
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2987 Session of
2006

INTRODUCED BY PISTELLA, BEBKO-JONES, BISHOP, BUNT, CALTAGIRONE,
FLAHERTY, FREEMAN, GOODMAN, HENNESSEY, JAMES, LEDERER,
MARKOSEK, MCGEEHAN, MCILHATTAN, MELIO, MUSTIO, PALLONE,
STABACK, WALKO AND DeLUCA, OCTOBER 4, 2006

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
OCTOBER 4, 2006

AN ACT

1 Establishing the Child Psychiatrist Loan Forgiveness Program in
2 the Department of Health; and providing for powers and duties
3 of the Department of Health.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Child
8 Psychiatrist Loan Forgiveness Act.

9 Section 2. Purpose.

10 The purpose of this act is to provide an incentive to medical
11 students to pursue training in child psychiatry, which is
12 essential to the delivery of quality health care services to
13 children and their families in this Commonwealth.

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:

1 "Child psychiatrist." A physician who specializes in the
2 prevention, diagnosis and treatment of mental illness with
3 additional training in child psychiatry.

4 "Department." The Department of Health of the Commonwealth.

5 "Health care facility." As defined in the act of July 19,
6 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

7 "Program." The Child Psychiatrist Loan Forgiveness Program
8 established by this act.

9 Section 4. Program.

10 (a) Establishment.--The Child Psychiatrist Loan Forgiveness
11 Program is established in the department.

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

15 (1) Demonstrated need.

16 (2) Willingness to continue practicing as a child
17 psychiatrist in this Commonwealth after completing the
18 program.

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

20 (1) A citizen of the United States.

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

22 (d) Selection.--The department shall give preference to
23 physicians in the following order:

24 (1) Commonwealth physicians completing training in child
25 psychiatry in this Commonwealth.

26 (2) Out-of-State applicants completing training in child
27 psychiatry in this Commonwealth.

28 (3) Commonwealth natives completing out-of-State
29 training in child psychiatry.

30 (4) Out-of-State candidates completing out-of-State

1 training in child psychiatry.

2 (e) Verification.--The department shall monitor and verify a
3 physician's fulfillment of all requirements under this act.

4 Section 5. Amount of loan forgiveness.

5 A physician accepted into the program may be reimbursed an
6 amount up to \$50,000 per year for each year of specialty
7 training in child psychiatry based upon the following repayment
8 assistance schedule:

9 (1) First year of service, 20%.

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

11 (3) Third year of service, 20%.

12 (4) Fourth year of service, 20%.

13 (5) Fifth year of service, 20%.

14 Section 6. Contract.

15 (a) General rule.--Physicians receiving loan forgiveness
16 shall enter into a contract with the department. The contract
17 shall include, but not be limited to, the following terms and
18 conditions:

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

24 (2) The physician shall agree to practice on a full-time
25 basis.

26 (3) The physician shall agree to accept Medicare and
27 Medicaid patients.

28 (4) The physician shall agree not to discriminate
29 against patients based on the ability to pay.

30 (5) The physician shall permit the department to monitor

1 compliance with the work requirement.

2 (6) The department shall certify compliance with the
3 terms of the contract for purposes of receipt by the
4 physician of loan forgiveness awards for years subsequent to
5 the initial year of the loan.

6 (7) The contract shall be renewable on an annual basis
7 upon certification by the department that the physician has
8 complied with the terms of the contract.

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

13 (9) If the physician's license to practice is suspended
14 or revoked, the department shall have the authority to
15 terminate the physician's participation in the program and
16 demand repayment of all loan forgiveness payments rendered to
17 date.

18 (10) A physician who fails to begin or complete the
19 obligations contracted for shall reimburse the Commonwealth
20 all amounts received under this act and interest thereon as
21 determined by the department. Both the physician and the
22 department shall make every effort to resolve conflicts in
23 order to prevent a breach of contract.

24 (b) Contract enforcement.--The department shall have the
25 authority to seek garnishment of wages for the collection of
26 damages provided for in subsection (a)(10).

27 Section 7. Disqualification.

28 Any person who knowingly or intentionally procures, obtains
29 or aids another to procure or obtain loan forgiveness under this
30 act through fraudulent means shall be disqualified from

1 participation and shall be liable to the department for an
2 amount equal to three times the amount obtained.

3 Section 8. Tax consequences.

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

8 Section 9. Limitation.

9 Participation in the program is limited to no more than four
10 physicians a year unless sufficient funding is available to
11 reimburse more than four physicians a year in accordance with
12 this act.

13 Section 10. Regulations.

14 The department may adopt regulations and procedures necessary
15 to carry out the purposes of this act.

16 Section 11. Funding.

17 Loan forgiveness repayments shall be made to the extent that
18 funds are appropriated to the Child Psychiatrist Loan
19 Forgiveness Program by the General Assembly.

20 Section 12. Effective date.

21 This act shall take effect in 90 days.