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**HOUSE BILL 2598**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Representatives Riccelli, Schmick, Chapman, Maycumber, Dye, Holy, McBride, Slatter, Doglio, and Tharinger

AN ACT Relating to establishing a matched student loan repayment program for medical doctors working in rural areas; and adding a new chapter to Title 28B RCW.

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

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Eligible doctor" means a doctor of medicine or doctor of osteopathic medicine who graduated from or completed residency at an accredited medical program in the state.

(2) "Eligible facility" means a hospital or medical facility in the state that is located in a rural area.

(3) "Office" means the Washington state student achievement council, office of student financial assistance.

(4) "Program" means the matched student loan repayment program for medical doctors.

(5) "Rural" means a county or combination of counties with a widely dispersed population that is not considered an urbanized area according to the United States department of commerce, census bureau.

NEW SECTION. **Sec.**  (1) Subject to availability of amounts appropriated for this specific purpose, the matched student loan repayment program for medical doctors is established to increase the rural physician workforce in Washington state.

(2) The office shall administer the program and has the following powers and duties:

(a) To design and implement the program with the following elements:

(i) An eligible facility that provides up to one hundred thousand dollars to recruit and hire each eligible doctor who may then apply for matching funds from the program;

(ii) The program will match up to one hundred thousand dollars of the funds provided by the eligible facility per eligible doctor hired by the eligible facility. The funds from the program must be disbursed to the eligible doctor and must be used solely for the purpose of repaying the eligible doctor's student loans;

(iii) An eligible doctor must work as a physician at the eligible facility for five years following the acceptance of the program student loan repayment award. Except for circumstances beyond their control, as determined by the office, participants who serve less than the required five years at the eligible facility shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their behalf. This amount is due and payable immediately. Participants who are unable to pay the full amount due shall enter into a payment arrangement with the office, including an arrangement for payment of interest. The maximum period of repayment is ten years;

(b) To establish an application, selection, and notification process for eligible doctors for the program;

(c) To establish a process for verifying a facility's eligibility;

(d) To define the terms of repayment, including applicable interest rates, fees, and deferments;

(e) To publicize the program;

(f) To adopt necessary rules; and

(g) To solicit and accept donations for the program from eligible facilities and public and private sources.

(3) Loans from both government and private sources may be repaid by the program. Participants must agree to allow the office access to loan records and to acquire information from lenders necessary to verify eligibility.

NEW SECTION. **Sec.**  (1) The medical doctor loan repayment account is created in the custody of the state treasurer. No appropriation is required for expenditures of funds from the account for medical student loans. An appropriation is required for expenditures of funds from the medical doctor loan repayment account for costs associated with program administration by the office. The account is not subject to allotment procedures under chapter 43.88 RCW.

(2) The office shall deposit into the account all moneys received for the program.

(3) Expenditures from the account may be used solely for medical doctor loan repayment to participants in the program established by this chapter and costs associated with program administration by the office.

(4) Disbursements from the account may be made only on the authorization of the office.

NEW SECTION. **Sec.**  Sections 1 through 3 of this act constitute a new chapter in Title 28B RCW.

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