

**FIRST ENGROSSMENT
with Conference Committee Amendments****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 a continuing appropriation; to
3 provide an appropriation; and to 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. If the state health council
12 accepts any gifts, grants, or donations under this chapter, the council may select additional
13 dentists for participation in the loan repayment program under this chapter.

14 **Loan repayment program - Dentists - Powers of state health council.** The state
15 health council may:

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

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

11 **Dentist selection criteria - Eligibility for loan repayment.**

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

- 1 3. One out of every three dentists selected annually shall contract to provide full-time
2 dental services for a minimum of four years in one or more selected communities
3 having fewer than two thousand five hundred residents. One out of every three
4 dentists selected annually shall contract to provide full-time dental services for a
5 minimum of four years in one or more selected communities having fewer than ten
6 thousand residents. One out of every three dentists selected annually shall
7 contract to provide full-time dental services for a minimum of four years in one or
8 more selected communities having ten thousand or more residents.

9 **Community selection criteria.**

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

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

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

13 **Release from contract obligation.**

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

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

29 **Gifts, grants, and donations - Continuing appropriation.** The state health council
30 may accept any conditional or unconditional gift, grant, or donation for the purpose of providing
31 funds for the repayment of dentists' educational loans. If any entity desires to provide funds to

1 the council to allow an expansion of the program beyond the three dentists contemplated by
2 this Act, the entity shall commit to fund fully the expansion for a period of four years. The
3 council may contract with any public or private entity and may expend any moneys available to
4 the council to obtain matching funds for the purposes of section 1 of this Act. All money
5 received as gifts, grants, or donations under this section is appropriated as a continuing
6 appropriation to the state health council for the purpose of providing funds for the repayment of
7 additional dentists' educational loans.

8 **SECTION 2. LEGISLATIVE INTENT.** It is the intent of the fifty-seventh legislative
9 assembly that the fifty-eighth legislative assembly provide sufficient funds for the continuation
10 of any obligations entered by the state health council under this Act.

11 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the
12 community health trust fund in the state treasury, not otherwise appropriated, the sum of
13 \$180,000, or so much of the sum as may be necessary, to the state health council for the
14 purpose of providing a dentists' loan repayment program, for the biennium beginning July 1,
15 2001, and ending June 30, 2003.

16 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.