

**Division of Rural Health and Recruitment
Office of Community Health Systems and Health Promotion
Bureau for Public Health
West Virginia Department of Health and Human Resources**

STATE LOAN REPAYMENT PROGRAM (SLRP)

POLICY AND GUIDELINES

I. INTRODUCTION

The following text contains regulations governing the West Virginia State Loan Repayment Program (SLRP). By choosing to participate in this Program, primary care physicians; primary care nurse practitioners; certified nurse-midwives; certified midwives; primary care physician assistants; pharmacists and general practice dentists, hereafter referred to as Candidates, agree to provide primary care services to the underserved population of West Virginia, which may otherwise receive insufficient or no medical care at all.

It is the intent of WV SLRP that eligible Candidates may, within limits, have all or a portion of their health professional educational loans repaid by Federal and State monies in return for obligated health services to the underserved in selected Health Professional Shortage Areas (HPSAs). The repayment is compensation that the Candidate receives in addition to any salary, benefits, or other compensation he/she may receive as part of an employment arrangement with a HPSA site.

Applications will now be reviewed and awarded on a first come-first serve basis, as they are received, **SUBJECT TO THE AVAILABILITY OF FUNDS.** The funding for the SLRP is September 1 through August 31 each year. Nothing in these guidelines will be construed as granting or guaranteeing any Candidate right to such a grant award.

II. STATUTORY AUTHORITY AND PURPOSE

The grant award will be administered by the Bureau for Public Health, Office of Community Health Systems and Health Promotion, Division of Rural Health and Recruitment. Awards made under this loan repayment program are authorized, respectively, by Sections 338B and 338H of the Public Health Service Act, as amended by Public Law 100-177, enacted December 1, 1987.

The objective of this grant is to assure an adequate supply of trained health professionals are located in HPSA's throughout West Virginia. In order to accomplish this objective, WV SLRP will assist in repaying the Candidate's health education loans in exchange for health services.

III. FUNDING

The Health Resources and Services Administration and the State of West Virginia provide funds for this program at a rate of fifty-percent (50%) each. Pending availability of future State and Federal funding, repayment shall be considered for Candidates not to exceed the federally established maximum repayment allowable.

IV. HEALTH PROFESSIONAL SHORTAGE AREAS (HPSA)

Since 1976, the Public Health Service, now the Office of Shortage Designation, has been charged with identifying those areas, population groups or public or nonprofit private medical facilities, or other public facilities throughout the United States which have a shortage of various types of health professionals, designating them as HPSAs. These HPSA designations are made according to the definitions and procedures of Section 332 of the Public Health Service Act, as amended (Title 42, U.S. Code, Section 254e) and 42 CFR, Part 5.

V. DEFINITIONS

Bureau - The West Virginia Department of Health and Human Resources, Bureau for Public Health, Office of Community Health Systems, Division of Rural Health and Recruitment.

Candidate - A Primary Care Provider, Pharmacist or Dentist that will be obligated under the Recruitment and Retention Community Project if an award is made.

Default – Penalty incurred because an obligation was not completed.

Dentist – A general practice dentist who is licensed by the West Virginia Board of Dental Examiners to provide dental services in West Virginia.

Eligibility– Requirements that must be met before an award can be made.

Emergency Medicine - Physicians who are board certified in emergency medicine and physician assistants who have successfully completed a master's level program and are certified to practice emergency medicine.

Health Professional Shortage Area (HPSA) – An area designated by the Secretary of the Department of Health and Human Services, with a shortage of health professional(s).

Medically Underserved Community (MUC) - Federally designated Health Professional Shortage Areas (HPSA), Medically Underserved Areas (MUA), Medically Underserved Populations (MUP), and other geographic areas approved by the Bureau.

Locum Tenens - A health professional who temporarily takes the place of another health professional and who is licensed to practice in West Virginia.

Obligation – The amount of time required to work at the designated facility.

Primary Care Provider - This category consists of allopathic (MD) or osteopathic (DO) physicians who are board eligible/board certified in family practice, internal medicine, pediatrics, internal medicine, pediatrics, psychiatry or OB/GYN, and primary care nurse practitioners, nurse midwives, and physician assistants.

Pharmacist - A healthcare professional, who is Board Certified and practicing in pharmacy, the field of health sciences focusing on safe and effective distribution of medicines.

Rural - Geographic areas not classified as urban by the Office of Technology Assessment, Congress of the United States.

Site/Facility/Sponsor – Place where the obligation is served. Refers to, but not limited to, primary care centers, small rural hospitals, local health departments, or private practitioners, a Candidate will serve their obligation to practice their profession.

Sub-Recipient Grant Agreement – Agreement between WVDHHR and Site to repay student loans for the Candidate.

Suspension – Temporary status of a Candidate.

Transfer – Moving a Candidate from one eligible location to another.

Qualifying Health Professional Education Loans – The amount of the principal, interest, and related expenses of a student loan received from any government or commercial lender for the sole purpose of

advanced health professional education. The loans can include tuition, reasonable educational expenses, and reasonable living expenses.

Waiver – Permanent status for a Candidate that can no longer fulfill his/her obligation.

WVDHHR – Refers to the West Virginia Department of Health and Human Resources.

VI. CANDIDATE ELIGIBILITY

To be eligible to participate in the WV SLRP, the candidate **must**:

- 1) Be a citizen of the United States.
- 2) Be a Doctor of Allopathic Medicine (MD); a Doctor of Osteopathic Medicine (DO); a General Practice Dentist (DDS or DMD); a Primary Care Certified Nurse Practitioner (NP); a Certified Nurse Midwife (CNM); Pharmacist (PharmD); or Primary Care Physician Assistant (PA); and have an unrestricted license or certification to practice their discipline in West Virginia.
- 3) Submit an application to participate in the WV SLRP program, a copy of a current loan balance statement and a copy of the current contract with the employer.

WV SLRP Candidates **will not** have:

- 1) Defaulted on any Federal payment obligations (e.g. Health Education Assistance Loans, Federal income tax liabilities, FHA loans, etc.) even if the creditor now considers them to be in good standing;
- 2) Breached a prior service obligation to the Federal/State/local government or other entity, even if they subsequently filled the obligation;
- 3) Any Federal debt written off as uncollectible, pursuant to 31U.S.C. 3711 (a)(3);
- 4) Had any Federal service or payment obligation waived;
- 5) Been considered delinquent in child support payments. This will be considered a violation of a payment obligation.
- 6) Any outstanding contractual obligation for health professional, including service to the Federal Government (e.g. an active military obligation, NHSC NLRP or NHSC Scholarship Program, NELRP or Nursing Scholarship obligation); or a State or other entity; or any type of bonus clause that may impose a service obligation, unless that service obligation will be completely satisfied before the contract has been signed.
- 7) A judgment lien against their property for a debt to the United States. Debtors with judgment liens for Federal debts are ineligible to receive Federal assistance. Judgments can include any debt owed for child support.
- 8) A history of failing to comply with, or inability to comply with service or payment obligations.

VII. SITE ELIGIBILITY REQUIREMENTS AND SITE DEVELOPMENT

In order for a facility to be eligible for a WV SLRP Candidate, they must be located in HPSA and meet the following requirements in accordance with applicable state and federal regulations:

- 1) Be a comprehensive care center, dental facility or pharmacy that is operated by a tax-exempt, non-profit health provider organization with a community board;
- 2) Provide services to people without regard to ability to pay;
- 3) Offer health education and preventive services in its service area;
- 4) Be open to provide services for at least forty (40) hours per week; and
- 5) Have a documented record of sound fiscal management.

The methodology that is used to prioritize the opportunities each year involves coordination with the Bureau of Health Professions' Health Resources and Services Administration (HRSA) in the development of the Health Professional Shortage Area (HPSA) sites in West Virginia. Applications are accepted from each HPSA site that meets criteria. Potential applicants are asked to provide information needed to rank

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their application. Each application is assigned a point value based on the HPSA score of the practice location, percent of practice devoted to indigent care, drive time to contiguous areas, and full-time equivalents (FTE) on site and as well as the rural/urban ranking of the practice site.

VIII. APPLICATION PROCESS

All interested applicants must complete an application. This can be obtained from the Division of Rural Health and Recruitment, or from our web site at www.wvochs.org. Applications are accepted year round. All applications will be reviewed and selection will be made according to the criteria in Section IX.

IX. SELECTION CRITERIA

Applicants will be selected to compete for an award in WV SLRP based on the following criteria:

- 1) Health Care Disciplines and Specialties needed
- 2) Consideration will be given to individuals whose training is in a medical specialty determined to be needed by the Secretary of the U.S. Department of Health and Human Services. At this time, the Secretary has determined that priority will be given to the following board eligible/board certified specialties:
 - a) Family Practice
 - b) Internal Medicine
 - c) Pediatrics
 - d) Psychiatry
 - e) Internal Medicine/Pediatrics
 - f) Obstetrics/Gynecology
 - g) Nurse practitioners in the following (or similar) specialties:
 - a. -family nurse practitioner
 - b. -primary ambulatory care nurse practitioner
 - c. -primary health care adult nurse practitioner
 - d. -pediatric nurse practitioner
 - e. -obstetrics/gynecology/women's health nurse practitioner
 - h) Nurse-midwives
 - i) Physician assistants (primary care)
 - j) Pharmacist
 - k) Dentists
- 3) Commitment to Professional Practice in Medically Underserved Areas
- 4) Indications of an applicant's degree of commitment to practice in a medically underserved area include:
 - a) Periods of practice experience in medically underserved areas
 - b) Statements regarding commitment to practice in a medically underserved area made by the applicant for participation in the program;
 - c) Other statements or facts which indicate a commitment to serve in medically underserved areas.
 - d) Earliest Availability for Service
 - e) Consideration will be given to individuals according to the length of time which will be required before such individuals will be available for service. Thus, individuals who are board eligible/board certified, have a current and unrestricted valid license to practice their professions in West Virginia, and are immediately available to serve, or are currently working in an eligible site will receive highest consideration.
 - f) Length of Service
 - g) Greater consideration will be given to individuals who agree to serve for longer periods of time.
 - h) A Candidate's professional qualifications and competence to practice in a HPSA will be considered. This may include factors such as:
 - a. Board eligibility or certification in his/her specialty;
 - b. Unusual breadth of clinical skills acquired during applicant's residency or training which would be of special value in a HPSA practice, as documented by copies of training records;

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- c. Notable professional achievements during residency or training, as documented by residency or training supervisors;
 - d. Indications of unusual professional competence received from department heads, supervisors, program directors, etc. during residency or training; and
 - e. References from superiors about applicant's clinical competence during post-residency/post-training practice (particularly if in a HPSA).
- 5) Minorities - Health professionals from minority groups are encouraged to apply under this program.

WV SLRP will allocate a portion of the grant to retain those qualified physicians and non-physician providers that are currently practicing in a HPSA. Priority will be given to those that have demonstrated a strong commitment to work in an underserved area.

Upon selection, the applicant will be provided a letter of intent by the Bureau for Public Health. The letter will indicate the acceptance by the approved site, an approximate loan repayment amount, and a tentative obligation date.

X. OBLIGATION

The eligibility requirements and benefits for WV SLRP are based on Federal Regulations as listed in the Federal Register, Vol. 54, No. 62, dated Monday, April 3, 1989.

In exchange for loan repayment, first award Candidates will be required to provide health services in a HPSA area at a not-for-profit facility for a minimum of two years. The maximum repayment during the required initial two-year contract is \$40,000 and Candidates may apply for two one-year extensions for a maximum of \$25,000 per year. However, the Bureau for Public Health reserves the right to limit repayment at amounts less than maximum.

Final obligation periods will be determined when the sub-recipient grant agreement has been signed by all parties and encumbered within the Bureau.

XI. CONTRACTUAL/OBLIGATION PROCESS

Once an award is accomplished and all conditions and assurances have been confirmed, a sub-recipient grant agreement will be executed with the employer and steps will be initiated in accordance with State and Federal procedures to repay the educational loan.

Before any grant agreement/obligation can be started, a copy of the signed employment contract must be furnished to the Division of Rural Health and Recruitment. This copy should be attached to the initial application and points will be deducted if not attached at the time of submission. A standard sub-recipient grant agreement will be initiated with the Candidate's employer to assure compliance with program requirements. The Bureau shall enter into an obligation agreement with approved Candidates (Appendix III). No obligation agreement will begin prior to the encumbered grant agreement completion.

The terms and conditions of this obligation shall include:

- a) The designated HPSA site and obligated period of time the Candidate shall serve at the designated HPSA site, with a minimum of two (2) years.
- b) Agreement to provide full-time services, at least 40 hours per week, not to be performed in less than four days per week, with no more than twelve hours of work to be performed in any twenty-four (24) hour period.
- c) "On-call" status will not count toward the 40-hour week.
- d) For OB/GYN physicians and nurse midwives, at least 21 hours must be spent providing ambulatory care services.
- e) If the Candidate's military training and/or service, in combination with the other absences exceed thirty-five workdays per year, the WV SLRP obligation will be extended to compensate for the break in "full-time" service.

- f) Agreement to charge individuals receiving health care the usual and customary rate prevailing in the HPSA in which health services are provided.
- g) Provide health services to persons without discrimination due to:
 - a. ability to pay for health services;
 - b. payment of health services under the Medicare insurance plan;
 - c. payment for health services under the Medicaid insurance plan;
 - d. payment of health services under the WV Children's Insurance Program (CHIP);
 - e. payment for health services under the Public Employees Insurance Agency.
- h) Comply with all policies, rules, and regulations of the designated HPSA site
- i) Comply with the policies set forth in the WV SLRP Policy and Procedures Guidelines
- j) Submit reports and documents in a timely manner as required by the Bureau for Public Health
- k) Maintain practice records in such form and containing such information that the Bureau for Public Health may readily determine if an individual has complied or is complying with the terms and conditions of the agreement
- l) Repay the amount of the Bureau's remuneration if the obligation is not fulfilled.

Please refer to Appendix III for a sample Service Obligation Agreement.

XII. LOANS QUALIFYING FOR REPAYMENT

The WV SLRP will pay for the principal, interest, and related expenses (such as the required insurance premiums on the unpaid balances of Federally-guaranteed loans) of qualified Government (Federal, State, and Local) and commercial educational loans obtained by the Candidate for:

- a) Medical school tuition expenses (for physician); college/training program tuition expenses (for non-physicians);
- b) Medical schools that make direct loans to their students are considered commercial lenders for the purposes of this Program.
- c) "Reasonable educational expenses" are the costs for the health professions education, exclusive of tuition, which are considered by the Candidate's school to be required by the school's degree program, such as fees, books, supplies, educational equipment and materials, and which are part of the estimated standard student budget of the school in which the Candidate was or is enrolled. Amounts greater than the school's estimated standard student budget may be considered by the Program on a case-by-case basis.
- d) "Reasonable living expenses" are the costs of room and board, transportation and commuting costs, and other costs incurred during an individual's attendance at a medical school or college/training program, as estimated each year by the school as part of the school's standard student budget. Loan balances in amounts greater than the school's estimated standard budget may be considered by the Program on a case-by-case basis.

Program Candidates may select from their qualifying loans those they wish to be included for repayment by the program, based on what they consider to be most advantageous. Only that portion of a consolidated loan which represents loans for attending medical school (for physicians) or a college/training program (for non-physicians) will qualify for repayment.

XIII. FINANCIAL OBLIGATIONS NOT QUALIFYING FOR REPAYMENT

Financial debts of service obligations under the following former and current Federal programs are not loans which may be repaid on behalf of a Program Candidate:

Federal Programs

- Physician Shortage Area Scholarship Program;
- Public Health and National Health Service Corps Scholarship Training Program;
- National Health Service Corps Scholarship Program;

- Armed Forces (Army, Navy, or Air Force) Health Professions Scholarship Programs

Others

- Loans for which contemporary documentation is not available;
- Loans not obtained from a Government entity or commercial lending institution, such as those from friends and relatives; and
- Loans, or that portion of loans obtained for educational or personal expenses while at school which exceed the "reasonable" level, as determined by the school's standard school budgets in the year the loan was made and which have not been accepted as reasonable by the Program.

XIV. REPAYMENT POLICY

It will be the responsibility of the Candidate to negotiate with lending institutions for the terms of the educational loan repayments, if necessary. The lending institutions must certify that the Candidate's debt is a valid educational loan prior to payment by the Bureau. This can be accomplished by attaching a copy of the latest billing statement/invoice received by the Candidate.

The State's objective is to make one lump sum repayment of the educational loans as soon as possible after the sub-recipient grant agreement has been signed between the Bureau and the employer. It will be at the discretion of the Candidate as to whether the repayment will be applied to the principal amount of their loan or to the payments. Any penalties associated with early repayment shall be the responsibility of the Candidate.

The Candidate will assume any responsibility for the payment of any late charges or other charges associated with the repayment of the loan. The Candidate will assume responsibility of any Federal and State tax liability on the full amount of loan repayment due to the fact that these funds are deemed earned income. Subtitle H, Section 10908 of the Health Care Reform legislation states, "*Excludes from gross income any payments under the National Health Service Corps Loan Repayment Program and any other state loan repayment or forgiveness programs intended to increase the availability of health care services in underserved or health professional shortage areas.*"

No loan repayment will be made for any professional practice performed prior to the effective date of the WV SLRP sub-recipient grant agreement, obligation, or while the Candidate is in a professional school or graduate training program.

XV. DEFAULT

A Candidate who fails to complete his/her terms of obligation with the Bureau, and is not eligible for suspension, transfer, or waiver, will be considered in default and liable for any penalties incurred.

If the Candidate's employment is terminated for good cause as determined by the employer and confirmed by the Bureau, he/she is automatically placed in default. If employment is terminated for reasons beyond his/her control, i.e., closure of the site, the Candidate must be available for placement in another HPSA site as designated by the Bureau. The Bureau will work with the Candidate to find an acceptable placement for the Candidate. The new placement facility must meet all requirements stated in Section V for site eligibility. Failure to find or accept a replacement facility to finish out their obligation will automatically result in default.

XVI. PENALTIES FOR DEFAULT

A Candidate who is in default will be required to repay the original amount received for loan repayment, plus the prevailing interest rate. If the Bureau deems necessary, an un-served obligation penalty equal to the total number of un-served months of the obligation times \$1,000 can be added to the

total amount due. Failure to repay the default amount within 60 days will result in the Candidate being reported to their supervising Board, with a recommendation that the Candidate's license be revoked or suspended, and to the Federal National Health Service Corps Default Registry. Any SLRP debt more than 60 days past due shall be reported to the all appropriate credit reporting agencies, and referred to a debt collection agency for collection. The defaulter will be required to pay all costs associated with the default.

The Bureau reserves the right to pro-rate the default payment if the default is the result of circumstances beyond the Candidate's control (i.e. closure of facility, etc.), if they are satisfied the Candidate has worked with the Bureau and tried to find an acceptable site. Under these circumstances, the default payment must be received within one year of the contract breach. If this default payment is received timely, no report of default will be made.

XVII. CANCELLATION

The WV SLRP sub-recipient grant agreements will not be cancelled in order to allow an individual to participate in the NHSC Loan Repayment (LRP). The basis of cancellation would be limited to the death of the WV SLRP Candidate. Documentation must be provided by the employer and a licensed practitioner giving evidence of the Candidate's death (i.e. copies of the death certificate). Prior to the formal sub-recipient grant agreement being encumbered, the Candidate can withdraw his application.

XVIII. WAIVER

Waiver is a permanent status. The basis for a waiver would be a medical condition or a personal situation that:

- 1) results in the individual's permanent inability to serve the obligation or pay the debt; or
- 2) would involve a permanent extreme hardship to the individual and would be against equity and good conscience to enforce the service or payment obligation.

XIX. SUSPENSION

Suspension is a temporary status. The basis for suspension would be a Medical condition or personal situation that:

- 1) would make it temporarily impossible to continue the service obligation or payment of a monetary debt;
- 2) would temporarily involve an extreme hardship to the individual and would be against equity and good conscience to enforce the service or payment obligation.

At the end of the suspension, a new obligation will be signed to extend the amount of time unserved on said obligation.

XX. TRANSFER

If a WV SLRP Candidate asks for or requires a transfer, a new obligation will be signed by the current employer, the new employer, the Candidate and the Department. If there is a break in service between the initial eligible site and the transfer site, the Candidate's service end date will be extended, and reflected on the obligation statement.

XXI. NON-DISCHARGE IN BANKRUPTCY

Any financial obligation of a program Candidate (or a contract there under) to the Bureau may be released by a discharge in bankruptcy under Title 11 of the United States Code only if such discharge is granted after the expiration of the five-year period beginning on the first date that payment of such obligation is required, and only if the bankruptcy court finds that non-discharge of the obligation would be unconscionable.

XXII. PROGRAM MONITORING

The Bureau's approach to the WV SLRP's monitoring is the verification that Program Candidates are serving individuals who lack financial access to primary care services. The Candidate and practice site must agree to prepare and submit a semi-annual report reflecting the requirements of their contract with the Bureau.

Monitoring includes, but is not limited to, the following:

- 1) Semi-annual reports;
- 2) Telephone surveys;
- 3) Review of annual reports; and
- 4) Site visits, as determined necessary.

Information the physician is required to submit will include, but not be limited to:

- 1) Financial and other records documenting health services are being provided for patients unable to pay;
- 2) Financial and other records documenting participation in the Medicaid, Medicare and CHIP insurance plans are required.

Applications must be completed in full with any and all attachments. An incomplete application will not be considered for award and returned to the Employer denied. If you have any questions regarding the application, contact the Loan and Grant Coordinator at:

**WVDHHR/BPH/OCHSHP
Division of Rural Health & Recruitment
350 Capitol Street, Room 515
Charleston, West Virginia 25301**

Phone: 304-558-4382

**APPLICATIONS WILL BE ACCEPTED FOR REVIEW
STARTING MARCH 1ST EACH YEAR. PROGRAM WILL
CLOSE WHEN FUNDING IS DEPLETED; AT WHICH
TIME THE PROGRAM WILL REMAIN CLOSED UNTIL
MARCH 1ST OF THE FOLLOWING YEAR**