:~~

29 — ~~**43-17.2-03. Physician selection criteria – Eligibility for loan repayment.**~~

30 — ~~1. The state health council shall establish criteria to apply to an applicant for a loan~~
31 ~~repayment. The criteria must include:~~

- 1 ~~_____ a. The extent to which an applicant's training is in a medical specialty determined by~~
- 2 ~~the state health council to be needed in a selected community.;~~
- 3 ~~_____ b. The applicant's commitment to serve in a community with defined health-~~
- 4 ~~professional medical need.;~~
- 5 ~~_____ c. The applicant's achieving a match with a selected community.;~~
- 6 ~~_____ d. The availability of the applicant for service, with the highest consideration being~~
- 7 ~~given to an applicant who is available for service at the earliest date.;~~
- 8 ~~_____ e. The applicant's professional competence and conduct.;~~ ~~and~~
- 9 ~~_____ f. The applicant's willingness to accept medicare and medicaid assignment.~~
- 10 ~~_____ 2. The state health council shall give priority for program participation to an applicant~~
- 11 ~~who:~~
- 12 ~~_____ a. Graduated from the university of North Dakota school of medicine and health-~~
- 13 ~~sciences and is enrolled in or has completed a university of North Dakota school~~
- 14 ~~of medicine and health sciences postgraduate residency training program;~~
- 15 ~~_____ b. Graduated from an accredited out-of-state medical or osteopathic college and is~~
- 16 ~~enrolled in or has completed a university of North Dakota school of medicine and~~
- 17 ~~health sciences postgraduate residency training program; or~~
- 18 ~~_____ c. Graduated from the university of North Dakota school of medicine and health-~~
- 19 ~~sciences and is enrolled in or has completed an accredited out-of-state~~
- 20 ~~postgraduate residency training program in a specialty training program not~~
- 21 ~~available in this state.~~
- 22 ~~_____ 3. A physician who receives loan repayment under this chapter:~~
- 23 ~~_____ a. Must be a graduate of an accredited four-year allopathic or osteopathic medical~~
- 24 ~~school located in the United States, its possessions, territories, or Canada and~~
- 25 ~~approved by the state board of medical examiners or by an accrediting body~~
- 26 ~~approved by the board;~~
- 27 ~~_____ b. Must have a full and unrestricted license to practice medicine in this state;~~
- 28 ~~_____ c. Shall submit an application to participate in the loan repayment program; and~~
- 29 ~~_____ d. Must have entered into an agreement with a selected community to provide~~
- 30 ~~full-time medical services for a minimum of two five years at the selected~~
- 31 ~~community, if the applicant receives a loan repayment program contract.~~

1 — **SECTION 5. AMENDMENT.** Section 43-17.2-04 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 — ~~43-17.2-04. Community selection criteria.~~

4 — 1. The state health council shall apply at least the following criteria for selecting a
5 community with defined health professional medical need:

6 — a. The ratio of physicians to population in the community.;

7 — b. Access by the residents of the community to medical care within the community
8 and in the surrounding area.;

9 — c. Assessment of the expected number of physician visits within the community per
10 year.;

11 — d. The mix of physician specialties within the community.; and

12 — e. Indications of community support for more physicians within the community.

13 — 2. The state health council shall give priority for participation to a community that:

14 — a. Demonstrates a need for primary care physicians or for a physician trained in the
15 specialty of psychiatry; or

16 — b. Has a population of not more than fifteen thousand persons.

17 — 3. In selecting a community with health professional medical need, the state health
18 council may consult public and private associations and organizations and make an
19 onsite visit to a community for assessment.

20 — **SECTION 6. AMENDMENT.** Section 43-17.2-05 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 — ~~43-17.2-05. Eligible loans.~~

23 — The state health council may provide for an educational loan repayment to a lending
24 institution on behalf of a loan recipient of any education loan. The health council may not
25 provide for repayment of any loan that is in default at the time of the application. The amount of
26 repayment must be related to the applicant's outstanding education loans. No applicant may
27 receive repayment in an amount greater than the total outstanding balance on the applicant's
28 education loans together with applicable interest. Loan payments may not be used to satisfy
29 other service obligations under similar programs.

30 — **SECTION 7. AMENDMENT.** Section 43-17.2-06 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 ~~— **43-17.2-06. Breach of loan repayment contract.**~~

2 ~~— A recipient of loan repayment under this chapter physician who breaches the loan~~
3 ~~repayment program contract by failing to begin or complete the obligated service is liable for~~
4 ~~twice the total uncredited amount of all loan repayment that was contracted on a prorated~~
5 ~~monthly basis. Any damages the state is entitled to recover under this chapter must be paid to~~
6 ~~the health council within one year from the date of the breach of the loan repayment program~~
7 ~~contract. Amounts not paid within the one-year period may be subject to collection through~~
8 ~~deductions in medicaid payments or other collection methods. Damages recoverable for breach~~
9 ~~of contract include all interest, costs, and expenses incurred in collection, including attorney's~~
10 ~~fees. Damages collected under this section must be prorated among the state and the involved~~
11 ~~community. The state share must be deposited in the general fund. For compelling reasons, the~~
12 ~~health council may agree to and accept a lesser measure of damages for breach of a loan~~
13 ~~repayment program contract.~~

14 ~~— **SECTION 8. AMENDMENT.** Section 43-17.2-08 of the North Dakota Century Code is~~
15 ~~amended and reenacted as follows:~~

16 ~~— **43-17.2-08. Term of obligated service.**~~

17 ~~— The length of the term of obligated service of a recipient of a loan repayment required of a~~
18 ~~physician under this chapter is a minimum of two~~five~~ years.~~

19 ~~— **SECTION 9. AMENDMENT.** Section 43-17.2-09 of the North Dakota Century Code is~~
20 ~~amended and reenacted as follows:~~

21 ~~— **43-17.2-09. Payment.**~~

22 ~~— No payment may be made under this chapter until the physician has practiced at least six~~
23 ~~months on a full-time basis in a selected community with health professional medical need. Any~~
24 ~~arrangement made by the state The health council for shall forward any loan repayment in~~
25 ~~accordance with this chapter must provide that any loan repayment for a year of obligated~~
26 ~~service be made no later than the end of the fiscal year in which the physician completes the~~
27 ~~year of obligated service thirty days after the conclusion of the six-month period referenced in~~
28 ~~section 43-17.2-01.~~

29 ~~— **SECTION 10. APPLICATION.** This Act applies to physician loan repayment contracts~~
30 ~~entered into on or after August 1, 2015. Any physician loan repayment contract entered into~~
31 ~~before August 1, 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015.~~

1 **SECTION 1.**

2 **Student loan repayment programs - Health care professionals.**

3 The health council shall administer student loan repayment programs, as established by
4 this chapter, for healthcare professionals willing to provide services in cities that have a defined
5 need for such services.

6 **SECTION 2.**

7 **Application process.**

8 The health council shall develop an application process for cities seeking to fill health care
9 needs and for healthcare professionals willing to provide necessary services in exchange for
10 benefits under a student loan repayment program.

11 **SECTION 3.**

12 **Cities - Selection criteria - Matching funds.**

- 13 1. The health council shall establish criteria to be used in selecting cities for participation
14 in a program. The criteria must include:
15 a. The number of healthcare professionals, by specified field, already providing
16 services in the city;
17 b. Access to healthcare services in the city and the surrounding area; and
18 c. The level of support from the city and the surrounding area.
19 2. The health council may consult with public and private sector entities in establishing
20 criteria and evaluating needs based on the criteria.
21 3. A city may not be selected for participation unless it contractually commits to provide
22 matching funds equal to the amount required for a loan repayment program in
23 accordance with section 6 of this Act.

24 **SECTION 4.**

25 **Cities - Eligibility for participation - Priority.**

26 In selecting cities for participation in a program, the health council shall give priority, in
27 descending order, to those cities that meet the selection criteria, or to a practice with a focus on
28 an underserved population and:

- 29 1. Have fewer than fifteen thousand residents;
30 2. a. Have at least fifteen thousand residents, but fewer than thirty thousand residents;
31 and

1 b. Do not belong to a metropolitan statistical area; or

2 3. Have at least thirty thousand residents.

3 **SECTION 5.**

4 **Healthcare professionals - Selection criteria.**

5 1. The health council shall establish criteria to be used in selecting healthcare
6 professionals for participation in a student loan repayment program. The criteria must
7 include:

8 a. The healthcare professional's specialty;

9 b. The need for the healthcare professional's specialty within a city;

10 c. The healthcare professional's education and experience;

11 d. The health care professional's date of availability and anticipated term of
12 availability; and

13 e. The health care professional's willingness to accept medicare and Medicaid
14 assignments, if applicable.

15 2. The health council shall give priority to healthcare professionals who graduated from
16 an institution of higher education in this state.

17 **SECTION 6.**

18 **Student loan repayment program - Contract.**

19 1. The health council shall enter into a contract with a selected health care professional.
20 The health council shall agree to provide student loan repayments on behalf of the
21 selected health care professional subject to the requirements and limitations of this
22 section.

23 a. For a physician:

24 (1) The loan repayment must be equal to twenty thousand dollars per year; and

25 (2) The matching funds must equal fifty percent of the amount required in
26 paragraph 1.

27 b. For a clinical psychologist:

28 (1) The loan repayment must be equal to twelve thousand dollars per year; and

29 (2) The matching funds must equal twenty-five percent of the amount required
30 in paragraph 1.

31 c. For a nurse practitioner, physician assistant, or certified nurse midwife:

- 1 (1) The loan repayment must be equal to four thousand dollars per year; and
- 2 (2) The matching funds must equal ten percent of the amount required in
- 3 paragraph 1.
- 4 d. (1) For a behavioral health professional:
- 5 (a) The loan repayment must be equal to four thousand dollars per year;
- 6 and
- 7 (b) The matching funds must equal ten percent of the amount required in
- 8 paragraph 1.
- 9 (2) For purposes of this subdivision, a behavioral health professional means an
- 10 individual who practices in the behavioral health field and is:
- 11 (a) An advanced practice registered nurse;
- 12 (b) A licensed addition counselor;
- 13 (c) A licensed practical nurse;
- 14 (d) A licensed professional counselor;
- 15 (e) A licensed social worker;
- 16 (f) A registered nurse; or
- 17 (g) A specialty practice registered nurse.
- 18 2. a. Payments under this section must be made on behalf of the health care
- 19 professional directly to the Bank of North Dakota or to another participating
- 20 lending institution.
- 21 b. Except as otherwise provided, payments under this section may be made only at
- 22 the conclusion of each twelve month period of service.
- 23 c. Prorated payments may be made only if:
- 24 (1) The repayment of the loan requires less than a full annual payment;
- 25 (2) The health care professional is terminated or resigns from his or her
- 26 position; or
- 27 (3) The health care professional is unable to complete a twelve month period of
- 28 service due to the individual's death, a certifiable medical condition or
- 29 disability, or a call to military service.
- 30 3. Payments under this section terminate upon the earlier of:
- 31 a. The full repayment of the health care professional's student loan; or

1 b. The completion of five years as a participant in the student loan repayment
2 program.

3 **SECTION 7.**

4 **Powers of the health council - Continuing appropriation.**

5 1. The health council may:

6 a. Receive and expend any gifts, grants, and other funds for the purposes of this
7 program;

8 b. Participate in any federal programs providing for the repayment of student loans
9 on behalf of health care professionals; and

10 c. Do all things necessary and proper for the administration of this chapter.

11 2. All moneys received by the health council under this section are appropriated to the
12 health council on a continuing basis, to be used exclusively for the purposes of this
13 Act.

14 **SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code
15 are repealed.

16 **SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on
17 or after August 1, 2015. Any nurse practitioner, physician assistant, or certified nurse midwife
18 loan repayment contract entered into before August 1, 2015, is governed by chapter 43-12.2, as
19 it existed on July 31, 2015. Any physician loan repayment contract entered into before August 1,
20 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015.