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SENATE BILL NO. 414

Offered January 9, 2002

Prefiled January 9, 2002

A BILL to amend and reenact §§ 32.1-122.9 and 32.1-122.9:1 of the Code of Virginia, relating to dental scholarship and loan repayment programs.

Patrons—Rerras and Puller; Delegate: Brink

Referred to Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-122.9 and 32.1-122.9:1 of the Code of Virginia are amended and reenacted as follows:

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

A. With such funds as are appropriated for this purpose, the Board of Health shall establish annual dental scholarships for students in good standing at Virginia Commonwealth University. No recipient shall be awarded more than five scholarships. The amount and number 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 funds.

The governing board of Virginia Commonwealth University 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 dental scholarships. The Commissioner shall award the scholarships to the applicants whose names are submitted by the governing board.

B. The Board, after consultation with the School of Dentistry of Virginia Commonwealth University, 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 dental health care for individuals who are indigent or who are recipients of public assistance~~ *recipients participate in the Commonwealth's medical assistance services program, established pursuant to § 32.1-325, and the Family Access to Medical Insurance Security Plan, established pursuant to § 32.1-351, and that recipients do not limit the number of persons enrolled in these programs who are admitted to their dental practice;*

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

5. Assurances that scholarship recipients will begin dental practice 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 dental school or who fail to honor the obligation to engage in dental 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; and

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

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

The contract shall provide that the applicant will not voluntarily obligate himself for more than the 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

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59 providing notice and immediate repayment of the total amount of scholarship funds received plus
60 interest at the prevailing bank rate for similar amounts of unsecured debt.

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

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

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

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

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

93 § 32.1-122.9:1. Dentist Loan Repayment Program.

94 A. With such funds as are appropriated for this purpose, the Board shall establish a dentist loan
95 repayment program for graduates of accredited dental schools who meet the criteria determined by the
96 Board. The Commissioner shall act as the fiscal agent for the Board in administration of these funds.
97 Prior to awarding any funds, the Board shall require the recipient to agree to perform a period of dental
98 service in this Commonwealth in an underserved area as defined in § 32.1-122.5 or a dental health
99 professional shortage area designated in accordance with the criteria established in 42 C.F.R. Part 5. *The*
100 *Board also shall ensure that recipients (i) participate in the Commonwealth's medical assistance services*
101 *program established pursuant to § 32.1-325 and the Family Access to Medical Insurance Security Plan*
102 *established pursuant to § 32.1-351, and (ii) do not limit the number of persons enrolled in these*
103 *programs who are admitted to their dental practice.*

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

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