

**FIRST ENGROSSMENT  
with House Amendments**

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; and to declare an emergency.

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

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

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

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

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

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

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

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

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

5 **Community selection criteria.**

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

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

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

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

8 **Release from contract obligation.**

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

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

24 **SECTION 2. DENTISTS' LOAN REPAYMENT PROGRAM FUNDING.** The funds  
25 appropriated in Senate Bill No. 2003 include \$135,000 from the general fund for providing a  
26 dentists' loan repayment program as authorized in section 1 of this Act, for the biennium  
27 beginning July 1, 2001, and ending June 30, 2003.

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