

2SHB 1668 - S COMM AMD
By Committee on Ways & Means

ADOPTED 04/16/2019

1 Strike everything after the enacting clause and insert the
2 following:

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

5 The legislature finds that changes in demographics, the delivery
6 of health care services, and an escalation in the cost of educating
7 health professionals has resulted in shortages of health
8 professionals. A poor distribution of health care professionals has
9 resulted in a surplus of some professionals in some areas of the
10 state and a shortage of others in other parts of the state, such as
11 in the more rural areas and in behavioral health services. The high
12 cost of health professional education requires that health care
13 practitioners command higher incomes to repay the financial
14 obligations incurred to obtain the required training. Health
15 professional shortage areas are often areas that have troubled
16 economies and lower per capita incomes. These areas often require
17 more services because the health care needs are greater due to
18 poverty or because the areas are difficult to service due to
19 geographic circumstances. The salary potentials for shortage areas
20 are often not as favorable when compared to nonshortage areas and
21 practitioners are unable to serve. The legislature further finds that
22 encouraging health professionals to serve in shortage areas is
23 essential to assure continued access to health care for persons
24 living in these parts of the state.

25 The legislature also finds that one in five adults in the United
26 States experiences mental illness in any given year, but only forty-
27 one percent of adults with a mental health condition received mental
28 health services in 2016, according to the national institute of
29 mental health. The children's mental health work group found that in
30 2013, only forty percent of children on medicaid with mental health
31 treatment needs were receiving services. Individuals seeking
32 behavioral health services may have trouble receiving the help they

1 need from health care professionals because behavioral health
2 services are limited due to workforce shortages of behavioral health
3 providers. The legislature further finds that encouraging more health
4 care professionals to practice behavioral health in areas with
5 limited services would benefit the state by creating greater access
6 to behavioral health services and by having more health care
7 professionals experienced in providing behavioral health services.

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

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

14 Unless the context clearly requires otherwise, the definitions in
15 this section apply throughout this chapter.

16 (1) "Credentialed health care profession" means a health care
17 profession regulated by a disciplining authority in the state of
18 Washington under RCW 18.130.040 or by the pharmacy quality assurance
19 commission under chapter 18.64 RCW and designated by the department
20 in RCW 28B.115.070 as a profession having shortages of credentialed
21 health care professionals in the state.

22 (2) "Credentialed health care professional" means a person
23 regulated by a disciplining authority in the state of Washington to
24 practice a health care profession under RCW 18.130.040 or by the
25 pharmacy quality assurance commission under chapter 18.64 RCW.

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

27 (4) "Eligible education and training programs" means education
28 and training programs approved by the department that lead to
29 eligibility for a credential as a credentialed health care
30 professional.

31 (5) "Eligible expenses" means reasonable expenses associated with
32 the costs of acquiring an education such as tuition, books,
33 equipment, fees, room and board, and other expenses determined by the
34 office.

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

1 (7) "Forgiven" or "to forgive" or "forgiveness" means to render
2 health care services in a health professional shortage area or an
3 underserved behavioral health area in the state of Washington in lieu
4 of monetary repayment.

5 (8) "Health professional shortage areas" means those areas where
6 credentialed health care professionals are in short supply as a
7 result of geographic maldistribution or as the result of a short
8 supply of credentialed health care professionals in specialty health
9 care areas and where vacancies exist in serious numbers that
10 jeopardize patient care and pose a threat to the public health and
11 safety. The department shall determine health professional shortage
12 areas as provided for in RCW 28B.115.070. In making health
13 professional shortage area designations in the state the department
14 may be guided by applicable federal standards for "health manpower
15 shortage areas," and "medically underserved areas," and "medically
16 underserved populations."

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

21 (10) "Nonshortage rural area" means a nonurban area of the state
22 of Washington that has not been designated as a rural physician
23 shortage area. The department shall identify the nonshortage rural
24 areas of the state.

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

26 (12) "Participant" means a credentialed health care professional
27 who has received a loan repayment award and has commenced practice as
28 a credentialed health care provider in a designated health
29 professional shortage area or an underserved behavioral health area
30 or an eligible student who has received a scholarship under this
31 program.

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

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

38 (~~((15))~~) (14) "Rural physician shortage area" means rural
39 geographic areas where primary care physicians are in short supply as
40 a result of geographic maldistributions and where their limited

1 numbers jeopardize patient care and pose a threat to public health
2 and safety. The department shall designate rural physician shortage
3 areas.

4 ~~((16))~~ (15) "Satisfied" means paid-in-full.

5 ~~((17))~~ (16) "Scholarship" means a loan that is forgiven in
6 whole or in part if the recipient renders health care services in a
7 health professional shortage area or an underserved behavioral health
8 area.

9 ~~((18))~~ (17) "Sponsoring community" means a rural hospital or
10 hospitals as authorized in chapter 70.41 RCW, a rural health care
11 facility or facilities as authorized in chapter 70.175 RCW, or a city
12 or county government or governments.

13 (18) "Underserved behavioral health area" means a geographic
14 area, population, or facility that has a shortage of health care
15 professionals providing behavioral health services, as determined by
16 the department.

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

19 The Washington health corps is the state's initiative to
20 encourage health care professionals to work in underserved
21 communities. In exchange for service, the health care professional
22 receives assistance with higher education, in the form of loan
23 repayment or a conditional scholarship. The Washington health corps
24 consists of the health professional loan repayment and scholarship
25 program and the behavioral health loan repayment program.

26 (1) The health professional loan repayment and scholarship
27 program is established for credentialed health professionals and
28 residents serving in health professional shortage areas.

29 (2) The behavioral health loan repayment program is established
30 for credentialed health professionals serving in underserved
31 behavioral health areas.

32 (3) The health professional loan repayment and scholarship and
33 the behavioral health loan repayment programs shall be administered
34 by the office. In administering ~~((this))~~ the programs, the office
35 shall:

36 ~~((1))~~ (a)(i) Select credentialed health care professionals and
37 residents to participate in the loan repayment portion ~~((of the loan~~
38 ~~repayment and scholarship program and select eligible students to~~

1 ~~participate))~~ and in the scholarship portion of the health
2 professional loan repayment and scholarship program; and
3 (ii) Select credentialed health care participants to participate
4 in the behavioral health loan repayment program;
5 ~~((+2))~~ (b) Adopt rules and develop guidelines to administer the
6 programs;
7 ~~((+3))~~ (c) Collect and manage repayments from participants who
8 do not meet their service obligations under this chapter;
9 ~~((+4))~~ (d) Publicize the program, particularly to maximize
10 participation among individuals in shortage and underserved areas and
11 among populations expected to experience the greatest growth in the
12 workforce;
13 ~~((+5))~~ (e) Solicit and accept grants and donations from public
14 and private sources for the programs;
15 ~~((+6))~~ (f) Use a competitive procurement to contract with a
16 fund-raiser to solicit and accept grants and donations from private
17 sources for the programs. The fund-raiser shall be paid on a
18 contingency fee basis on a sliding scale but must not exceed fifteen
19 percent of the total amount raised for the programs each year. The
20 fund-raiser shall not be a registered state lobbyist; and
21 ~~((+7))~~ (g) Develop criteria for a contract for service in lieu
22 of the service obligation where appropriate, that may be a
23 combination of service and payment.

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

26 The department may provide technical assistance to rural
27 communities desiring to become sponsoring communities for the
28 purposes of identification of prospective students for the health
29 professional loan repayment and scholarship program, assisting
30 prospective students to apply to an eligible education and training
31 program, making formal agreements with prospective students to
32 provide credentialed health care services in the community, forming
33 agreements between rural communities in a service area to share
34 credentialed health care professionals, and fulfilling any matching
35 requirements.

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

1 The office shall establish a planning committee to assist it in
2 developing criteria for the selection of participants for both the
3 health professional loan repayment and scholarship program and the
4 behavioral health loan repayment program. The office shall include on
5 the planning committee representatives of the department, the
6 department of social and health services, appropriate representatives
7 from health care facilities, provider groups, consumers, the state
8 board for community and technical colleges, the superintendent of
9 public instruction, institutions of higher education, representatives
10 from the behavioral health and public health fields, and other
11 appropriate public and private agencies and organizations. The
12 criteria may require that some of the participants meet the
13 definition of "needy student" under RCW 28B.92.030.

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

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

18 ~~((a))~~ (1) Determine eligible credentialed health care
19 professions for the purposes of the health professional loan
20 repayment and scholarship program and the behavioral health loan
21 repayment program authorized by this chapter. Eligibility shall be
22 based upon an assessment that determines that there is a shortage or
23 insufficient availability of a credentialed profession so as to
24 jeopardize patient care and pose a threat to the public health and
25 safety. The department shall consider the relative degree of
26 shortages among professions when determining eligibility. The
27 department may add or remove professions from eligibility based upon
28 the determination that a profession is no longer in shortage. Should
29 a profession no longer be eligible, participants or eligible students
30 who have received scholarships shall be eligible to continue to
31 receive scholarships or loan repayments until they are no longer
32 eligible or until their service obligation has been completed;

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

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

37 ~~((2) For the 2017-2019 fiscal biennium, consideration for~~
38 ~~eligibility shall also be given to registered nursing students who~~
39 ~~have been accepted into an eligible nursing education program and~~

1 ~~have declared an intention to teach nursing upon completion of the~~
2 ~~nursing education program.))~~

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

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

7 (1) Establish the annual award amount for each credentialed
8 health care profession which shall be based upon an assessment of
9 reasonable annual eligible expenses involved in training and
10 education for each credentialed health care profession for both the
11 health professional loan repayment and scholarship program and the
12 behavioral health loan repayment program. The annual award amount may
13 be established at a level less than annual eligible expenses. The
14 annual award amount shall be established by the office for each
15 eligible health profession. The awards shall not be paid for more
16 than a maximum of five years per individual;

17 (2) Determine any scholarship awards for prospective physicians
18 in such a manner to require the recipients declare an interest in
19 serving in rural areas of the state of Washington. Preference for
20 scholarships shall be given to students who reside in a rural
21 physician shortage area or a nonshortage rural area of the state
22 prior to admission to the eligible education and training program in
23 medicine. Highest preference shall be given to students seeking
24 admission who are recommended by sponsoring communities and who
25 declare the intent of serving as a physician in a rural area. The
26 office may require the sponsoring community located in a nonshortage
27 rural area to financially contribute to the eligible expenses of a
28 medical student if the student will serve in the nonshortage rural
29 area;

30 (3) Establish the required service obligation for each
31 credentialed health care profession, which shall be no less than
32 three years or no more than five years, for the health professional
33 loan repayment and scholarship program and the behavioral health loan
34 repayment program. The required service obligation may be based upon
35 the amount of the scholarship or loan repayment award such that
36 higher awards involve longer service obligations on behalf of the
37 participant;

1 (4) Determine eligible education and training programs for
2 purposes of the scholarship portion of the health professional loan
3 repayment and scholarship program;

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

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

11 (1) The office may grant loan repayment and scholarship awards to
12 eligible participants from the funds appropriated (~~for this~~
13 ~~purpose~~) to the health professional loan repayment and scholarship
14 program, or from any private or public funds given to the office for
15 this purpose. The office may grant loan repayment to eligible
16 participants from the funds appropriated to the behavioral health
17 loan repayment program or from any private or public funds given to
18 the office for this purpose. Participants are ineligible to receive
19 loan repayment under the health professional loan repayment and
20 scholarship program or the behavioral health loan repayment program
21 if they have received a scholarship from programs authorized under
22 this chapter or chapter 70.180 RCW or are ineligible to receive a
23 scholarship if they have received loan repayment authorized under
24 this chapter or chapter 28B.115 RCW.

25 (2) Funds appropriated for the health professional loan repayment
26 and scholarship program, including reasonable administrative costs,
27 may be used by the office for the purposes of loan repayments or
28 scholarships. The office shall annually establish the total amount of
29 funding to be awarded for loan repayments and scholarships and such
30 allocations shall be established based upon the best utilization of
31 funding for that year.

32 (3) One portion of the funding appropriated for the health
33 professional loan repayment and scholarship program shall be used by
34 the office as a recruitment incentive for communities participating
35 in the community-based recruitment and retention program as
36 authorized by chapter 70.185 RCW; one portion of the funding shall be
37 used by the office as a recruitment incentive for recruitment
38 activities in state-operated institutions, county public health
39 departments and districts, county human service agencies, federal and

1 state contracted community health clinics, and other health care
2 facilities, such as rural hospitals that have been identified by the
3 department, as providing substantial amounts of charity care or
4 publicly subsidized health care; one portion of the funding shall be
5 used by the office for all other awards. The office shall determine
6 the amount of total funding to be distributed between the three
7 portions.

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

10 In providing health care services the participant shall not
11 discriminate against a person on the basis of the person's ability to
12 pay for such services or because payment for the health care services
13 provided to such persons will be made under the insurance program
14 established under part A or B of Title XVIII of the federal social
15 security act or under a state plan for medical assistance including
16 Title XIX of the federal social security act or under the state
17 medical assistance program authorized by chapter 74.09 RCW and agrees
18 to accept assignment under section 18.42(b)(3)(B)(ii) of the federal
19 social security act for all services for which payment may be made
20 under part B of Title XVIII of the federal social security act and
21 enters into an appropriate agreement with the department of social
22 and health services for medical assistance under Title XIX of the
23 federal social security act to provide services to individuals
24 entitled to medical assistance under the plan and enters into
25 appropriate agreements with the department of social and health
26 services for medical care services under chapter 74.09 RCW.
27 Participants found by the (~~board~~) office or the department in
28 violation of this section shall be declared ineligible for receiving
29 assistance under the programs authorized by this chapter.

30 **Sec. 10.** RCW 28B.115.110 and 2011 1st sp.s. c 11 s 210 are each
31 amended to read as follows:

32 Participants in the Washington health (~~(professional loan~~
33 ~~repayment and scholarship program))~~ corps who are awarded loan
34 repayments shall receive payment (~~(from the program))~~ for the purpose
35 of repaying educational loans secured while attending a program of
36 health professional training which led to a credential as a
37 credentialed health professional in the state of Washington.

1 (1) Participants shall agree to meet the required service
2 obligation (~~(in a designated health professional shortage area)~~).

3 (2) Repayment shall be limited to eligible educational and living
4 expenses as determined by the office and shall include principal and
5 interest.

6 (3) Loans from both government and private sources may be repaid
7 by the program. Participants shall agree to allow the office access
8 to loan records and to acquire information from lenders necessary to
9 verify eligibility and to determine payments. Loans may not be
10 renegotiated with lenders to accelerate repayment.

11 (4) Repayment of loans established pursuant to (~~this program~~)
12 the Washington health corps shall begin no later than ninety days
13 after the individual has become a participant. Payments shall be made
14 quarterly, or more frequently if deemed appropriate by the office, to
15 the participant until the loan is repaid or the participant becomes
16 ineligible due to discontinued service in a health professional
17 shortage area or an underserved behavioral health area after the
18 required service obligation when eligibility discontinues, whichever
19 comes first.

20 (5) Should the participant discontinue service in a health
21 professional shortage area or an underserved behavioral health area,
22 payments against the loans of the participants shall cease to be
23 effective on the date that the participant discontinues service.

24 (6) Except for circumstances beyond their control, participants
25 who serve less than the required service obligation shall be
26 obligated to repay to the program an amount equal to (~~twice~~) the
27 unsatisfied portion of the service obligation, or the total amount
28 paid by the program on their behalf, whichever is less. This amount
29 is due and payable immediately. Participants who are unable to pay
30 the full amount due shall enter into a payment arrangement with the
31 office, including an arrangement for payment of interest. The maximum
32 period for repayment is ten years. The office shall determine the
33 applicability of this subsection. The interest rate shall be
34 determined by the office and be established by rule.

35 (7) The office is responsible for the collection of payments made
36 on behalf of participants from the participants who discontinue
37 service before completion of the required service obligation. The
38 office shall exercise due diligence in such collection, maintaining
39 all necessary records to ensure that the maximum amount of payment
40 made on behalf of the participant is recovered. Collection under this

1 section shall be pursued using the full extent of the law, including
2 wage garnishment if necessary.

3 (8) The office shall not be held responsible for any outstanding
4 payments on principal and interest to any lenders once a
5 participant's eligibility expires.

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

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

10 **Sec. 11.** RCW 28B.115.120 and 2011 1st sp.s. c 11 s 211 are each
11 amended to read as follows:

12 (1) Participants in the Washington health (~~((professional loan~~
13 ~~repayment and scholarship program))~~ corps who are awarded
14 scholarships incur an obligation to repay the scholarship, with
15 penalty and interest, unless they serve the required service
16 obligation in a health professional shortage area in the state of
17 Washington.

18 (2) The interest rate shall be determined by the office and
19 established by rule. Participants who fail to complete the service
20 obligation shall incur an equalization fee based on the remaining
21 unforgiven balance. The equalization fee shall be added to the
22 remaining balance and repaid by the participant.

23 (3) The period for repayment shall coincide with the required
24 service obligation, with payments of principal and interest
25 commencing no later than six months from the date the participant
26 completes or discontinues the course of study or completes or
27 discontinues the required postgraduate training. Provisions for
28 deferral of payment shall be determined by the office.

29 (4) The entire principal and interest of each payment shall be
30 forgiven for each payment period in which the participant serves in a
31 health professional shortage area until the entire repayment
32 obligation is satisfied or the borrower ceases to so serve. Should
33 the participant cease to serve in a health professional shortage area
34 of this state before the participant's repayment obligation is
35 completed, payment of the unsatisfied portion of the principal and
36 interest is due and payable immediately.

37 (5) (~~In addition to the amount determined in subsection (4) of~~
38 ~~this section, except for circumstances beyond their control,~~
39 ~~participants who serve less than the required service obligation~~

1 shall be obliged to pay a penalty of an amount equal to twice the
2 unsatisfied portion of the principal.

3 ~~(6)~~) Participants who are unable to pay the full amount due
4 shall enter into a payment arrangement with the office for repayment
5 including interest. The office shall set the maximum period for
6 repayment (~~is ten years~~) by rule.

7 ~~((7))~~ (6) The office is responsible for collection of
8 repayments made under this section and shall exercise due diligence
9 in such collection, maintaining all necessary records to ensure that
10 maximum repayments are made. Collection and servicing of repayments
11 under this section shall be pursued using the full extent of the law,
12 including wage garnishment if necessary, and shall be performed by
13 entities approved for such servicing by the Washington student loan
14 guaranty association or its successor agency. The office is
15 responsible to forgive all or parts of such repayments under the
16 criteria established in this section and shall maintain all necessary
17 records of forgiven payments.

18 ~~((8))~~ (7) Receipts from the payment of principal or interest or
19 any other subsidies to which the office as administrator is entitled,
20 which are paid by or on behalf of participants under this section,
21 shall be deposited with the office and shall be used to cover the
22 costs of granting the scholarships, maintaining necessary records,
23 and making collections under subsection ~~((7))~~ (6) of this section.
24 The office shall maintain accurate records of these costs, and all
25 receipts beyond those necessary to pay such costs shall be used to
26 grant scholarships to eligible students.

27 ~~((9))~~ (8) Sponsoring communities who financially contribute to
28 the eligible financial expenses of eligible medical students may
29 enter into agreements with the student to require repayment should
30 the student not serve the required service obligation in the
31 community as a primary care physician. The office may develop
32 criteria for the content of such agreements with respect to
33 reasonable provisions and obligations between communities and
34 eligible students.

35 ~~((10))~~ (9) The office may make exceptions to the conditions for
36 participation and repayment obligations should circumstances beyond
37 the control of individual participants warrant such exceptions. The
38 office shall establish an appeal process by rule.

1 NEW SECTION. **Sec. 12.** A new section is added to chapter 28B.115
2 RCW to read as follows:

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

7 (2) The behavioral health loan repayment program account is
8 created in the custody of the state treasurer. All receipts from the
9 program must be deposited into the account. Expenditures from the
10 account may be used only for the behavioral health loan repayment
11 program. Only the office, or its designee, may authorize expenditures
12 from the account. The account is subject to allotment procedures
13 under chapter 43.88 RCW, but an appropriation is not required for
14 expenditures.

15 NEW SECTION. **Sec. 13.** If specific funding for the purposes of
16 this act, referencing this act by bill or chapter number, is not
17 provided by June 30, 2019, in the omnibus appropriations act, this
18 act is null and void."

2SHB 1668 - S COMM AMD
By Committee on Ways & Means

ADOPTED 04/16/2019

19 On page 1, line 3 of the title, after "communities;" strike the
20 remainder of the title and insert "amending RCW 28B.115.010,
21 28B.115.020, 28B.115.030, 28B.115.040, 28B.115.050, 28B.115.070,
22 28B.115.080, 28B.115.090, 28B.115.100, 28B.115.110, and 28B.115.120;
23 adding a new section to chapter 28B.115 RCW; and creating a new
24 section."

EFFECT: Removes the requirement that the student achievement
council study the need, feasibility, and potential design of a grant
program to provide funding to behavioral health students completing
unpaid pregraduation internships and postgraduation supervised hours
for licensure.

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