

Chapter 250-25 WAC

HEALTH PROFESSIONAL LOAN REPAYMENT AND SCHOLARSHIP PROGRAM—RULES AND REGULATIONS

WAC

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WAC 250-25-010 Purpose. The purpose of the health professional loan repayment and scholarship program is to encourage eligible health care professionals to serve in shortage areas by providing financial support in the form of loan repayment or conditional scholarship to attend school if the participant renders health care service in medically underserved areas or professional shortage areas within Washington state.

[Statutory Authority: 1991 c 332, 92-03-002, § 250-25-010, filed 1/3/92, effective 2/3/92.]

WAC 250-25-020 Authority to administer. The higher education coordinating board is charged with the administration of the health professional loan repayment and scholarship program. These regulations are being adopted pursuant to the authority of sections 15 through 25, chapter 332, Laws of 1991. When a responsibility of the board is referenced in these regulations, the authority needed to discharge that responsibility lies with the executive director or his or her designee. In administering this program, the board shall:

- (1) Select credentialed health care professionals and eligible students to participate in the loan repayment and scholarship program;
- (2) Develop guidelines;
- (3) Collect and manage repayments from participants who do not meet their service obligations;
- (4) Publicize the program to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the work force;
- (5) Solicit and accept grants and donations from public and private sources for the program;
- (6) Develop criteria for a contract obligating recipients to a service obligation or repayment where appropriate;
- (7) Establish a planning committee to include representatives of the department, the department of social and health services, appropriate representatives from health care facilities, provider groups, consumers, the state board for community and technical colleges, the superintendent of public instruction, and other appropriate public and private agencies and organizations; and
- (8) Deposit all receipts from the program into the trust fund dedicated to this program.

(9/3/93)

[Statutory Authority: 1991 c 332, 92-03-002, § 250-25-020, filed 1/3/92, effective 2/3/92.]

WAC 250-25-030 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Board" means the higher education coordinating board.
- (2) "Department" means the state department of health.
- (3) "Eligible education and training programs" means education and training programs approved by the department that lead to eligibility for a credential as a credentialed health care professional.
- (4) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses approved by the board.
- (5) "Eligible student" means a student who has been accepted into an eligible education or training program and has a declared intention to serve in a health professional shortage area upon completion of the education or training program.
- (6) "Forgiven" or "to forgive" or "forgiveness" means to render health care services in a health professional shortage area in the state of Washington in lieu of monetary repayment.
- (7) "Health professional shortage areas" means those areas where credentialed health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of credentialed health care professionals in specialty health care areas and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety. The department shall determine health professional shortage areas. In determining health professional shortage areas in the state the department may be guided by applicable federal standards for "health professional shortage areas," and "medically underserved areas," and "medically underserved populations."
- (8) "Credentialed health care profession" means a health care profession regulated by a disciplining authority in the state of Washington and designated as a profession having shortages of credentialed health care professionals in the state.
- (9) "Credentialed health care professional" means a person regulated by a disciplining authority in the state of Washington to practice a health care profession.
- (10) "Loan repayment" means a loan that is paid in full or in part if the participant renders health care services in a health professional shortage area as defined by the department.
- (11) "Nonshortage rural area" means a nonurban area of the state of Washington that has not been designated as a

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rural physician shortage area. The department shall identify the nonshortage rural areas of the state.

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

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

(14) "Required service obligation" means an obligation by the participant to provide health care services in a health professional shortage area for a period not less than three years and not more than five years.

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

(16) "Sponsoring community" means a rural hospital or hospitals as authorized in chapter 70.41 RCW, a rural health care facility or facilities as authorized in chapter 70.175 RCW, or a city or county government or governments.

(17) "Scholarship" means a loan that is forgiven in whole or in part if the recipient renders health care service in a designated health professional shortage area in the state.

[Statutory Authority: 1991 c 332. 92-03-002, § 250-25-030, filed 1/3/92, effective 2/3/92.]

WAC 250-25-040 Eligibility to participate. To be eligible to apply for the loan repayment and scholarship program an individual must:

(1) Be an eligible credentialed health professional or eligible student;

(2) Be enrolled as a student in an approved course of study or program which leads to a degree which is offered by an accredited school; or be enrolled in an accredited graduate training program; or have a degree in a health care program and have completed an approved graduate training program; or have a current and valid license to practice such health profession in Washington state by the time of execution of contract; or be in the final stage of training to be a licensed health care professional;

(3) Submit an application on a form provided by the board for participation in the health professional loan repayment and scholarship program;

(4) Not owe an obligation for health professional service to the federal government, state, or other entity unless that obligation will be completely satisfied prior to the beginning of service under this program.

[Statutory Authority: 1991 c 332. 92-03-002, § 250-25-040, filed 1/3/92, effective 2/3/92.]

WAC 250-25-045 Ineligible program. Scholarship participants are ineligible to receive loan repayment if they have received a scholarship from this program or the nurses conditional scholarship (chapter 28B.104 RCW) or rural physician, pharmacist, and midwife scholarship programs (chapter 70.180 RCW). Loan repayment participants are ineligible to receive a scholarship if they have received loan repayment

from this program or the health professional loan repayment program (chapter 18.150 RCW).

[Statutory Authority: 1991 c 332. 92-03-002, § 250-25-045, filed 1/3/92, effective 2/3/92.]

WAC 250-25-050 Selection criteria. Applicants will be selected for participation in the health professional loan repayment and scholarship program based upon criteria that shall include but not be limited to the following:

(1) Applicant training. The individual's training is in a health profession or specialty needed to fulfill an underserved area in Washington state.

(2) Applicant qualifications. The individual's academic standing, prior professional experience in a medically underserved area or health personnel shortage area, board certification, residency achievements, peer recommendations, depth of past residency practice experience, and other criteria related to professional competence or conduct.

(3) Applicant service commitment. (a) The individual's commitment to serve in a medically underserved area or community-based primary care site as determined by the statement of commitment on the application form; (b) the availability of the individual for service, with highest consideration being given to individuals who will be available for service at the earliest dates; and (c) the length of the individual's proposed service obligation, with greatest consideration being given to persons who agree to serve for longer periods of time.

(4) Scholarship applicant relationship with rural area. Preference for scholarships shall be given to students who reside in rural areas of the state prior to admission to the medical training program. Higher preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a primary care physician in a rural area.

[Statutory Authority: 1991 c 332. 92-03-002, § 250-25-050, filed 1/3/92, effective 2/3/92.]

WAC 250-25-060 Award amount. The annual award amount for each credentialed health care profession shall be based upon an assessment by the board, in consultation with the advisory committee, of reasonable annual eligible expenses and loan indebtedness incurred in training and education for each credentialed health care profession. The annual award amount may be established at a level less than annual eligible expenses. The awards may be renewed for eligible participants who continue to meet all renewal criteria but shall not be paid for more than a maximum of five years per individual.

[Statutory Authority: 1993 c 423 and 492. 93-19-023, § 250-25-060, filed 9/3/93, effective 10/4/93. Statutory Authority: 1991 c 332. 92-03-002, § 250-25-060, filed 1/3/92, effective 2/3/92.]

WAC 250-25-070 Award disbursement. As part of the award procedure, each participant must sign an agreement with the board which serves as the legal document verifying the participant's understanding of the obligation to serve for no less than three years and no more than five years in a shortage area or repay the program according to the terms of the signed agreement.

Loan repayment participants shall receive payment from the program for the purpose of repaying educational loans secured while attending a program of health professional training which led to credentialing as a health professional.

(1) Repayment shall be limited to loans covering eligible educational and living expenses as approved by the board and shall include principal and interest.

(2) Loans from both government and private sources may be repaid by the program. Participants shall agree to allow the board access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment. Financial debts or service obligations which do not qualify for payment include: Public Health and National Health Service Corps scholarship training program, National Health Service Corps scholarship program, and armed forces (Army, Navy, or Air Force).

(3) Participants will be required to submit appropriate documentation of service as required by the board verifying the terms of the agreement have been met for each payment period.

(4) Participants violating the nondiscrimination provisions described in the signed agreement shall be declared ineligible and terminated from the program.

Scholarship participants shall receive payment from the program for the purpose of paying educational costs incurred while enrolled in a program of health professional training which leads to a credential as a credentialed health professional in the state of Washington. In no case shall the award amount exceed the actual cost of attendance for the particular program. Scholarship awards are intended to meet the eligible expenses of participants.

[Statutory Authority: 1993 c 423 and 492. 93-19-023, § 250-25-070, filed 9/3/93, effective 10/4/93. Statutory Authority: 1991 c 332. 92-03-002, § 250-25-070, filed 1/3/92, effective 2/3/92.]

WAC 250-25-080 Repayment provisions. Participants in the health professional loan repayment and scholarship program incur an obligation to serve for no less than three years and no more than five years in a shortage area in return for financial support in the form of loan repayments and/or scholarships to attend school.

Loan repayments will be made quarterly on a yearly basis for no less than three years and no more than five years not to exceed the maximum debt incurred by the participant.

Loan repayment participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their behalf. In addition, loan repayments on behalf of the participant shall cease on the date that the participant discontinues service. Payments on the unsatisfied portion of the principal and interest remain the responsibility of the participant. The board shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

For scholarship participants, 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.

Scholarship participants who serve less than the required service obligation shall be obligated to pay the unsatisfied portion of the principal and interest. The interest rate shall be eight percent for the first four years of repayment and ten percent beginning with the fifth year of repayment. Provisions for deferral of payment shall be determined by the board. In addition, scholarship participants who fail to fulfill the required service obligation shall be obliged to repay to the program an amount equal to twice the total amount paid by the program. The period for repayment shall coincide with the required service obligation, with payments accruing quarterly commencing no later than nine months from the date the participant completes or discontinues the course of study or completes or discontinues the required residency.

On the request of the participant, the board may waive, in full or in part, the obligation for service or its rights to recover financial damages whenever the board determines that failure to do so was due to circumstances beyond the participant's control. Conditions that would be considered as a waiver from default provisions may include: Participant becomes physically impaired to the degree that he or she can no longer function in his or her assigned duties; participant becomes mentally impaired to the degree that he or she can no longer function in his or her assigned duties; or death.

The board shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

[Statutory Authority: 1993 c 423 and 492. 93-19-023, § 250-25-080, filed 9/3/93, effective 10/4/93. Statutory Authority: 1991 c 332. 92-03-002, § 250-25-080, filed 1/3/92, effective 2/3/92.]

WAC 250-25-090 Appeals. Participants who have been accepted in the health professional loan repayment and scholarship program may request in writing a review of any adverse decision affecting them by requesting such review within twenty days of adverse decision, addressed to the executive director of the higher education coordinating board. The review shall be handled by brief adjudication hearing procedures as outlined in the Administrative [Procedure] Act chapter 34.05 RCW.

[Statutory Authority: 1991 c 332. 92-03-002, § 250-25-090, filed 1/3/92, effective 2/3/92.]