

1 **RURAL PHYSICIAN LOAN REPAYMENT PROGRAM**

2 2015 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: David P. Hinkins**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill creates the Rural Physician Loan Repayment Program.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ creates the Rural Physician Loan Repayment Program within the Department of
- 14 Health;
- 15 ▶ grants rulemaking authority; and
- 16 ▶ creates the Rural Physician Loan Repayment Program Advisory Committee.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 ENACTS:

23 **26-46a-101**, Utah Code Annotated 1953

24 **26-46a-102**, Utah Code Annotated 1953

25 **26-46a-103**, Utah Code Annotated 1953

26 **26-46a-104**, Utah Code Annotated 1953



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **26-46a-101** is enacted to read:

30 **CHAPTER 46a. RURAL PHYSICIAN LOAN REPAYMENT PROGRAM**

31 **26-46a-101. Title.**

32 This chapter is known as "Rural Physician Loan Repayment Program."

33 Section 2. Section **26-46a-102** is enacted to read:

34 **26-46a-102. Definitions.**

35 As used in this chapter:

36 (1) "Hospital" means a general acute hospital, as defined in Title 26, Chapter 21,
37 Health Care Facility Licensing and Inspection Act.

38 (2) "Physician" means a person:

39 (a) licensed as a physician under Title 58, Chapter 67, Utah Medical Practice Act; or

40 (b) licensed as a physician under Title 58, Chapter 68, Utah Osteopathic Medical
41 Practice Act.

42 (3) "Rural county" means a county with a population of less than 50,000, as determined
43 by:

44 (a) the most recent official census or census estimate of the United States Census
45 Bureau; or

46 (b) the most recent population estimate for the county from the Utah Population
47 Estimates Committee, if a population figure for the county is not available under Subsection

48 (3)(a).

49 (4) "Rural hospital" means a hospital located within a rural county.

50 Section 3. Section **26-46a-103** is enacted to read:

51 **26-46a-103. Rural Physician Loan Repayment Program -- Purpose -- Repayment**
52 **limit -- Funding -- Reporting -- Rulemaking -- Advisory committee.**

53 (1) There is created within the department the Rural Physician Loan Repayment
54 Program to provide, within funding appropriated by the Legislature for this purpose, education
55 loan repayment assistance to physicians in accordance with Subsection (2).

56 (2) The department may enter into an education loan repayment assistance contract
57 with a physician if:

58 (a) the physician:

- 59 (i) locates or continues to practice in a rural county; and
- 60 (ii) has a written commitment from a rural hospital that the hospital will provide
- 61 education loan repayment assistance to the physician;
- 62 (b) the assistance provided by the program does not exceed the assistance provided by
- 63 the rural hospital; and
- 64 (c) the physician is otherwise eligible for assistance under administrative rules adopted
- 65 under Subsection (6).
- 66 (3) Funding for the program:
- 67 (a) shall be a line item within an appropriations act;
- 68 (b) shall be nonlapsing unless designated otherwise by the Legislature;
- 69 (c) may be used to pay for the per diem and travel expenses of the Rural Physician
- 70 Loan Repayment Program Advisory Committee under Subsection [26-46a-104\(5\)](#); and
- 71 (d) may be used to pay for department expenses incurred in the administration of the
- 72 program:
- 73 (i) including administrative support provided to the Rural Physician Loan Repayment
- 74 Program Advisory Committee created under Subsection [26-46a-104\(7\)](#); and
- 75 (ii) in an amount not exceeding 10% of funding for the program.
- 76 (4) Refunds of loan repayment assistance, penalties for breach of contract, and other
- 77 payments to the program are dedicated credits to the program.
- 78 (5) The department shall prepare an annual report of the program's revenues,
- 79 expenditures, and outcomes.
- 80 (6) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 81 the department shall make rules governing the administration of the program, including rules
- 82 that address:
- 83 (i) application procedures;
- 84 (ii) eligibility criteria;
- 85 (iii) verification of the amount provided by a rural hospital to a physician for
- 86 repayment of the physician's education loans;
- 87 (iv) service conditions, which at a minimum shall include professional service by the
- 88 physician in the rural hospital providing loan repayment assistance to the physician;
- 89 (v) selection criteria and assistance amounts;

90 (vi) penalties for failure to comply with service conditions or other terms of a loan
91 repayment assistance contract; and

92 (vii) criteria for modifying or waiving service conditions or penalties in the case of
93 extreme hardship or for other good cause.

94 (b) The department shall seek and consider the recommendations of the Rural
95 Physician Loan Repayment Program Advisory Committee created under Section [26-46a-104](#) as
96 it develops and modifies rules to administer the program.

97 Section 4. Section **26-46a-104** is enacted to read:

98 **26-46a-104. Rural Physician Loan Repayment Program Advisory Committee --**
99 **Membership -- Compensation -- Duties.**

100 (1) There is created the Rural Physician Loan Repayment Program Advisory
101 Committee consisting of the following seven members appointed by the executive director:

102 (a) two legislators whose districts include rural counties; and

103 (b) five administrators of rural hospitals nominated by an association representing Utah
104 hospitals, no more than two of whom are employed by hospitals affiliated by ownership.

105 (2) An appointment to the committee shall be for a four-year term unless the member is
106 appointed to complete an unexpired term. The executive director shall adjust the length of
107 term at the time of appointment or reappointment so that approximately one half of the
108 committee is appointed every two years. The executive director shall annually appoint a
109 committee chair from among the members of the committee.

110 (3) (a) The committee shall meet at the call of:

111 (i) the chair;

112 (ii) at least three members of the committee; or

113 (iii) the executive director.

114 (b) The committee shall meet at least once each calendar year.

115 (4) A majority of the members of the committee constitutes a quorum. The action of a
116 majority of a quorum constitutes the action of the committee.

117 (5) A member may not receive compensation or benefits for the member's service, but
118 may receive per diem and travel expenses in accordance with:

119 (a) Section [63A-3-106](#);

120 (b) Section [63A-3-107](#); and

121 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
122 [63A-3-107](#).

123 (6) The committee shall make recommendations to the department for the development
124 and modification of rules to administer the Rural Physician Loan Repayment Program.

125 (7) As funding permits, the department shall provide staff and other administrative
126 support to the committee.

Legislative Review Note
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Office of Legislative Research and General Counsel