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HOUSE BILL NO. 1792

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Senator Quayle
on February 17, 2003)

(Patron Prior to Substitute—Delegate Tata)

A BILL to amend the Code of Virginia by adding a section numbered 54.1-2400.5, relating to license suspension and certain educational loan defaults.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 54.1-2400.5 as follows:

§ 54.1-2400.5. Suspension of license, certificate, registration or other authorization issued by a health regulatory board upon delinquency in payment of certain educational loans or work-conditional scholarships; procedure.

Upon the expiration of 30 days' notice to an obligor, an obligee may petition the relevant health regulatory board for an order suspending any license, certificate, registration or other authorization to engage in the practice of a health profession issued to an obligor by such board when the obligor is alleged to be in default or delinquent in the payment of a federal- or state-guaranteed educational loan or work-conditional scholarship. The notice shall be sent to the obligor who is alleged to be in default or delinquent on such educational loan or work-conditional scholarship by certified mail, with proof of actual receipt required. The notice shall specify that (i) the obligor has 30 days from the date of receipt to pay the delinquency or to reach an agreement with the obligee to pay the delinquency and (ii) if payment is not made or an agreement cannot be reached within that time, a petition will be filed with the relevant health regulatory board seeking suspension of any license, certificate, registration or other authorization to engage in the practice of a health profession that is held by the obligor.

The relevant health regulatory board shall not grant the petition to suspend a license, certificate, registration or authorization upon finding that an alternate remedy is available to the obligee that is likely to result in collection of the delinquency. Further, the relevant board may refuse to grant the petition and to order the suspension upon finding that (i) suspension would result in irreparable harm to the obligor or employees of the obligor or would not result in collection of the delinquency or (ii) the obligor has made a good-faith effort to reach an agreement with the obligee.

If the board finds that the obligor is delinquent in the payment of a federal- or state-guaranteed educational loan or work-conditional scholarship and that he holds a license, certificate, registration or other authority to engage in the practice of a health profession regulated by such health regulatory board, the board shall grant the petition and shall suspend such license, certificate, registration or other authority to practice a health profession regulated by such board. The order shall require the obligor to surrender any license, certificate, registration or other such authorization to the relevant health regulatory board within 90 days of the date on which the order is entered.

However, if, at any time after entry of the order, the obligor (i) pays the delinquency or (ii) reaches an agreement with the obligee and makes at least one payment pursuant to the agreement, then, upon proof of payment, the relevant health regulatory board shall order reinstatement. Payment shall be proved by notarized statement of payment signed by the obligee. No fee shall be charged to a person who obtains reinstatement of a license, certificate, registration or authorization pursuant to this section.