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HOUSE BILL 1668

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State of Washington

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2019 Regular Session

**By** Representatives Slatter, Jinkins, DeBolt, Macri, Frame, Robinson, Tharinger, Bergquist, Senn, Cody, Pollet, Young, Davis, Kloba, Ortiz-Self, Lekanoff, Steele, Harris, Ormsby, Stanford, Goodman, Doglio, Fey, Leavitt, Valdez, and Hudgins

Read first time 01/28/19. Referred to Committee on College & Workforce Development.

1 AN ACT Relating to creating the Washington health corps to  
2 support health care professionals who provide service in underserved  
3 communities; amending RCW 28B.115.010, 28B.115.020, 28B.115.030,  
4 28B.115.040, 28B.115.050, 28B.115.070, 28B.115.080, 28B.115.090, and  
5 28B.115.100; adding new sections to chapter 28B.115 RCW; creating a  
6 new section; and providing an expiration date.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 28B.115.010 and 1989 1st ex.s. c 9 s 716 are each  
9 amended to read as follows:

10 The legislature finds that changes in demographics, the delivery  
11 of health care services, and an escalation in the cost of educating  
12 health professionals has resulted in shortages of health  
13 professionals. A poor distribution of health care professionals has  
14 resulted in a surplus of some professionals in some areas of the  
15 state and a shortage of others in other parts of the state, such as  
16 in the more rural areas and in behavioral health services. The high  
17 cost of health professional education requires that health care  
18 practitioners command higher incomes to repay the financial  
19 obligations incurred to obtain the required training. Health  
20 professional shortage areas are often areas that have troubled  
21 economies and lower per capita incomes. These areas often require

1 more services because the health care needs are greater due to  
2 poverty or because the areas are difficult to service due to  
3 geographic circumstances. The salary potentials for shortage areas  
4 are often not as favorable when compared to nonshortage areas and  
5 practitioners are unable to serve. The legislature further finds that  
6 encouraging health professionals to serve in shortage areas is  
7 essential to assure continued access to health care for persons  
8 living in these parts of the state.

9 The legislature also finds that one in five adults in the United  
10 States experiences mental illness in any given year, but only forty-  
11 one percent of adults with a mental health condition received mental  
12 health services in 2016, according to the national institute of  
13 mental health. The children's mental health work group found that in  
14 2013, only forty percent of children on medicaid with mental health  
15 treatment needs were receiving services. Individuals seeking  
16 behavioral health services may have trouble receiving the help they  
17 need from health care professionals because behavioral health  
18 services are limited due to workforce shortages of behavioral health  
19 providers. The legislature further finds that encouraging more health  
20 care professionals to practice behavioral health in areas with  
21 limited services would benefit the state by creating greater access  
22 to behavioral health services and by having more health care  
23 professionals experienced in providing behavioral health services.

24 Therefore, the legislature intends to establish the Washington  
25 health corps to encourage more health care professionals to work in  
26 underserved areas by providing loan repayment and conditional  
27 scholarships in return for completing a service commitment.

28 **Sec. 2.** RCW 28B.115.020 and 2013 c 19 s 46 are each amended to  
29 read as follows:

30 Unless the context clearly requires otherwise, the definitions in  
31 this section apply throughout this chapter.

32 (1) "Credentialed health care profession" means a health care  
33 profession regulated by a disciplining authority in the state of  
34 Washington under RCW 18.130.040 or by the pharmacy quality assurance  
35 commission under chapter 18.64 RCW and designated by the department  
36 in RCW 28B.115.070 as a profession having shortages of credentialed  
37 health care professionals in the state.

38 (2) "Credentialed health care professional" means a person  
39 regulated by a disciplining authority in the state of Washington to

1 practice a health care profession under RCW 18.130.040 or by the  
2 pharmacy quality assurance commission under chapter 18.64 RCW.

3 (3) "Department" means the state department of health.

4 (4) "Eligible education and training programs" means education  
5 and training programs approved by the department that lead to  
6 eligibility for a credential as a credentialed health care  
7 professional.

8 (5) "Eligible expenses" means reasonable expenses associated with  
9 the costs of acquiring an education such as tuition, books,  
10 equipment, fees, room and board, and other expenses determined by the  
11 office.

12 (6) "Eligible student" means a student who has been accepted into  
13 an eligible education or training program and has a declared  
14 intention to serve in a health professional shortage area upon  
15 completion of the education or training program.

16 (7) "Forgiven" or "to forgive" or "forgiveness" means to render  
17 health care services in a health professional shortage area or an  
18 underserved behavioral health area in the state of Washington in lieu  
19 of monetary repayment.

20 (8) "Health professional shortage areas" means those areas where  
21 credentialed health care professionals are in short supply as a  
22 result of geographic maldistribution or as the result of a short  
23 supply of credentialed health care professionals in specialty health  
24 care areas and where vacancies exist in serious numbers that  
25 jeopardize patient care and pose a threat to the public health and  
26 safety. The department shall determine health professional shortage  
27 areas as provided for in RCW 28B.115.070. In making health  
28 professional shortage area designations in the state the department  
29 may be guided by applicable federal standards for "health manpower  
30 shortage areas," and "medically underserved areas," and "medically  
31 underserved populations."

32 (9) "Loan repayment" means a loan that is paid in full or in part  
33 if the participant renders health care services in a health  
34 professional shortage area or an underserved behavioral health area  
35 as defined by the department.

36 (10) "Nonshortage rural area" means a nonurban area of the state  
37 of Washington that has not been designated as a rural physician  
38 shortage area. The department shall identify the nonshortage rural  
39 areas of the state.

40 (11) "Office" means the office of student financial assistance.

1 (12) "Participant" means a credentialed health care professional  
2 who has received a loan repayment award and has commenced practice as  
3 a credentialed health care provider in a designated health  
4 professional shortage area or an underserved behavioral health area  
5 or an eligible student who has received a scholarship under this  
6 program.

7 ~~((13) ("Program" means the health professional loan repayment and  
8 scholarship program.~~

9 ~~((14))~~ "Required service obligation" means an obligation by the  
10 participant to provide health care services in a health professional  
11 shortage area or an underserved behavioral health area for a period  
12 to be established as provided for in this chapter.

13 ~~((15))~~ (14) "Rural physician shortage area" means rural  
14 geographic areas where primary care physicians are in short supply as  
15 a result of geographic maldistributions and where their limited  
16 numbers jeopardize patient care and pose a threat to public health  
17 and safety. The department shall designate rural physician shortage  
18 areas.

19 ~~((16))~~ (15) "Satisfied" means paid-in-full.

20 ~~((17))~~ (16) "Scholarship" means a loan that is forgiven in  
21 whole or in part if the recipient renders health care services in a  
22 health professional shortage area or an underserved behavioral health  
23 area.

24 ~~((18))~~ (17) "Sponsoring community" means a rural hospital or  
25 hospitals as authorized in chapter 70.41 RCW, a rural health care  
26 facility or facilities as authorized in chapter 70.175 RCW, or a city  
27 or county government or governments.

28 (18) "Underserved behavioral health area" means a geographic  
29 area, population, or facility that has a shortage of health care  
30 professionals providing behavioral health services, as determined by  
31 the department.

32 **Sec. 3.** RCW 28B.115.030 and 2013 c 298 s 1 are each amended to  
33 read as follows:

34 The Washington health corps is the state's initiative to  
35 encourage health care professionals to work in underserved  
36 communities. In exchange for service, the health care professional  
37 receives assistance with higher education, in the form of loan  
38 repayment or a conditional scholarship. The Washington health corps

1 consists of the health professional loan repayment and scholarship  
2 program and the behavioral health loan repayment program.

3 (1) The health professional loan repayment and scholarship  
4 program is established for credentialed health professionals and  
5 residents serving in health professional shortage areas.

6 (2) The behavioral health loan repayment program is established  
7 for credentialed health professionals serving in underserved  
8 behavioral health areas.

9 (3) The health professional loan repayment and scholarship and  
10 the behavioral health loan repayment programs shall be administered  
11 by the office. In administering ((this)) the programs, the office  
12 shall:

13 ~~((1))~~ (a)(i) Select credentialed health care professionals and  
14 residents to participate in the loan repayment portion ((of the loan  
15 repayment and scholarship program and select eligible students to  
16 participate)) and in the scholarship portion of the health  
17 professional loan repayment and scholarship program; and

18 (ii) Select credentialed health care participants to participate  
19 in the behavioral health loan repayment program;

20 ~~((2))~~ (b) Adopt rules and develop guidelines to administer the  
21 programs;

22 ~~((3))~~ (c) Collect and manage repayments from participants who  
23 do not meet their service obligations under this chapter;

24 ~~((4))~~ (d) Publicize the program, particularly to maximize  
25 participation among individuals in shortage and underserved areas and  
26 among populations expected to experience the greatest growth in the  
27 workforce;

28 ~~((5))~~ (e) Solicit and accept grants and donations from public  
29 and private sources for the programs;

30 ~~((6))~~ (f) Use a competitive procurement to contract with a  
31 fund-raiser to solicit and accept grants and donations from private  
32 sources for the programs. The fund-raiser shall be paid on a  
33 contingency fee basis on a sliding scale but must not exceed fifteen  
34 percent of the total amount raised for the programs each year. The  
35 fund-raiser shall not be a registered state lobbyist; and

36 ~~((7))~~ (g) Develop criteria for a contract for service in lieu  
37 of the service obligation where appropriate, that may be a  
38 combination of service and payment.

1       **Sec. 4.** RCW 28B.115.040 and 1991 c 332 s 17 are each amended to  
2 read as follows:

3       The department may provide technical assistance to rural  
4 communities desiring to become sponsoring communities for the  
5 purposes of identification of prospective students for the health  
6 professional loan repayment and scholarship program, assisting  
7 prospective students to apply to an eligible education and training  
8 program, making formal agreements with prospective students to  
9 provide credentialed health care services in the community, forming  
10 agreements between rural communities in a service area to share  
11 credentialed health care professionals, and fulfilling any matching  
12 requirements.

13       **Sec. 5.** RCW 28B.115.050 and 2011 1st sp.s. c 11 s 206 are each  
14 amended to read as follows:

15       The office shall establish a planning committee to assist it in  
16 developing criteria for the selection of participants for both the  
17 health professional loan repayment and scholarship program and the  
18 behavioral health loan repayment program. The office shall include on  
19 the planning committee representatives of the department, the  
20 department of social and health services, appropriate representatives  
21 from health care facilities, provider groups, consumers, the state  
22 board for community and technical colleges, the superintendent of  
23 public instruction, institutions of higher education, representatives  
24 from the behavioral health and public health fields, and other  
25 appropriate public and private agencies and organizations. The  
26 criteria may require that some of the participants meet the  
27 definition of "needy student" under RCW 28B.92.030.

28       **Sec. 6.** RCW 28B.115.070 and 2017 3rd sp.s. c 1 s 958 are each  
29 amended to read as follows:

30       (~~(1)~~) After June 1, 1992, the department, in consultation with  
31 the office and the department of social and health services, shall:

32       (~~(a)~~) (1) Determine eligible credentialed health care  
33 professions for the purposes of the health professional loan  
34 repayment and scholarship program and the behavioral health loan  
35 repayment program authorized by this chapter. Eligibility shall be  
36 based upon an assessment that determines that there is a shortage or  
37 insufficient availability of a credentialed profession so as to  
38 jeopardize patient care and pose a threat to the public health and

1 safety. The department shall consider the relative degree of  
2 shortages among professions when determining eligibility. The  
3 department may add or remove professions from eligibility based upon  
4 the determination that a profession is no longer in shortage. Should  
5 a profession no longer be eligible, participants or eligible students  
6 who have received scholarships shall be eligible to continue to  
7 receive scholarships or loan repayments until they are no longer  
8 eligible or until their service obligation has been completed;

9 ~~((b))~~ (2) Determine health professional shortage areas for each  
10 of the eligible credentialed health care professions; and

11 (3) Determine underserved behavioral health areas for each of the  
12 eligible credentialed health care professions.

13 ~~((2) For the 2017-2019 fiscal biennium, consideration for~~  
14 ~~eligibility shall also be given to registered nursing students who~~  
15 ~~have been accepted into an eligible nursing education program and~~  
16 ~~have declared an intention to teach nursing upon completion of the~~  
17 ~~nursing education program.))~~

18 **Sec. 7.** RCW 28B.115.080 and 2011 1st sp.s. c 11 s 208 are each  
19 amended to read as follows:

20 After June 1, 1992, the office, in consultation with the  
21 department and the department of social and health services, shall:

22 (1) Establish the annual award amount for each credentialed  
23 health care profession which shall be based upon an assessment of  
24 reasonable annual eligible expenses involved in training and  
25 education for each credentialed health care profession for both the  
26 health professional loan repayment and scholarship program and the  
27 behavioral health loan repayment program. The annual award amount may  
28 be established at a level less than annual eligible expenses. The  
29 annual award amount shall be established by the office for each  
30 eligible health profession. The awards shall not be paid for more  
31 than a maximum of five years per individual;

32 (2) Determine any scholarship awards for prospective physicians  
33 in such a manner to require the recipients declare an interest in  
34 serving in rural areas of the state of Washington. Preference for  
35 scholarships shall be given to students who reside in a rural  
36 physician shortage area or a nonshortage rural area of the state  
37 prior to admission to the eligible education and training program in  
38 medicine. Highest preference shall be given to students seeking  
39 admission who are recommended by sponsoring communities and who

1 declare the intent of serving as a physician in a rural area. The  
2 office may require the sponsoring community located in a nonshortage  
3 rural area to financially contribute to the eligible expenses of a  
4 medical student if the student will serve in the nonshortage rural  
5 area;

6 (3) Establish the required service obligation for each  
7 credentialed health care profession, which shall be no less than  
8 three years or no more than five years, for the health professional  
9 loan repayment and scholarship program and the behavioral health loan  
10 repayment program. The required service obligation may be based upon  
11 the amount of the scholarship or loan repayment award such that  
12 higher awards involve longer service obligations on behalf of the  
13 participant;

14 (4) Determine eligible education and training programs for  
15 purposes of the scholarship portion of the health professional loan  
16 repayment and scholarship program;

17 (5) Honor loan repayment and scholarship contract terms  
18 negotiated between the office and participants prior to May 21, 1991,  
19 concerning loan repayment and scholarship award amounts and service  
20 obligations authorized under chapter 28B.115(~~(, 28B.104,)~~) or 70.180  
21 RCW.

22 **Sec. 8.** RCW 28B.115.090 and 2011 1st sp.s. c 11 s 209 are each  
23 amended to read as follows:

24 (1) The office may grant loan repayment and scholarship awards to  
25 eligible participants from the funds appropriated (~~for this~~  
26 ~~purpose~~) to the health professional loan repayment and scholarship  
27 program, or from any private or public funds given to the office for  
28 this purpose. The office may grant loan repayment to eligible  
29 participants from the funds appropriated to the behavioral health  
30 loan repayment program or from any private or public funds given to  
31 the office for this purpose. Participants are ineligible to receive  
32 loan repayment under the health professional loan repayment and  
33 scholarship program or the behavioral health loan repayment program  
34 if they have received a scholarship from programs authorized under  
35 this chapter or chapter 70.180 RCW or are ineligible to receive a  
36 scholarship if they have received loan repayment authorized under  
37 this chapter or chapter 28B.115 RCW.

38 (2) Funds appropriated for the health professional loan repayment  
39 and scholarship program, including reasonable administrative costs,



1 may be used by the office for the purposes of loan repayments or  
2 scholarships. The office shall annually establish the total amount of  
3 funding to be awarded for loan repayments and scholarships and such  
4 allocations shall be established based upon the best utilization of  
5 funding for that year.

6 (3) One portion of the funding appropriated for the health  
7 professional loan repayment and scholarship program shall be used by  
8 the office as a recruitment incentive for communities participating  
9 in the community-based recruitment and retention program as  
10 authorized by chapter 70.185 RCW; one portion of the funding shall be  
11 used by the office as a recruitment incentive for recruitment  
12 activities in state-operated institutions, county public health  
13 departments and districts, county human service agencies, federal and  
14 state contracted community health clinics, and other health care  
15 facilities, such as rural hospitals that have been identified by the  
16 department, as providing substantial amounts of charity care or  
17 publicly subsidized health care; one portion of the funding shall be  
18 used by the office for all other awards. The office shall determine  
19 the amount of total funding to be distributed between the three  
20 portions.

21 **Sec. 9.** RCW 28B.115.100 and 1991 c 332 s 23 are each amended to  
22 read as follows:

23 In providing health care services the participant shall not  
24 discriminate against a person on the basis of the person's ability to  
25 pay for such services or because payment for the health care services  
26 provided to such persons will be made under the insurance program  
27 established under part A or B of Title XVIII of the federal social  
28 security act or under a state plan for medical assistance including  
29 Title XIX of the federal social security act or under the state  
30 medical assistance program authorized by chapter 74.09 RCW and agrees  
31 to accept assignment under section 18.42(b)(3)(B)(ii) of the federal  
32 social security act for all services for which payment may be made  
33 under part B of Title XVIII of the federal social security act and  
34 enters into an appropriate agreement with the department of social  
35 and health services for medical assistance under Title XIX of the  
36 federal social security act to provide services to individuals  
37 entitled to medical assistance under the plan and enters into  
38 appropriate agreements with the department of social and health  
39 services for medical care services under chapter 74.09 RCW.

1 Participants found by the ((board)) office or the department in  
2 violation of this section shall be declared ineligible for receiving  
3 assistance under the programs authorized by this chapter.

4 NEW SECTION. Sec. 10. A new section is added to chapter 28B.115  
5 RCW to read as follows:

6 Participants in the behavioral health loan repayment program who  
7 are awarded loan repayments shall receive payment from the behavioral  
8 health loan repayment program for the purpose of repaying educational  
9 loans secured while attending a program of health professional  
10 training that led to a credential as a credentialed health  
11 professional in the state of Washington.

12 (1) Participants shall agree to meet the required service  
13 obligation in an underserved behavioral health area.

14 (2) Repayment shall be limited to eligible educational and living  
15 expenses as determined by the office and shall include principal and  
16 interest.

17 (3) Loans from both government and private sources may be repaid  
18 by the behavioral health loan repayment program. Participants shall  
19 agree to allow the office access to loan records and to acquire  
20 information from lenders necessary to verify eligibility and to  
21 determine payments. Loans may not be renegotiated with lenders to  
22 accelerate repayment.

23 (4) Repayment of loans established under the behavioral health  
24 loan repayment program shall begin no later than ninety days after  
25 the individual has become a participant. Payments shall be made  
26 quarterly, or more frequently if deemed appropriate by the office, to  
27 the participant until the loan is repaid or the participant becomes  
28 ineligible due to discontinued service in an underserved behavioral  
29 health area or after the required service obligation when eligibility  
30 discontinues, whichever comes first.

31 (5) Should the participant discontinue service in an underserved  
32 behavioral health area, payments against the loans of the  
33 participants shall cease to be effective on the date that the  
34 participant discontinues service.

35 (6) Except for circumstances beyond their control, participants  
36 who serve less than the required service obligation shall be  
37 obligated to repay a penalty to the behavioral health loan repayment  
38 program. The penalty must be an amount equal to the unsatisfied  
39 portion of the service obligation. The penalty is due and payable

1 immediately. For participants who are unable to pay the full amount  
2 due, the penalty shall be turned into a loan, plus interest and an  
3 equalization fee. The maximum period for repayment is ten years. The  
4 office shall determine the applicability of this subsection. The  
5 interest rate and equalization fee shall be determined by the office  
6 and be established by rule.

7 (7) The office is responsible for the collection of payments made  
8 on behalf of participants from the participants who discontinue  
9 service before completion of the required service obligation. The  
10 office shall exercise due diligence in such collection, maintaining  
11 all necessary records to ensure that the maximum amount of payment  
12 made on behalf of the participant is recovered. Collection under this  
13 section shall be pursued using the full extent of the law, including  
14 wage garnishment if necessary.

15 (8) The office may not be held responsible for any outstanding  
16 payments on principal and interest to any lenders once a  
17 participant's eligibility expires.

18 (9) The office shall temporarily, or in special circumstances,  
19 permanently defer the requirements of this section for eligible  
20 students as defined in RCW 28B.10.017.

21 (10) The office shall establish an appeal process by rule.

22 NEW SECTION. **Sec. 11.** A new section is added to chapter 28B.115  
23 RCW to read as follows:

24 (1) Any funds appropriated by the legislature for the behavioral  
25 health loan repayment program, or any other public or private funds  
26 intended for loan repayments under this program, must be placed in  
27 the account created by this section.

28 (2) The behavioral health loan repayment program account is  
29 created in the custody of the state treasurer. All receipts from the  
30 program must be deposited into the account. Expenditures from the  
31 account may be used only for the behavioral health loan repayment  
32 program. Only the office, or its designee, may authorize expenditures  
33 from the account. The account is subject to allotment procedures  
34 under chapter 43.88 RCW, but an appropriation is not required for  
35 expenditures.

36 NEW SECTION. **Sec. 12.** (1) The student achievement council, in  
37 consultation with the department of health, shall study the need,  
38 feasibility, and potential design of a grant program to provide

1 funding to behavioral health students completing unpaid pregraduation  
2 internships and postgraduation supervised hours for licensure. The  
3 student achievement council must use the study to provide  
4 recommendations to the legislature regarding whether a grant program  
5 should be established under the Washington health corps. The study  
6 must review the following:

- 7 (a) The potential demand for the grant program;
  - 8 (b) Options for determining which students would be eligible;
  - 9 (c) Whether the grant program should be need or merit based;
  - 10 (d) What types of internships and supervised hours for licensure  
11 would qualify;
  - 12 (e) Potential grant amounts;
  - 13 (f) Whether the grant program should include a service component;
  - 14 and
  - 15 (g) Any other information the student achievement council deems  
16 necessary.
- 17 (2) The student achievement council shall report to the  
18 appropriate committees of the legislature regarding the study and  
19 recommendations for a grant program by December 1, 2019.
- 20 (3) This section expires January 1, 2021.

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