

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 891 Session of
2009

INTRODUCED BY BAKER, WATSON, CLYMER, REICHLEY, BRENNAN, BRIGGS,
CAUSER, CUTLER, FAIRCHILD, FLECK, GEIST, GINGRICH, GOODMAN,
GROVE, HARHAI, HARHART, HENNESSEY, HUTCHINSON, KAUFFMAN,
M. KELLER, KORTZ, LONGIETTI, OBERLANDER, D. O'BRIEN,
PASHINSKI, PETRARCA, QUINN, READSHAW, SCAVELLO, SIPTROTH,
VULAKOVICH, J. TAYLOR, CREIGHTON, RAPP AND MELIO,
MARCH 12, 2009

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES, MARCH 12,
2009

AN ACT

1 Establishing the Physician Retention Loan Forgiveness Program in
2 the Pennsylvania Higher Education Assistance Agency;
3 providing for powers and duties of the Pennsylvania Higher
4 Education Assistance Agency; and making an appropriation.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Physician
9 Retention Loan Forgiveness Act.

10 Section 2. Purpose.

11 The purpose of this act is to improve patient access to
12 health care by assisting the Commonwealth with recruitment and
13 retention of physicians.

14 Section 3. Definitions.

15 The following words and phrases when used in this act shall
16 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Agency." The Pennsylvania Higher Education Assistance
3 Agency.

4 "Approved clinic." As defined in section 3 of the act of
5 December 4, 1996 (P.L.893, No.141), known as the Volunteer
6 Health Services Act.

7 "Health care facility." As defined in section 103 of the act
8 of July 19, 1979 (P.L.130, No.48), known as the Health Care
9 Facilities Act.

10 "Medically underserved area." An area of this Commonwealth
11 that is reported by the Department of Health as medically
12 underserved.

13 "Physician." A medical doctor, doctor of osteopathy or
14 dentist.

15 "Primary care health professional shortage area." An area of
16 this Commonwealth that is reported by the Department of Health
17 as having a shortage of primary care health professionals.

18 "Program." The Physician Retention Loan Forgiveness Program
19 established by this act.

20 Section 4. Program.

21 (a) Establishment.--The Physician Retention Loan Forgiveness
22 Program is established in the agency.

23 (b) Applications.--The agency shall promulgate guidelines
24 for the selection of candidates to the program based upon the
25 following criteria:

26 (1) Demonstrated need.

27 (2) Willingness to continue practicing as a physician in
28 this Commonwealth after completing the program.

29 (c) Eligibility.--A program applicant must be:

30 (1) A citizen of the United States.

1 (2) Licensed to practice medicine in this Commonwealth.

2 (d) Selection.--The agency shall give preference to
3 physicians in the following order:

4 (1) Commonwealth physicians completing training in this
5 Commonwealth who agree to practice medicine in one of the
6 following:

7 (i) A medically underserved area.

8 (ii) A primary care health professional shortage
9 area.

10 (iii) An approved clinic as a volunteer.

11 (2) Commonwealth physicians completing training in this
12 Commonwealth.

13 (3) Commonwealth natives completing out-of-State
14 training who agree to practice in a medically underserved
15 area or a primary care health professional shortage area.

16 (4) Out-of-State applicants completing training in this
17 Commonwealth who agree to practice in a medically underserved
18 area or a primary care health professional shortage area.

19 (e) Verification.--The agency shall monitor and verify a
20 physician's fulfillment of all requirements under this act.

21 Section 5. Amount of loan forgiveness.

22 (a) Physicians practicing full time.--A physician accepted
23 into the program practicing full time may be reimbursed an
24 amount up to 100% of the total loan for physician training or no
25 more than \$75,000, whichever is less, based upon the following
26 repayment assistance schedule:

27 (1) First year of service, 10%.

28 (2) Second year of service, 15%.

29 (3) Third year of service, 15%.

30 (4) Fourth year of service, 15%.

1 (5) Fifth year of service, 15%.

2 (6) Sixth year of service, 15%.

3 (7) Seventh year of service, 15%.

4 (b) Physicians practicing part time.--A physician accepted
5 into the program practicing part time may be reimbursed an
6 amount directly proportional to the number of hours worked of
7 the total loan for physician training or no more than \$75,000,
8 whichever is less, based upon the following repayment assistance
9 schedule:

10 (1) First year of service, 10%.

11 (2) Second year of service, 15%.

12 (3) Third year of service, 15%.

13 (4) Fourth year of service, 15%.

14 (5) Fifth year of service, 15%.

15 (6) Sixth year of service, 15%.

16 (7) Seventh year of service, 15%.

17 Section 6. Contract.

18 (a) General rule.--Physicians receiving loan forgiveness
19 shall enter into a contract with the agency. The contract shall
20 include, but not be limited to, the following terms and
21 conditions:

22 (1) The physician shall agree to practice not fewer than
23 ten full consecutive years in a licensed health care facility
24 in this Commonwealth immediately following completion of
25 training pursuant to the schedule provided in section 5.

26 (2) The physician shall agree not to discriminate
27 against patients based on the ability to pay.

28 (3) The physician shall permit the agency to monitor
29 compliance with the work requirement.

30 (4) The agency shall certify compliance of the physician

1 receiving a loan forgiveness award for years subsequent to
2 the initial year of the loan.

3 (5) The contract shall be renewable on an annual basis
4 upon certification by the agency that the physician has
5 complied with the terms of the contract.

6 (6) The contract shall terminate if the physician dies,
7 is not able to perform the duties of a physician or is not
8 able to maintain the physician's license to practice medicine
9 due to physical or mental disability.

10 (7) If the physician's license to practice is suspended
11 or revoked, the agency shall have the authority to terminate
12 the physician's participation in the program and demand
13 repayment of all loan forgiveness payments rendered to date.

14 (8) A physician who fails to begin or complete the
15 obligations contracted for shall reimburse the Commonwealth
16 all amounts received under this act and interest thereon as
17 determined by the agency. Both the physician and the agency
18 shall make every effort to resolve conflicts in order to
19 prevent a breach of contract.

20 (b) Contract enforcement.--The agency shall have the
21 authority to seek garnishment of wages for the collection of
22 damages provided for in subsection (a)(8).

23 Section 7. Disqualification.

24 Any person who knowingly or intentionally procures, obtains
25 or aids another to procure or obtain loan forgiveness under this
26 act through fraudulent means shall be disqualified from
27 participation and shall be liable to the agency for an amount
28 equal to three times the amount obtained.

29 Section 8. Tax consequences.

30 Loan forgiveness payments received by a physician shall not

1 be considered taxable income for purposes of Article III of the
2 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
3 of 1971.

4 Section 9. Regulations.

5 The agency shall adopt regulations and procedures necessary
6 to carry out the purposes of this act.

7 Section 10. Funding.

8 Loan forgiveness payments shall be made to the extent that
9 funds are appropriated to the Physician Retention Loan
10 Forgiveness Program by the General Assembly.

11 Section 11. Appropriation.

12 The sum of \$10,000,000 shall be appropriated annually to
13 carry out the purposes of this act.

14 Section 30. Effective date.

15 This act shall take effect in 90 days.