

HOUSE BILL NO. 1125

Introduced by

Education Committee

(At the request of the State Board of Higher Education)

1 A BILL for an Act to create and enact chapters 43-13.1 and 43-29.1 of the North Dakota
2 Century Code, relating to loan repayment programs for optometrists and veterinarians; to
3 provide a continuing appropriation; and to provide an appropriation.

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

5 **SECTION 1.** Chapter 43-13.1 of the North Dakota Century Code is created and
6 enacted as follows:

7 **43-13.1-01. Loan repayment program - Optometrists - Maximum amount of funds.**

8 Each year the state health council, in consultation with the state optometric association director,
9 shall select from a pool of applicants no more than three optometrists who shall provide
10 optometry services to communities in this state. The optometrists are eligible to receive funds
11 for the repayment of their education loans. The funds, which are payable over a four-year
12 period, may not exceed eighty thousand dollars per applicant. If the state health council
13 accepts any gifts, grants, or donations under this chapter, the council may select additional
14 optometrists for participation in the loan repayment program under this chapter.

15 **43-13.1-02. Loan repayment program - Optometrists - Powers of state health**
16 **council.**

17 The state health council may:

- 18 1. Determine the eligibility and qualifications of an applicant for loan repayment funds
19 under this chapter.
- 20 2. Identify communities that are in need of an optometrist and establish a priority
21 ranking for participation in the program by the selected communities.
- 22 3. Create and distribute a loan repayment application.

- 1 4. Determine the amount of the loan repayment funds for which an optometrist is
- 2 eligible under this chapter and, in making this determination, examine any
- 3 outstanding education loans incurred by the applicant.
- 4 5. Establish conditions regarding the use of the loan repayment funds.
- 5 6. Enter a four-year nonrenewable contract with the optometrist and the selected
- 6 community to provide to the optometrist funds for the repayment of education loans
- 7 in exchange for the optometrist agreeing to practice in the selected community.
- 8 7. Receive and use funds appropriated for the program.
- 9 8. Enforce any contract under the program.
- 10 9. Cancel a contract for reasonable cause.
- 11 10. Participate in federal programs that support the repayment of education loans
- 12 incurred by optometrists and agree to the conditions of the federal programs.
- 13 11. Accept property from an entity.
- 14 12. Cooperate with the state department of health to effectuate this chapter.
- 15 **43-13.1-03. Optometrist selection criteria - Eligibility for loan repayment.**
- 16 1. In establishing the criteria regarding an optometrist's eligibility for loan repayment
- 17 funds under this chapter, the state health council shall include consideration of:
- 18 a. The optometrist's training in optometry or in a related specialty and the extent
- 19 to which such services are needed in a selected community.
- 20 b. The optometrist's commitment to serve in a community that is in need of an
- 21 optometrist.
- 22 c. The compatibility of the optometrist with a selected community.
- 23 d. The date by which the optometrist would be available for service to the
- 24 selected community.
- 25 e. The optometrist's competence and professional conduct.
- 26 f. The optometrist's willingness to accept medicare and medicaid patients.
- 27 2. An optometrist who is selected to receive loan repayment funds under this chapter:
- 28 a. (1) May not have practiced optometry full time in this state during the three
- 29 years immediately preceding the application;

- 1 (2) Must have graduated from an accredited graduate specialty training
2 program in optometry during the year immediately preceding the
3 application or within one year after the date of the application; or
4 (3) Must be enrolled in an accredited graduate specialty training program in
5 optometry; and
6 b. Must be licensed to practice optometry in this state.
7 3. Optometrists selected shall contract to provide full-time optometry services for a
8 minimum of four years in one or more selected communities.

9 **43-13.1-04. 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 an optometrist:
12 a. The size of the community, with rural communities with a population under
13 two thousand five hundred given highest priority, communities with a
14 population between two thousand five hundred and ten thousand given the
15 next highest priority, and communities with a population greater than ten
16 thousand given the lowest priority. In cities with a population greater than ten
17 thousand, first priority must be given to optometrists who commit to satellite to
18 underserved areas and then to optometry specialists in cities with an identified
19 need for a specialist.
20 b. The number of optometrists practicing in the community and the surrounding
21 area.
22 c. The access by residents to optometrists practicing in the community and the
23 surrounding area.
24 d. The mix of optometry specialties in the community and surrounding area.
25 e. The degree to which residents support the addition of an optometrist within
26 the community.
27 2. The state health council shall give priority for participation to a community that
28 demonstrates a need for an optometrist or for an individual who is trained in an
29 optometry specialty.
30 3. In evaluating communities for participation in this program, the state health council
31 may consult with public and private entities and visit the communities.

1 **43-13.1-05. Eligible loans.** The state health council may provide for loan repayment
2 funds to an optometrist who has received an education loan. The council may not provide
3 funds for the repayment of loan that is in default at the time of the application. The amount of
4 repayment must be related to the optometrist's outstanding education loans. An optometrist is
5 eligible to receive loan repayment funds in an amount equal to the outstanding balance of the
6 optometrist's education loans with applicable interest, or eighty thousand dollars, whichever is
7 less. Loan repayment funds may not be used to satisfy other service obligations under similar
8 programs.

9 **43-13.1-06. Breach of loan repayment contract.** If an optometrist who receives loan
10 repayment funds under this chapter breaches the loan repayment program contract by failing to
11 begin or failing to complete the obligated service, the optometrist is liable for the total amount of
12 the loan repayment funds received. Any damages the state is entitled to recover under this
13 chapter must be paid to the state health council within one year from the date of the breach.
14 Any amounts not paid within one year from the date of the breach are subject to the collection
15 process and may be recovered through deductions in medicaid payments. Damages
16 recoverable for a breach of the contract include all interest, costs, and expenses incurred in
17 collection, including attorney's fees. Damages collected under this section by the state health
18 council must be deposited in the state general fund. The state health council may agree to
19 accept a lesser measure of damages for breach of a loan repayment program contract if
20 compelling reasons are demonstrated.

21 **43-13.1-07. Release from contract obligation.**

- 22 1. The state health council shall release an optometrist from the optometrist's loan
23 repayment contract without penalty if:
- 24 a. The optometrist has completed the service requirements of the contract;
 - 25 b. The optometrist is unable to complete the service requirement of the contract
26 because of a permanent physical disability;
 - 27 c. The optometrist demonstrates to the state health council extreme hardship or
28 shows other good cause justifying the release; or
 - 29 d. The optometrist dies.

1 2. A decision by the state health council not to release an optometrist from the
2 optometrist's loan repayment contract without penalty is reviewable by district
3 court.

4 **43-13.1-08. Payment.** The state health council may not provide loan repayment funds
5 to an optometrist under this chapter until the optometrist has practiced at least six months on a
6 full-time basis in the selected community. Loan repayment funds for a year of obligated service
7 are payable by the state health council no later than the end of the fiscal year in which the
8 optometrist completes the year of obligated service.

9 **43-13.1-09. Gifts, grants, and donations - Continuing appropriation.** The state
10 health council may accept any conditional or unconditional gifts, grants, or donations for the
11 purpose of providing funds for the repayment of optometrists' education loans. If an entity
12 desires to provide funds to the state health council to allow an expansion of the program
13 beyond the three optometrists contemplated by this chapter, the entity shall commit to fund fully
14 the expansion for a period of four years. The state health council may contract with a public or
15 private entity and may expend any moneys available to the state health council council to obtain
16 matching funds for the purposes of this chapter. All moneys received as gifts, grants, or
17 donations under this section are appropriated as a continuing appropriation to the state health
18 council for the purpose of providing funds for the repayment of additional optometrists'
19 education loans.

20 **SECTION 2.** Chapter 43-29.1 of the North Dakota Century Code is created and
21 enacted as follows:

22 **43-29.1-01. Loan repayment program - Veterinarians - Maximum amount of funds.**
23 Each year the state health council, in consultation with the state veterinarian, shall select from a
24 pool of applicants no more than three veterinarians who shall provide food animal veterinary
25 medicine services to communities in this state. The veterinarians are eligible to receive funds
26 for the repayment of their education loans. The funds, which are payable over a four-year
27 period, may not exceed eighty thousand dollars per applicant. If the state health council
28 accepts any gifts, grants, or donations under this chapter, the council may select additional
29 veterinarians for participation in the loan repayment program under this chapter.

30 **43-29.1-02. Loan repayment program - Veterinarians - Powers of state health**
31 **council.** The state health council may:

- 1 1. Determine the eligibility and qualifications of an applicant for loan repayment funds
- 2 under this chapter.
- 3 2. Identify communities that are in need of a veterinarian and establish a priority
- 4 ranking for participation in the program by the selected communities.
- 5 3. Create and distribute a loan repayment application.
- 6 4. Determine the amount of the loan repayment funds for which a veterinarian is
- 7 eligible under this chapter and, in making this determination, examine any
- 8 outstanding education loans incurred by the applicant.
- 9 5. Establish conditions regarding the use of the loan repayment funds.
- 10 6. Enter a four-year nonrenewable contract with the veterinarian and the selected
- 11 community to provide to the veterinarian funds for the repayment of education
- 12 loans in exchange for the veterinarian agreeing to practice in the selected
- 13 community.
- 14 7. Receive and use funds appropriated for the program.
- 15 8. Enforce any contract under the program.
- 16 9. Cancel a contract for reasonable cause.
- 17 10. Participate in federal programs that support the repayment of education loans
- 18 incurred by veterinarians and agree to the conditions of the federal programs.
- 19 11. Accept property from an entity.
- 20 12. Cooperate with the state department of health to effectuate this chapter.
- 21 **43-29.1-03. Veterinarian selection criteria - Eligibility for loan repayment.**
- 22 1. In establishing the criteria regarding a veterinarian's eligibility for loan repayment
- 23 funds under this chapter, the state health council shall include consideration of:
- 24 a. The veterinarian's training in food animal veterinary medicine, ability and
- 25 willingness of the veterinarian to engage in food animal veterinary medicine,
- 26 and the extent to which such services are needed in a selected community.
- 27 b. The veterinarian's commitment to serve in a community that is in need of a
- 28 veterinarian.
- 29 c. The compatibility of the veterinarian with a selected community.
- 30 d. The date by which the veterinarian would be available for service to the
- 31 selected community.

- 1 e. The veterinarian's competence and professional conduct.
- 2 2. A veterinarian who is selected to receive loan repayment funds under this chapter:
- 3 a. (1) May not have practiced veterinary medicine full time in this state during
- 4 the three years immediately preceding the application;
- 5 (2) Must have graduated from an accredited graduate training program in
- 6 veterinary medicine during the year immediately preceding the
- 7 application or within one year after the date of the application; or
- 8 (3) Must be enrolled in an accredited graduate training program in
- 9 veterinary medicine; and
- 10 b. Must be licensed to practice veterinary medicine in this state.
- 11 3. Veterinarians selected shall contract to provide full-time veterinary medicine
- 12 services for a minimum of four years in one or more selected communities.

13 **43-29.1-04. Community selection criteria.**

- 14 1. The state health council shall apply the following criteria in selecting a community
- 15 with a defined need for the services of a veterinarian:
- 16 a. The size of the community, with rural communities with a population under
- 17 two thousand five hundred given highest priority, communities with a
- 18 population between two thousand five hundred and ten thousand given the
- 19 next highest priority, and communities with a population greater than ten
- 20 thousand given the lowest priority. In cities with a population greater than ten
- 21 thousand, first priority must be given to veterinarians who commit to satellite
- 22 to underserved areas and then to veterinary medicine specialists in cities with
- 23 an identified need for a specialist.
- 24 b. The number of veterinarians practicing in the community and the surrounding
- 25 area.
- 26 c. The access by residents to veterinarians practicing in the community and the
- 27 surrounding area.
- 28 d. The degree to which residents support the addition of a veterinarian within the
- 29 community.
- 30 2. The state health council shall give priority for participation to a community that
- 31 demonstrates a need for a veterinarian.

1 3. In evaluating communities for participation in this program, the state health council
2 may consult with public and private entities and visit the communities.

3 **43-29.1-05. Eligible loans.** The state health council may provide for loan repayment
4 funds to a veterinarian who has received an education loan. The state health council may not
5 provide funds for the repayment of a loan that is in default at the time of the application. The
6 amount of repayment must be related to the veterinarian's outstanding education loans. A
7 veterinarian is eligible to receive loan repayment funds in an amount equal to the outstanding
8 balance of the veterinarian's education loans with applicable interest, or eighty thousand
9 dollars, whichever is less. Loan repayment funds may not be used to satisfy other service
10 obligations under similar programs.

11 **43-29.1-06. Breach of loan repayment contract.** If a veterinarian who receives loan
12 repayment funds under this chapter breaches the loan repayment program contract by failing to
13 begin or failing to complete the obligated service, the veterinarian is liable for the total amount
14 of loan repayment funds received. Any damages the state is entitled to recover under this
15 chapter must be paid to the state health council within one year from the date of the breach.
16 Any amounts not paid within one year from the date of the breach are subject to the collection
17 process. Damages recoverable for a breach of the contract include all interest, costs, and
18 expenses incurred in collection, including attorney's fees. Damages collected under this
19 section by the state health council must be deposited in the state general fund. The state
20 health council may agree to accept a lesser measure of damages for breach of a loan
21 repayment program contract if compelling reasons are demonstrated.

22 **43-29.1-07. Release from contract obligation.**

23 1. The state health council shall release a veterinarian from the veterinarian's loan
24 repayment contract without penalty if:
25 a. The veterinarian has completed the service requirements of the contract;
26 b. The veterinarian is unable to complete the service requirement of the contract
27 because of a permanent physical disability;
28 c. The veterinarian demonstrates to the state health council extreme hardship or
29 shows other good cause justifying the release; or
30 d. The veterinarian dies.

1 2. A decision by the state health council not to release a veterinarian from the
2 veterinarian's loan repayment contract without penalty is reviewable by district
3 court.

4 **43-29.1-08. Payment.** The state health council may not provide loan repayment funds
5 to a veterinarian under this chapter until the veterinarian has practiced at least six months on a
6 full-time basis in the selected community. Loan repayment funds for a year of obligated service
7 are payable by the state health council no later than the end of the fiscal year in which the
8 veterinarian completes the year of obligated service.

9 **43-29.1-09. Gifts, grants, and donations - Continuing appropriation.** The state
10 health council may accept any conditional or unconditional gifts, grants, or donations for the
11 purpose of providing funds for the repayment of veterinarians' education loans. If an entity
12 desires to provide funds to the state health council to allow an expansion of the program
13 beyond the three veterinarians contemplated by this chapter, the entity shall commit to fund
14 fully the expansion for a period of four years. The state health council may contract with a
15 public or private entity and may expend any moneys available to the council to obtain matching
16 funds for the purposes of this chapter. All moneys received as gifts, grants, or donations under
17 this section are appropriated as a continuing appropriation to the state health council for the
18 purpose of providing funds for the repayment of additional veterinarians' education loans.

19 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the
20 general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much
21 of the sum as may be necessary, to the state health council for the purpose of providing loan
22 repayment programs for optometrists and veterinarians, for the biennium beginning July 1,
23 2007, and ending June 30, 2009.