CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1946**

68th Legislature

2024 Regular Session

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| Passed by the House February 8, 2024Yeas 97 Nays 0**Speaker of the House of Representatives**Passed by the Senate February 29, 2024Yeas 49 Nays 0**President of the Senate** | CERTIFICATEI, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1946** as passed by the House of Representatives and the Senate on the dates hereon set forth.Chief Clerk |
| Approved  |  |
| **Governor of the State of Washington** | **Secretary of State** **State of Washington** |

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**HOUSE BILL 1946**

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Passed Legislature - 2024 Regular Session

**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Eslick, Leavitt, Ryu, Slatter, Duerr, Ramos, Senn, Reed, Graham, Callan, Timmons, Macri, Paul, Harris, Lekanoff, Riccelli, Pollet, and Davis

AN ACT Relating to creating the Washington health corps behavioral health scholarship program; amending RCW 28B.115.030, 28B.115.080, 28B.115.090, 28B.115.120, and 28B.115.135; and reenacting and amending RCW 28B.115.070.

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

**Sec.**  RCW 28B.115.030 and 2023 c 442 s 3 are each amended to read as follows:

The Washington health corps is the state's initiative to encourage health care professionals to work in underserved communities. In exchange for service, the health care professional receives assistance with higher education, in the form of loan repayment or a conditional scholarship. The Washington health corps consists of the health professional loan repayment and scholarship program, the behavioral health loan repayment and scholarship program, the nurse educator loan repayment program, and the forensic pathology loan repayment program.

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

(2) The behavioral health loan repayment and scholarship program is established for credentialed health professionals serving in underserved behavioral health areas.

(3) The nurse educator loan repayment program is established for nurse educators teaching for approved nursing programs.

(4) The forensic pathology loan repayment program is established for board-certified forensic pathologists providing services for counties in identified shortage areas.

(5) The office is the administrator of the programs under the Washington health corps. In administering the programs, the office shall:

(a)(i) Select credentialed health care professionals and residents to participate in the loan repayment portion and in the scholarship portion of the health professional loan repayment and scholarship program;

(ii) Select credentialed health care participants to participate in the loan repayment portion and in the scholarship portion of the behavioral health loan repayment and scholarship program;

(iii) Select nurse educators to participate in the nurse educator loan repayment program; and

(iv) Select board-certified forensic pathologists to participate in the forensic pathology loan repayment program;

(b) Adopt rules and develop guidelines to administer the programs;

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

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

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

(f) Use a competitive procurement to contract with a fund-raiser to solicit and accept grants and donations from private sources for the programs. The fund-raiser shall be paid on a contingency fee basis on a sliding scale but must not exceed 15 percent of the total amount raised for the programs each year. The fund-raiser shall not be a registered state lobbyist; and

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

**Sec.**  RCW 28B.115.070 and 2023 c 475 s 925 and 2023 c 442 s 6 are each reenacted and amended to read as follows:

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

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

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

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

(2) The office, in consultation with the department, shall determine selection criteria for nurse educators and approved nursing programs.

(3) The office, in consultation with the department and the council, shall determine selection criteria for board-certified forensic pathologists.

(4) For the 2023-2025 fiscal biennium, consideration for eligibility for loan repayment shall also be given to chiropractors and psychiatric mental health nurse practitioners.

**Sec.**  RCW 28B.115.080 and 2023 c 442 s 7 are each amended to read as follows:

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

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

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

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

(d) Establish the annual award amount and the required service obligation for nurse educators participating in the nurse educator loan repayment program. The annual award amount shall be based upon an assessment of reasonable annual eligible expenses involved in training and education. The awards shall not be paid for more than a maximum of five years per individual. The required service obligation shall be no less than three years or no more than five years. The required service obligation may be based upon the amount of the loan repayment award such that higher awards involve longer service obligations on behalf of the participant;

(e) Determine eligible education and training programs for purposes of the scholarship portion of the health professional loan repayment and scholarship program and the scholarship portion of the behavioral health loan repayment and scholarship program; and

(f) Honor loan repayment and scholarship contract terms negotiated between the office and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under this chapter or chapter 70.180 RCW.

(2) The department and the council, with the office, shall establish the annual loan repayment amount for each eligible board-certified forensic pathologist, based upon an assessment of reasonable eligible expenses involved in training and education up to $25,000 annually. The awards may not be paid for more than a total of four years per participant. The required service obligation must be four years. The annual award amount shall be established by the office.

**Sec.**  RCW 28B.115.090 and 2022 c 276 s 6 are each amended to read as follows:

(1) The office may grant loan repayment and scholarship awards to eligible participants from the funds appropriated to the Washington health corps program. Participants are ineligible to receive loan repayment under the Washington health corps program if they have received a scholarship from programs authorized under this chapter or chapter 70.180 RCW or are ineligible to receive a scholarship if they have received loan repayment authorized under this chapter.

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

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

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

**Sec.**  RCW 28B.115.120 and 2023 c 159 s 1 are each amended to read as follows:

(1) Participants in the Washington health corps who are awarded scholarships incur an obligation to repay the scholarship, with penalty and interest, unless they serve the required service obligation in a health professional shortage area or an underserved behavioral health area in the state of Washington.

(2) The interest rate, determined by the office and established by rule, may not exceed two percent. Participants who fail to complete the service obligation shall incur an equalization fee based on the remaining unforgiven balance. The equalization fee shall be added to the remaining balance and repaid by the participant.

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

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

(5) Participants who are unable to pay the full amount due shall enter into a payment arrangement with the office for repayment including interest not to exceed two percent. The office shall set the maximum period for repayment by rule.

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

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

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

(9) To the extent reasonably practicable, the office shall reduce, or help to reduce, barriers that threaten a participant's ability to complete their service obligations under this chapter by offering wraparound services including, for example, navigation support for public benefits, financial coaching, and access to food, housing, and child care resources and referrals.

(10) The office shall make exceptions to the conditions for participation and repayment obligations should substantial circumstances beyond the control of individual participants warrant such exceptions. The office shall establish an appeal process by rule. Substantial circumstances include, but are not limited to:

(a) The participant is a service member of the armed forces, including the national guard and armed forces reserves, or is a spouse or dependent of a service member, who receives permanent change of station or deployment orders to move out-of-state or to a location that would create a hardship to complete the participant's service obligations under this chapter. The participant shall provide the office with a copy of the official military orders or a signed letter from the service member's commanding officer confirming change of station orders;

(b) The participant is experiencing unforeseen emergencies or hardships that substantially affect the participant's ability to complete the participant's service obligations under this chapter.

**Sec.**  RCW 28B.115.135 and 2019 c 302 s 12 are each amended to read as follows:

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

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

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