

Enrolled
House Bill 2397

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Health Care for Oregon Academy of Family Physicians)

CHAPTER

AN ACT

Relating to a loan forgiveness program for primary care health practitioners; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section:

(a) **“Participant” means a person who has been selected by the Office of Rural Health to receive a loan under subsection (4) of this section.**

(b) **“Primary care practitioner” means a:**

(A) **Physician licensed under ORS chapter 677;**

(B) **Physician assistant licensed under ORS 677.505 to 677.525; or**

(C) **Nurse practitioner licensed under ORS 678.375.**

(c) **“Prospective primary care practitioner” means a person who is enrolled in a medical education program that meets the educational requirements for licensure as a physician, physician assistant or nurse practitioner.**

(d) **“Service agreement” means the agreement executed by a prospective primary care practitioner under subsection (3) of this section.**

(2) **There is created the Primary Health Care Loan Forgiveness Program, to be administered by the office pursuant to rules adopted by the office.**

(3) **A prospective primary care practitioner who wishes to participate in the program shall submit an application to the office in accordance with rules adopted by the office. To be eligible to be a participant in the program, a prospective primary care practitioner must:**

(a) **Have completed the first year of the prospective primary care practitioner’s medical education;**

(b) **Be enrolled in a medical education program in Oregon that emphasizes training rural health care practitioners and is approved by the office;**

(c) **Execute a service agreement stating that, immediately upon the prospective primary care practitioner’s completion of residency or training as established by the office by rule, the prospective primary care practitioner will practice as a primary care practitioner in a rural setting in this state approved by the office for at least as many years as the number of years for which the practitioner received loans from the Primary Health Care Loan Forgiveness Program; and**

(d) **Meet other requirements established by the office by rule.**

(4) **The office may select participants from among the prospective primary care practitioners who submit applications as provided in subsection (3) of this section. The office shall**

give preference to a prospective primary care practitioner who agrees to practice in a community that agrees to contribute funds to the Primary Health Care Loan Forgiveness Program Fund established in section 2 of this 2011 Act.

(5) The office shall provide an annual loan of up to \$35,000 to each participant to cover expenses related to the participant's medical education, on terms established by the office by rule. The loan must be evidenced by a written obligation but no additional security may be required.

(6) Repayment of loans provided under subsection (5) of this section is deferred while a participant is in compliance with the service agreement.

(7) At the end of each full year that a participant complies with the service agreement, the office shall forgive one annual loan provided to the participant under subsection (5) of this section.

(8)(a) A person receiving a loan under subsection (5) of this section who fails to complete the residency or training as required by the office by rule shall repay the amount received to the Primary Health Care Loan Forgiveness Program plus 10 percent interest on the unpaid balance, accrued from the date the loan was granted.

(b) A person receiving a loan under subsection (5) of this section who completes the residency or training required by the office by rule but fails to fulfill the obligations required by the service agreement shall repay the amount received to the Primary Health Care Loan Forgiveness Program plus 10 percent interest on the unpaid balance, accrued from the date the loan was granted. Additionally, a penalty fee equal to 25 percent of the amount received shall be assessed against the person. No interest accrues on the penalty. The office shall establish rules to allow waiver of all or part of the penalty owed to the program due to circumstances that prevent the participant from fulfilling the service obligation.

(9) Payments on loans provided under subsection (5) of this section shall be deposited in the Primary Health Care Loan Forgiveness Program Fund established in section 2 of this 2011 Act.

(10) If a participant defaults on a loan provided under section (5) of this section:

(a) Any amounts due may be collected by the Collections Unit in the Department of Revenue under ORS 293.250; or

(b) The Oregon Health and Science University may contract with a collections agency to collect any amounts due.

(11) Any amounts collected under subsection (10) of this section shall be deposited in the Primary Health Care Loan Forgiveness Program Fund established in section 2 of this 2011 Act.

(12) The office may accept funds from any public or private source for the purposes of carrying out the provisions of this section.

SECTION 2. The Primary Health Care Loan Forgiveness Program Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Primary Health Care Loan Forgiveness Program Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for distribution to the Office of Rural Health for the purposes of carrying out the provisions of section 1 of this 2011 Act.

SECTION 3. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$525,000, for distribution to the Office of Rural Health for purposes of the Primary Health Care Loan Forgiveness Program created in section 1 of this 2011 Act.

SECTION 4. (1) Section 1 of this 2011 Act becomes operative on January 1, 2012.

(2) The Office of Rural Health may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the office to exercise, on and after

the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the office by section 1 of this 2011 Act.

SECTION 5. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.

Passed by House June 16, 2011

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Ramona Kenady Line, Chief Clerk of House

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Passed by Senate June 23, 2011

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2011

Approved:

.....M,....., 2011

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2011

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Kate Brown, Secretary of State