
Higher Education Committee

HB 2598

Brief Description: Establishing a matched student loan repayment program for rural medical doctors.

Sponsors: Representatives Riccelli, Schmick, Chapman, Maycumber, Dye, Holy, McBride, Slatter, Doglio and Tharinger.

Brief Summary of Bill

- Establishes the Matched Student Loan Repayment Program for Medical Doctors to increase the rural physician workforce.

Hearing Date: 1/23/18

Staff: Megan Mulvihill (786-7304).

Background:

At the federal and state level there are student loan repayment programs, in which a student loan is forgiven or paid in exchange for service in a specific field. At the federal level such programs include Public Service Loan Forgiveness, and the Federal-State Loan Repayment Program for certain health care professionals. At the state level, two of the actively funded programs are the Future Teachers Conditional Scholarship and Loan Repayment Program, and the Health Professionals Loan Repayment Program.

Health Professionals Loan Repayment Program.

The Health Professionals Loan Repayment Program (HPLR Program) provides licensed primary care health professionals with assistance in repaying their student loans if the professional agrees to provide primary health care in rural or underserved urban areas with designated shortages. The HPLR Program provides up to \$75,000 in loan repayment for a minimum three-year service obligation. The participants need to work a minimum of a 24-hour work week, and if the participants default on their service obligation, the penalty is double the funds disbursed to the participant plus interest.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Eligible health professionals for 2018 include Doctors of Medicine, Doctors of Osteopathic Medicine, Naturopathic Doctors, Doctors of Dental Surgery, Doctors of Medicine in Dentistry, Registered Dental Hygienists, Nurse Practitioners, Registered Nurses, Licensed Practical Nurses, Certified Nurse Midwives, Licensed Midwives, and Pharmacists. Also included are Clinical Psychologists, Licensed Independent Clinical Social Workers, Marriage and Family Therapists, and Mental Health Counselors if the professional has a masters or doctoral degree.

Summary of Bill:

Subject to funds appropriated, the Matched Student Loan Repayment Program for Medical Doctors (MSLR Program) is established. The Washington Student Achievement Council's Office of Student Financial Assistance (Office) must administer the MSLR Program. The MSLR Program will match up to \$100,000 that an eligible facility provides to an eligible doctor for recruitment and hiring. An eligible facility is a state hospital or medical facility located in a rural area. For the purposes of the MSLR Program, rural means a county or combination of counties with a widely disbursed population that is not considered an urbanized area according to the United States Census Bureau. An eligible doctor includes Doctors of Medicine or Doctors of Osteopathic Medicine who graduated from or completed residency at an accredited medical program in the state.

The matching funds provided by the MSLR Program must be used solely for the purpose of repaying the doctor's student loans. A doctor who receives matching funds under the MSLR Program must work at the facility for five years. If a doctor who received a matching award under the MSLR Program works less than five years at the facility, the doctor will be obligated to repay the matching award at an amount equal to twice the award received, due immediately. If the doctor is unable to pay the amount immediately, he or she may enter into a payment agreement with the Office, to include interest and a maximum repayment period of 10 years. Both governmental and private student loans may be repaid by the MSLR Program, and participants need to agree to allow the Office access to student loan records for verification purposes.

The Office must establish an application, selection, and notification process for doctors; establish a process for verifying the facility's eligibility; define the terms of repayment; publicize the MSLR Program; adopt necessary rules; and solicit and accept donations.

The Medical Doctor Loan Repayment Account is established under the custody of the State Treasurer for the MSLR Program.

Appropriation: None.

Fiscal Note: Requested on January 9, 2018.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.