
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1206 Session of
2014

INTRODUCED BY RAFFERTY, GREENLEAF, KASUNIC, SMITH, TEPLITZ,
ALLOWAY, COSTA, ERICKSON, STACK, YUDICHAK, SOLOBAY, BAKER AND
WAUGH, JANUARY 6, 2014

REFERRED TO EDUCATION, JANUARY 6, 2014

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," in medical education loan assistance,
6 further providing for definitions and for Pennsylvania
7 Medical Education Loan Assistance Program; and establishing a
8 loan forgiveness program for physician assistants.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Section 2203-A of the act of March 10, 1949
12 (P.L.30, No.14), known as the Public School Code of 1949, is
13 amended by adding a definition to read:

14 Section 2203-A. Definitions.

15 The following words and phrases when used in this article
16 shall have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

18 * * *

19 "Physician assistant." An individual licensed to practice as
20 a physician assistant under the act of October 5, 1978

1 (P.L.1109, No. 261), known as the Osteopathic Medical Practice
2 Act, or the act of December 20, 1985 (P.L.457, No.112), known as
3 the Medical Practice Act of 1985.

4 * * *

5 Section 2. Sections 2211-A and 2213-A of the act, added
6 October 30, 2001 (P.L.828, No.83), are amended to read:

7 Section 2211-A. Pennsylvania Medical Education Loan Assistance
8 Program.

9 The agency shall establish and administer the Pennsylvania
10 Medical Education Loan Assistance Program as set forth in
11 sections 2212-A and 2213-A to provide financial assistance to
12 individuals who acquire the required degree or diploma in
13 medicine, professional nursing, biomedicine or life sciences
14 and the education required by law for licensure as physician
15 assistants and to recruit these individuals to practice their
16 professions in Pennsylvania.

17 Section 2213-A. Loan forgiveness program.

18 (a) Establishment of program.--

19 (1) The agency shall administer a loan forgiveness
20 program for nursing school applicants on a Statewide basis.
21 The agency may provide loan forgiveness as provided in
22 subsection (b) for recipients of loans who by contract with
23 the agency agree to practice professional nursing in this
24 Commonwealth upon attainment of the required license.

25 (2) The agency shall administer a loan forgiveness
26 program for applicants enrolled at schools in this
27 Commonwealth to become licensed physician assistants on a
28 Statewide basis or applicants who graduated from schools in
29 this Commonwealth from January 1, 2007, and are employed as
30 licensed physician assistants. The agency may provide loan

1 forgiveness as provided in subsection (c) for recipients of
2 loans who by contract with the agency agree to practice as
3 physician assistants in this Commonwealth as provided in
4 subsection (c).

5 (b) Loan forgiveness for nursing.--Agency-administered,
6 federally insured student loans for higher education provided to
7 a nursing school applicant may be forgiven by the agency as
8 follows:

9 (1) The agency may forgive 50% of the loan, not to
10 exceed \$50,000, if a loan recipient enters into a contract
11 with the agency that requires the recipient upon successful
12 completion of an approved nursing program and licensure as a
13 registered nurse to practice nursing in this Commonwealth for
14 a period of not less than three consecutive years.

15 (2) Loan forgiveness awards made pursuant to paragraph
16 (1) shall be forgiven over a period of three years at an
17 annual rate of 33 1/3% of the award and shall be made from
18 funds appropriated for this purpose.

19 (3) The contract entered into with the agency pursuant
20 to paragraph (1) shall be considered a contract with the
21 Commonwealth and shall include the following terms:

22 (i) An unlicensed recipient shall apply for a
23 registered nurse's license to practice in this
24 Commonwealth at the earliest practicable opportunity upon
25 successfully completing a degree in nursing.

26 (ii) Within six months after licensure, a recipient
27 shall engage in the practice of nursing in this
28 Commonwealth according to the terms of the loan
29 forgiveness award.

30 (iii) The recipient shall agree to practice in a

1 licensed health care facility in the provision of direct
2 patient care on a full-time basis.

3 (iv) The recipient shall permit the agency to
4 determine compliance with the work requirement for nurses
5 and all other terms of the contract.

6 (v) Upon the recipient's death or total or permanent
7 disability, the agency shall nullify the service
8 obligation of the recipient.

9 (vi) If the recipient is convicted of or pleads
10 guilty or no contest to a felony or if the licensing
11 board has determined that the recipient has committed an
12 act of gross negligence in the performance of service
13 obligations or has suspended or revoked the license to
14 practice, the agency shall have the authority to
15 terminate the recipient's service in the program and
16 demand repayment of the amount of the loan as of the date
17 of the conviction, determination, suspension or
18 revocation.

19 (vii) Loan recipients who fail to begin or complete
20 the obligations contracted for shall pay to the agency
21 the amount of the loan received under the terms of the
22 contract pursuant to this section. Providing false
23 information or misrepresentation on an application or
24 verification of service shall be deemed a default.
25 Determination as to the time of default shall be made by
26 the agency.

27 (4) Notwithstanding 42 Pa.C.S. § 8127 (relating to
28 personal earnings exempt from process), the agency may seek
29 garnishment of wages in order to collect the amount of the
30 loan following default under paragraph (3)(vii).

1 (c) Loan forgiveness for physician assistants.--Agency-
2 administered, federally insured student loans for higher
3 education provided to an applicant enrolled at a school in this
4 Commonwealth to become a licensed physician assistant in this
5 Commonwealth may be forgiven by the agency as follows:

6 (1) The agency may forgive 50% of the loan, if a loan
7 recipient enters into a contract with the agency that
8 requires the recipient:

9 (i) upon successful completion of an approved
10 physician assistant program and licensure as a physician
11 assistant to practice in this Commonwealth for a period
12 of not less than seven consecutive years; or

13 (ii) who graduated after January 1, 2007, from such
14 program and is employed as a licensed physician assistant
15 in this Commonwealth to practice in this Commonwealth for
16 a period of not less than seven consecutive years.

17 (2) Loan forgiveness awards made pursuant to paragraph
18 (1) shall be forgiven over a period of ten years at an annual
19 rate of 10% of the award and shall be made from funds
20 appropriated for this purpose.

21 (3) The contract entered into with the agency pursuant
22 to paragraph (1) shall be considered a contract with the
23 Commonwealth and shall include the following terms:

24 (i) An unlicensed recipient shall apply for a
25 physician assistant license to practice in this
26 Commonwealth at the earliest practicable opportunity upon
27 successfully completing a relevant degree.

28 (ii) Within six months after licensure, a recipient
29 shall be employed as a physician assistant in this
30 Commonwealth according to the terms of the loan

1 forgiveness award.

2 (iii) The recipient shall agree to practice in a
3 licensed health care facility in the provision of direct
4 patient care on a full-time basis.

5 (iv) The recipient shall donate 40 hours of
6 volunteer time over the term of the contract.

7 (v) The recipient shall permit the agency to
8 determine compliance with the terms of the contract.

9 (vi) Upon the recipient's death or total or
10 permanent disability, the agency shall nullify the
11 service obligation of the recipient.

12 (vii) If the recipient is convicted of or pleads
13 guilty or no contest to a felony or if the licensing
14 board has determined that the recipient has committed an
15 act of gross negligence in the performance of service
16 obligations or has suspended or revoked the license to
17 practice, the agency shall have the authority to
18 terminate the recipient's service in the program and
19 demand repayment of the amount of the loan as of the date
20 of the conviction, determination, suspension or
21 revocation.

22 (viii) Loan recipients who fail to begin or complete
23 the obligations contracted for shall pay to the agency
24 the amount of the loan received under the terms of the
25 contract pursuant to this section. Providing false
26 information or misrepresentation on an application or
27 verification of service shall be deemed a default.
28 Determination as to the time of default shall be made by
29 the agency.

30 (4) Notwithstanding 42 Pa.C.S. § 8127, the agency may

1 seek garnishment of wages in order to collect the amount of
2 the loan following default under paragraph (3) (viii).
3 Section 3. This act shall take effect in 60 days.