

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1816 Session of  
2015

INTRODUCED BY KORTZ, SCHLOSSBERG, BOBACK, COHEN, FABRIZIO,  
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D. COSTA, THOMAS, McCARTER, CUTLER, ROZZI, DeLUCA, MAHONEY,  
O'BRIEN, MURT AND GIBBONS, JANUARY 28, 2016

REFERRED TO COMMITTEE ON EDUCATION, JANUARY 28, 2016

AN ACT

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

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  
17 context clearly indicates otherwise:

18 "Agency." The Pennsylvania Higher Education Assistance

1 Agency.

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

5 "Physician." A medical doctor or doctor of osteopathy.

6 "Program." The Physician Retention Loan Forgiveness Program  
7 established by this act.

8 Section 4. Program.

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

11 (b) Applications.--The agency shall promulgate guidelines  
12 for the selection of candidates to the program based upon the  
13 following criteria:

14 (1) Demonstrated need.

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

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

18 (1) A citizen of the United States.

19 (2) Licensed to practice medicine in this Commonwealth  
20 and specializing in one of the following:

21 (i) Internal medicine.

22 (ii) Family medicine.

23 (iii) Pediatrics.

24 (iv) Obstetrics and gynecology.

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

27 (1) Recipients of loans who by contract with the agency  
28 agree to practice medicine in an area of this Commonwealth  
29 that is reported by the Department of Health as medically  
30 underserved or in a primary care health professional shortage

1 area.

2 (2) Commonwealth physicians completing training in this  
3 Commonwealth.

4 (3) Out-of-State applicants completing training in this  
5 Commonwealth.

6 (4) Commonwealth natives completing out-of-State  
7 training.

8 (5) Out-of-State candidates completing out-of-State  
9 training.

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

12 Section 5. Amount of loan forgiveness.

13 (a) Physicians practicing full time.--A physician accepted  
14 into the program practicing full time may be reimbursed an  
15 amount up to 100% of the total loan for physician training at a  
16 rate of 10% per year for each year of practice in this  
17 Commonwealth.

18 (b) Physicians practicing part time.--A physician accepted  
19 into the program practicing part time may be reimbursed an  
20 amount directly proportional to the number of hours worked of  
21 the total loan for physician training based upon the following  
22 repayment assistance schedule:

23 (1) First year of service, 5%.

24 (2) Second year of service, 5%.

25 (3) Third year of service, 10%.

26 (4) Fourth year of service, 10%.

27 (5) Fifth year of service, 10%.

28 (6) Sixth year of service, 10%.

29 (7) Seventh year of service, 10%.

30 (8) Eighth year of service, 10%.

1           (9) Ninth year of service, 10%.

2           (10) Tenth year of service, 20%.

3 Section 6. Contract.

4       (a) General rule.--Physicians receiving loan forgiveness  
5 shall enter into a contract with the agency. The contract shall  
6 include, but not be limited to, the following terms and  
7 conditions:

8           (1) The physician shall practice not fewer than ten full  
9 consecutive years in a licensed health care facility in this  
10 Commonwealth immediately following completion of training  
11 pursuant to the schedule provided in section 5.

12          (2) The physician shall accept Medicare and Medicaid  
13 patients.

14          (3) The physician may not discriminate against patients  
15 based on the ability to pay.

16          (4) The physician shall permit the agency to monitor  
17 compliance with the work requirement.

18          (5) The agency shall certify compliance of the physician  
19 receiving a loan forgiveness award for years subsequent to  
20 the initial year of the loan.

21          (6) The contract shall be renewable on an annual basis  
22 upon certification by the agency that the physician has  
23 complied with the terms of the contract.

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

28          (8) If the physician's license to practice is suspended  
29 or revoked, the agency may terminate the physician's  
30 participation in the program and demand repayment of all loan

1 forgiveness payments rendered to date.

2 (9) A physician who fails to begin or complete the  
3 obligations contracted for shall reimburse the Commonwealth  
4 all amounts received under this act and interest on those  
5 amounts as determined by the agency. Both the physician and  
6 the agency shall make every effort to resolve conflicts in  
7 order to prevent a breach of contract.

8 (b) Contract enforcement.--The agency may seek garnishment  
9 of wages for the collection of damages provided for in  
10 subsection (a) (9).

#### 11 Section 7. Disqualification.

12 A person who knowingly or intentionally procures, obtains or  
13 aids another to procure or obtain loan forgiveness under this  
14 act through fraudulent means shall be disqualified from  
15 participation and shall be liable to the agency for an amount  
16 equal to three times the amount obtained.

#### 17 Section 8. Tax consequences.

18 Loan forgiveness payments received by a physician shall not  
19 be considered taxable income for purposes of Article III of the  
20 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code  
21 of 1971.

#### 22 Section 9. Regulations.

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

#### 25 Section 10. Funding.

26 Loan forgiveness payments shall be made to the extent that  
27 funds are appropriated to the Physician Retention Loan  
28 Forgiveness Program by the General Assembly.

#### 29 Section 11. Effective date.

30 This act shall take effect in 90 days.