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HOUSE BILL NO. 1864

Offered January 10, 2001

Prefiled January 4, 2001

A BILL to amend and reenact §§ 32.1-122.6, 32.1-122.6:02, 32.1-122.6:03, 32.1-122.6:1, 32.1-122.9, 32.1-122.9:1, 32.1-122.10, and 54.1-3011.2 of the Code of Virginia, and to amend the Code of Virginia by adding a section numbered 32.1-122.6:04, relating to conditional grants and loan repayment programs for health professionals.

Patron—McDonnell

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-122.6, 32.1-122.6:02, 32.1-122.6:03, 32.1-122.6:1, 32.1-122.9, 32.1-122.9:1, 32.1-122.10, and 54.1-3011.2 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 32.1-122.6:04 as follows:

§ 32.1-122.6. Conditional grants for certain medical students.

A. With such funds as are appropriated for this purpose, the Board of Health shall establish annual medical scholarships for students who intend to enter the designated specialties of family practice medicine, general internal medicine, pediatrics, and obstetrics/gynecology for students in good standing at the Medical College of Virginia of Virginia Commonwealth University, the University of Virginia School of Medicine, and the Medical College of Hampton Roads. No recipient shall be awarded more than five scholarships. The amount and number of such scholarships and the apportionment of the scholarships among the medical schools shall be determined annually as provided in the appropriation act; however, the Board shall reallocate annually any remaining funds from awards made pursuant to this section and § 32.1-122.5:1 among the schools participating in these scholarship programs, proportionally to their need, for additional medical scholarships for eligible students. The Commissioner shall act as fiscal agent for the Board in administration of the scholarship funds.

The governing boards of Virginia Commonwealth University, the University of Virginia, and the Medical College of Hampton Roads shall submit to the Commissioner the names of those eligible applicants who are most qualified as determined by the regulations of the Board for these medical scholarships. The Commissioner shall award the scholarships to the applicants whose names are submitted by the governing boards.

B. The Board, after consultation with the Medical College of Virginia, the University of Virginia School of Medicine, and the Medical College of Hampton Roads, shall promulgate regulations to administer this scholarship program which shall include, but not be limited to:

1. Qualifications of applicants;
 2. Criteria for award of the scholarships to assure that recipients will fulfill the practice obligations established in this section;
 3. Standards to assure that these scholarships increase access to primary health care for individuals who are indigent or who are recipients of public assistance;
 4. Assurances that bona fide residents of Virginia, as determined by § 23-7.4, students of economically disadvantaged backgrounds and residents of medically underserved areas are given preference over nonresidents in determining scholarship eligibility and awards;
 5. Assurances that scholarship recipients will begin medical practice in one of the designated specialties in an underserved area of the Commonwealth within two years following completion of their residencies;
 6. Methods for reimbursement of the Commonwealth by recipients who fail to complete medical school or who fail to honor the obligation to engage in medical practice for a period of years equal to the number of annual scholarships received;
 7. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any scholarship and who later fulfills the terms of his contract;
 8. Procedures for transferring unused funds upon the recommendation of the Commissioner and the approval of the Department of Planning and Budget in the event any of the medical schools has not recommended the award of its full complement of scholarships by January of each year and one or both of the other medical schools has a demonstrated need for additional scholarships for that year; and
 9. Reporting of data related to the recipients of the scholarships by the medical schools.
- C. Prior to the award of any scholarship, the applicant shall sign a contract in which he agrees to pursue the medical course of the school nominating him for the award until his graduation or to pursue

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59 his first year of postgraduate training at the hospital or institution approved by the school nominating
60 him for the award and upon completing a term not to exceed three years, or four years for the
61 obstetric/gynecology specialty, as an intern or resident at an approved institution or facility intends to
62 promptly begin and thereafter engage continuously in one of the designated specialties of medical
63 practice in an underserved area in Virginia for a period of years equal to the number of annual
64 scholarships received. The contract shall specify that no form of medical practice such as military
65 service or public health service may be substituted for the obligation to practice in one of the designated
66 specialties in an underserved area in the Commonwealth.

67 The contract shall provide that the applicant will not voluntarily obligate himself for more than the
68 minimum period of military service required for physicians by the laws of the United States and that,
69 upon completion of this minimum period of obligatory military service, the applicant will promptly
70 begin to practice in an underserved area in one of the designated specialties for the requisite number of
71 years. The contract shall include other provisions as considered necessary by the Attorney General and
72 the Commissioner.

73 The contract may be terminated by the recipient while the recipient is enrolled in medical school
74 upon providing notice and immediate repayment of the total amount of scholarship funds received plus
75 interest at the prevailing bank rate for similar amounts of unsecured debt.

76 D. In the event the recipient fails to maintain a satisfactory scholastic standing, the recipient may,
77 upon certification of the Commissioner, be relieved of the obligations under the contract to engage in
78 medical practice in an underserved area upon repayment to the Commonwealth of the total amount of
79 scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured
80 debt.

81 E. In the event the recipient dies or becomes permanently disabled so as not to be able to engage in
82 the practice of medicine, the recipient or his estate may, upon certification of the Commissioner, be
83 relieved of the obligation under the contract to engage in medical practice in an underserved area upon
84 repayment to the Commonwealth of the total amount of scholarship funds plus interest on such amount
85 computed at eight percent per annum from the date of receipt of scholarship funds. This obligation may
86 be waived in whole or in part by the Commissioner in his discretion upon application by the recipient or
87 his estate to the Commissioner with proof of hardship or inability to pay.

88 F. Except as provided in subsections D and E, any recipient of a scholarship who fails or refuses to
89 fulfill his obligation to practice medicine in one of the designated specialties in an underserved area for
90 a period of years equal to the number of annual scholarships received shall reimburse the
91 Commonwealth three times the total amount of the scholarship funds received plus interest at the
92 prevailing bank rate for similar amounts of unsecured debt. If the recipient has fulfilled part of his
93 contractual obligations by serving in an underserved area in one of the designated specialties, the total
94 amount of the scholarship funds received shall be reduced by the amount of the annual scholarship
95 multiplied by the number of years served.

96 G. The Commissioner shall collect all repayments required by this section and may establish a
97 schedule of payments for reimbursement consistent with the regulations of the Board. No schedule of
98 payments shall amortize the total amount due for a period of longer than two years following the
99 completion of the recipient's postgraduate training or the recipient's entrance into the full-time practice of
100 medicine, whichever is later. All such funds, *including any interest thereon*, shall be ~~transmitted to the~~
101 ~~Comptroller for deposit in~~ *used only for the purposes of this section and shall not revert to the general*
102 *fund.* If any recipient fails to make any payment when and as due, the Commissioner shall notify the
103 Attorney General. The Attorney General shall take such action as he deems proper. In the event court
104 action is required to collect a delinquent scholarship account, the recipient shall be responsible for the
105 court costs and reasonable attorneys' fees incurred by the Commonwealth in such collection.

106 H. For purposes of this section, the term "underserved area" shall include those medically
107 underserved areas designated by the Board pursuant to § 32.1-122.5 and health professional shortage
108 areas designated in accordance with the criteria established in 42 C.F.R. Part 5.

109 § 32.1-122.6:02. Conditional grants for certain nurse practitioner students.

110 A. The Board of Health shall establish annual nursing scholarships for students who intend to enter
111 an accredited nurse practitioner or nurse midwife program in designated schools. The amounts and
112 numbers of such scholarships shall be determined annually as provided in the appropriation act. The
113 Commissioner shall act as fiscal agent for the Board in administration of the scholarship program
114 through a nursing scholarship committee.

115 B. To administer the scholarship program, the Board shall promulgate regulations which shall
116 include, but are not limited to:

117 1. Qualifications of applicants;

118 2. Criteria for award of the scholarship to assure that a recipient will fulfill the practice obligations
119 established in this section;

120 3. Standards to assure that these scholarships increase access to primary health care for individuals

who are indigent or who are recipients of public assistance;

4. Assurances that residents of Virginia, as determined by § 23-7.4, minority students and residents of medically underserved areas are given preference in determining scholarship eligibility and awards;

5. Assurances that a scholarship recipient will practice as a nurse practitioner or nurse midwife in an underserved area of the Commonwealth within two years following completion of training;

6. Designations that students in nurse practitioner specialties, including nurse midwife, receive priority scholarships;

7. Methods for reimbursement to the Commonwealth by a recipient who fails to complete the educational program or who fails to honor the obligation to engage in practice as a nurse practitioner or nurse midwife for a period of years equal to the number of annual scholarships received;

8. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any scholarship and who later fulfills the terms of his contract; and

9. Methods for reporting data related to the recipients of the scholarships.

C. Until such time as a fully accredited nurse midwife education program is established at any health science center in the Commonwealth, the Board may designate that attendance at an accredited program in a nearby state is acceptable for scholarship eligibility.

D. For purposes of this section, the term "underserved area" shall include those medically underserved areas designated by the Board pursuant to § 32.1-122.5 and health professional shortage areas designated in accordance with the criteria established in 42 C.F.R. Part 5.

E. Any scholarship amounts repaid by recipients pursuant to subdivision B. 7., and any interest thereon, shall be used only for the purposes of this section and shall not revert to the general fund.

§ 32.1-122.6:03. Conditional grants for certain physician assistant students.

A. The Board of Health shall establish annual physician assistant scholarships for students who intend to enter an accredited physician assistant program in designated schools. The amounts and numbers of such scholarships shall be determined annually as provided in the appropriation act. The Commissioner shall act as fiscal agent for the Board in administration of the scholarship program through a physician assistant scholarship committee.

B. To administer the scholarship program, the Board shall promulgate regulations that shall include, but are not limited to:

1. Qualifications of applicants;

2. Criteria for awarding the scholarship to ensure that a recipient will fulfill the practice obligations established in this section;

3. Standards to ensure that these scholarships increase access to primary health care for individuals who are indigent or who are recipients of public assistance;

4. Assurances that residents of Virginia, as determined by § 23-7.4, minority students and residents of medically underserved areas are given preference in determining scholarship eligibility and awards;

5. Assurances that a scholarship recipient will practice as a physician assistant in an underserved area of the Commonwealth within two years following completion of training;

6. Methods for reimbursement to the Commonwealth by a recipient who fails to complete the educational program or who fails to honor the obligation to engage in practice as a physician assistant for a period of years equal to the number of annual scholarships received;

7. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any scholarship and who later fulfills the terms of his contract; and

8. Methods for reporting data related to the recipients of the scholarships.

C. Prior to promulgating any regulation establishing any preferences noted in subdivision B 4, the Board shall issue written findings stating the bases for its decisions that any such preferences provided by the regulation comply with constitutional principles of equal protection.

D. Until such time as a fully accredited physician assistant education program is established at any health science center in the Commonwealth, the Board may designate that attendance at an accredited program in a nearby state is acceptable for scholarship eligibility.

E. For purposes of this section, the term "underserved area" shall include those medically underserved areas designated by the Board pursuant to § 32.1-122.5 and health professional shortage areas designated in accordance with the criteria established in 42 C.F.R. Part 5.

F. Any scholarship amounts repaid by recipients pursuant to subdivision B. 6., and any interest thereon, shall be used only for the purposes of this section and shall not revert to the general fund.

§ 32.1-122.6:04. Nurse Loan Repayment Program.

A. With such funds as are appropriated for this purpose, the Board shall establish a tuition loan repayment program for persons licensed as practical nurses or registered nurses who meet criteria determined by the Board. The Commissioner shall act as the fiscal agent for the Board in administration of these funds. Prior to awarding any funds, the Board shall require the recipient to agree to perform a period of nursing service in this Commonwealth.

182 *B. The Board shall promulgate regulations for the implementation and administration of the Nurse*
183 *Loan Repayment Program. Applications for participation in the program shall be accepted from*
184 *graduates of nursing education programs that prepare them for examination for licensure as a practical*
185 *nurse or registered nurse, but preference shall be given to graduates of nursing education programs*
186 *located in the Commonwealth.*

187 *C. Any loan repayment amounts repaid by recipients who fail to honor the obligation to perform a*
188 *period of nursing service in the Commonwealth required by this section, and any interest thereon, shall*
189 *be used only for the purposes of this section and shall not revert to the general fund.*

190 § 32.1-122.6:1. Physician Loan Repayment Program.

191 A. With such funds as are appropriated for this purpose, the Board of Health shall establish a
192 physician loan repayment program for graduates of accredited medical schools who have a specialty in
193 the primary care areas of family practice medicine, general internal medicine, pediatrics, and
194 obstetrics/gynecology, and who meet other criteria as determined by the Board. The Commissioner shall
195 act as the fiscal agent for the Board in administration of these funds. Prior to awarding any funds, the
196 Board shall require the recipient to agree to perform a period of medical service in this Commonwealth
197 in a medically underserved area as defined in § 32.1-122.5 or a health professional shortage area
198 designated in accordance with the criteria established in 42 C.F.R. Part 5.

199 B. The Board shall promulgate regulations for the implementation of the Physician Loan Repayment
200 Program. Applications for participation in the program will be accepted from a graduate of any
201 accredited medical school, but preference will be given to graduates of medical schools located in the
202 Commonwealth.

203 C. Any loan repayment amounts repaid by recipients who fail to honor the obligation to perform a
204 period of medical service in an underserved area as required by this section, and any interest thereon,
205 shall be used only for the purposes of this section and shall not revert to the general fund.

206 § 32.1-122.9. Conditional grants for certain dental students.

207 A. With such funds as are appropriated for this purpose, the Board of Health shall establish annual
208 dental scholarships for students in good standing at Virginia Commonwealth University. No recipient
209 shall be awarded more than five scholarships. The amount and number of such scholarships shall be
210 determined annually as provided in the appropriation act. The Commissioner shall act as fiscal agent for
211 the Board in administration of the scholarship funds.

212 The governing board of Virginia Commonwealth University shall submit to the Commissioner the
213 names of those eligible applicants who are most qualified as determined by the regulations of the Board
214 for these dental scholarships. The Commissioner shall award the scholarships to the applicants whose
215 names are submitted by the governing board.

216 B. The Board, after consultation with the School of Dentistry of Virginia Commonwealth University,
217 shall promulgate regulations to administer this scholarship program which shall include, but not be
218 limited to:

219 1. Qualifications of applicants;

220 2. Criteria for award of the scholarships to assure that recipients will fulfill the practice obligations
221 established in this section;

222 3. Standards to assure that these scholarships increase access to primary dental health care for
223 individuals who are indigent or who are recipients of public assistance;

224 4. Assurances that bona fide residents of Virginia, as determined by § 23-7.4, students of
225 economically disadvantaged backgrounds and residents of underserved areas are given preference over
226 nonresidents in determining scholarship eligibility and awards;

227 5. Assurances that scholarship recipients will begin dental practice in an underserved area of the
228 Commonwealth within two years following completion of their residencies;

229 6. Methods for reimbursement of the Commonwealth by recipients who fail to complete dental
230 school or who fail to honor the obligation to engage in dental practice for a period of years equal to the
231 number of annual scholarships received;

232 7. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any
233 scholarship and who later fulfills the terms of his contract; and

234 8. Reporting of data related to the recipients of the scholarships by the dental schools.

235 C. Prior to the award of any scholarship, the applicant shall sign a contract in which he agrees to
236 pursue the dental course of Virginia Commonwealth University until his graduation and, upon graduation
237 or upon completing a term not to exceed four years as an intern or resident at an approved institution or
238 facility, to promptly begin and thereafter engage continuously in dental practice in an underserved area
239 in Virginia for a period of years equal to the number of annual scholarships received. The contract shall
240 specify that no form of dental practice such as military service or public health service may be
241 substituted for the obligation to practice in an underserved area in the Commonwealth.

242 The contract shall provide that the applicant will not voluntarily obligate himself for more than the
243 minimum period of military service required for dentists by the laws of the United States and that, upon

completion of this minimum period of obligatory military service, the applicant will promptly begin to practice in an underserved area for the requisite number of years. The contract shall include other provisions as considered necessary by the Attorney General and the Commissioner.

The contract may be terminated by the recipient while the recipient is enrolled in dental school upon providing notice and immediate repayment of the total amount of scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured debt.

D. In the event the recipient fails to maintain a satisfactory scholastic standing, the recipient may, upon certification of the Commissioner, be relieved of the obligations under the contract to engage in dental practice in an underserved area upon repayment to the Commonwealth of the total amount of scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured debt.

E. In the event the recipient dies or becomes permanently disabled so as not to be able to engage in the practice of dentistry, the recipient or his estate may, upon certification of the Commissioner, be relieved of the obligation under the contract to engage in dental practice in an underserved area upon repayment to the Commonwealth of the total amount of scholarship funds plus interest on such amount computed at eight percent per annum from the date of receipt of scholarship funds. This obligation may be waived in whole or in part by the Commissioner in his discretion upon application by the recipient or his estate to the Commissioner with proof of hardship or inability to pay.

F. Except as provided in subsections D and E, any recipient of a scholarship who fails or refuses to fulfill his obligation to practice dentistry in an underserved area for a period of years equal to the number of annual scholarships received shall reimburse the Commonwealth three times the total amount of the scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured debt. If the recipient has fulfilled part of his contractual obligations by serving in an underserved area, the total amount of the scholarship funds received shall be reduced by the amount of the annual scholarship multiplied by the number of years served.

G. The Commissioner shall collect all repayments required by this section and may establish a schedule of payments for reimbursement consistent with the regulations of the Board. No schedule of payments shall amortize the total amount due for a period of longer than two years following the completion of the recipient's postgraduate training or the recipient's entrance into the full-time practice of dentistry, whichever is later. All such funds, *including any interest thereon*, shall be ~~transmitted to the Comptroller for deposit in~~ *used only for the purposes of this section and shall not revert to the general fund*. If any recipient fails to make any payment when and as due, the Commissioner shall notify the Attorney General. The Attorney General shall take such action as he deems proper. In the event court action is required to collect a delinquent scholarship account, the recipient shall be responsible for the court costs and reasonable attorneys' fees incurred by the Commonwealth in such collection.

H. For purposes of this section, the term "underserved area" shall include those underserved areas designated by the Board pursuant to § 32.1-122.5 and dental health professional shortage areas designated in accordance with the criteria established in 42 C.F.R. Part 5.

§ 32.1-122.9:1. Dentist Loan Repayment Program.

A. With such funds as are appropriated for this purpose, the Board shall establish a dentist loan repayment program for graduates of accredited dental schools who meet the criteria determined by the Board. The Commissioner shall act as the fiscal agent for the Board in administration of these funds. Prior to awarding any funds, the Board shall require the recipient to agree to perform a period of dental service in this Commonwealth in an underserved area as defined in § 32.1-122.5 or a dental health professional shortage area designated in accordance with the criteria established in 42 C.F.R. Part 5.

B. Applications for participation in the program will be accepted from a graduate of any accredited dental school, but preference will be given to graduates of Virginia Commonwealth University's School of Dentistry.

C. *Any loan repayment amounts repaid by recipients who fail to honor the obligation to perform a period of dental service in an underserved area as required by this section, and any interest thereon, shall be used only for the purposes of this section and shall not revert to the general fund.*

§ 32.1-122.10. Conditional grants for certain dental hygiene students.

A. The Board of Health shall establish annual dental hygiene scholarships for students who intend to enter an accredited dental hygiene program in the Commonwealth. The amounts and numbers of such scholarships shall be determined annually as provided in the appropriation act. The Commissioner shall act as fiscal agent for the Board in administration of the scholarship program.

B. To administer the scholarship program, the Board shall promulgate regulations which shall include, but are not limited to:

1. Qualifications of applicants;
2. Criteria for award of the scholarship to assure that a recipient will fulfill the practice obligations established in this section;

305 3. Standards to assure that these scholarships increase access to dental hygiene care for individuals
306 who are indigent or who are recipients of public assistance;

307 4. Assurances that residents of Virginia, as determined by § 23-7.4, students of economically
308 disadvantaged backgrounds and residents of medically underserved areas are given preference in
309 determining scholarship eligibility and awards;

310 5. Assurances that a scholarship recipient will practice as a dental hygienist in an underserved area of
311 the Commonwealth within two years following completion of training;

312 6. Methods for reimbursement to the Commonwealth by a recipient who fails to complete the
313 educational program or who fails to honor the obligation to engage in practice as a dental hygienist for
314 a period of years equal to the number of annual scholarships received;

315 7. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any
316 scholarship and who later fulfills the terms of his contract; and

317 8. Methods for reporting data related to the recipients of the scholarships.

318 C. For purposes of this section, the term "underserved area" shall include those underserved areas
319 designated by the Board pursuant to § 32.1-122.5 and dental health professional shortage areas
320 designated in accordance with the criteria established in 42 C.F.R. Part 5.

321 *D. Any scholarship amounts repaid by recipients pursuant to subdivision B. 6., and any interest*
322 *thereon, shall be used only for the purposes of this section and shall not revert to the general fund.*

323 § 54.1-3011.2. Nursing Scholarship and Loan Repayment Fund.

324 A. There is hereby established the Nursing Scholarship and Loan Repayment Fund for the purpose of
325 financing scholarships for (i) students enrolled in or accepted for enrollment by nursing programs which
326 will prepare such students, upon completion, for examination to be licensed by the Board as practical
327 nurses or registered nurses and (ii) those registered nurses, licensed practical nurses, and certified nurse
328 aides who agree to perform a period of nursing service in a Commonwealth long-term care facility
329 pursuant to regulations promulgated by the Board of Health in cooperation with the Board.

330 B. The Fund shall be administered by the Board, in cooperation with the Director of the Department,
331 and the scholarships shall be administered and awarded by the Board of Health pursuant to
332 § 32.1-122.6:01. The Fund shall be maintained and administered separately from any other program or
333 funds of the Board and the Department of Health Professions. No portion of the Fund shall be used for
334 a purpose other than that described in this section and § 32.1-122.6:01. Any money remaining in the
335 Fund at the end of a biennium, *including amounts repaid by award recipients, and any interest thereon,*
336 shall not revert to the general fund or the funds of the Department of Health Professions, but shall
337 remain in the Fund to be used only for the purposes of this section. In addition to any licensure fees
338 that may be collected pursuant to § 54.1-3011.1, the Fund shall also include:

339 1. Any funds appropriated by the General Assembly for the purposes of the Fund; and

340 2. Any gifts, grants, or bequests received from any private person or organization.

341 Upon receiving the names of the scholarship and loan repayment program recipients from the Board
342 of Health, the Board of Nursing shall be responsible for transmitting the funds to the appropriate
343 institution to be credited to the account of the recipient.

344 **2. That the Board shall promulgate regulations to implement the provisions of this act to be**
345 **effective within 280 days of its enactment.**