

House Bill 2397

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Health Care for Oregon Academy of Family Physicians)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates loan forgiveness program for primary care practitioners in Office of Rural Health. Appropriates money to office for purposes of program.

Creates Primary Health Care Loan Forgiveness Program Fund. Continuously appropriates moneys in fund to office.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a loan forgiveness program for primary care health practitioners; appropriating money;
3 and declaring an emergency.

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

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

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

8 (b) **"Primary care practitioner" means a:**

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

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

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

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

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

17 (2) **There is created the Primary Health Care Loan Forgiveness Program, to be adminis-**
18 **tered by the office pursuant to rules adopted by the office.**

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

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

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

26 (c) **Execute a service agreement stating that, immediately upon the prospective primary**
27 **care practitioner's completion of residency or training as established by the office by rule,**
28 **the prospective primary care practitioner will practice as a primary care practitioner in a**
29 **rural setting in this state approved by the office; and**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

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

2 (4) The office may select participants from among the prospective primary care practi-
 3 tioners who submit applications as provided in subsection (3) of this section. The office shall
 4 give preference to a prospective primary care practitioner who agrees to practice in a com-
 5 munity that agrees to contribute funds to the Primary Health Care Loan Forgiveness Pro-
 6 gram Fund established in section 2 of this 2011 Act.

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

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

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

16 (8) If a participant ceases to comply with the service agreement, the remaining annual
 17 loans provided under subsection (5) of this section become due and payable according to the
 18 terms of the loans established by the office under subsection (5) of this section.

19 (9) Payments on loans provided under subsection (5) of this section shall be deposited in
 20 the Primary Health Care Loan Forgiveness Program Fund established in section 2 of this
 21 2011 Act.

22 (10) If a participant defaults on a loan provided under section (5) of this section, any
 23 amounts due shall be collected by the Collections Unit in the Department of Revenue under
 24 ORS 293.250 and deposited in the Primary Health Care Loan Forgiveness Program Fund es-
 25 tablished in section 2 of this 2011 Act.

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

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

33 **SECTION 3.** In addition to and not in lieu of any other appropriation, there is appropri-
 34 ated to the Office of Rural Health, for the biennium beginning July 1, 2011, out of the General
 35 Fund, the amount of \$525,000, which may be expended for purposes of the Primary Health
 36 Care Loan Forgiveness Program created in section 1 of this 2011 Act.

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

38 (2) The Office of Rural Health may take any action before the operative date specified in
 39 subsection (1) of this section that is necessary to enable the office to exercise, on and after
 40 the operative date specified in subsection (1) of this section, all the duties, functions and
 41 powers conferred on the office by section 1 of this 2011 Act.

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