

E AND R AMENDMENTS TO LB 196

Introduced by Hansen, 26, Chairman Enrollment and Review

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Section 71-5650, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5           71-5650 Sections 71-5650 to 71-5670 and section 10 of this act shall  
6 be known and may be cited as the Rural Health Systems and Professional  
7 Incentive Act.

8           Sec. 2. Section 71-5652, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10          71-5652 The purposes of the Rural Health Systems and Professional  
11 Incentive Act are to (1) create the Nebraska Rural Health Advisory  
12 Commission and establish its powers and duties, (2) establish a student  
13 loan program that will provide financial incentives to medical, dental,  
14 master's level and doctorate-level mental health, and physician assistant  
15 students who agree to practice their profession in a designated health  
16 profession shortage area within Nebraska, ~~and~~ (3) establish a loan  
17 repayment program that will provide financial incentives to medical  
18 residents who agree to practice their profession in a designated health  
19 profession shortage area within Nebraska, and (4) establish a loan  
20 repayment program that will require community matching funds and will  
21 provide financial incentives to eligible health professionals who agree  
22 to practice their profession in a designated health profession shortage  
23 area within Nebraska.

24          Sec. 3. Section 71-5653, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26          71-5653 For purposes of the Rural Health Systems and Professional  
27 Incentive Act:

1 (1) Approved medical specialty means family practice, general  
2 practice, general internal medicine, general pediatrics, general surgery,  
3 obstetrics/gynecology, and psychiatry;

4 (2) Approved dental specialty means general practice, pediatric  
5 dentistry, and oral surgery;

6 (3) Approved mental health practice program means an approved  
7 educational program consisting of a master's or doctorate degree with the  
8 focus being primarily therapeutic mental health and meeting the  
9 educational requirements for licensure in mental health practice or  
10 psychology by the department;

11 (4) Commission means the Nebraska Rural Health Advisory Commission;

12 (5) Department means the Division of Public Health of the Department  
13 of Health and Human Services;

14 (6) Doctorate-level mental health student means a graduate student  
15 enrolled in or accepted for enrollment in an approved mental health  
16 practice program leading to a doctorate degree and meeting the  
17 educational requirements for licensure in psychology by the department;

18 (7) Full-time practice means a minimum of forty hours per week;

19 (8) Health care means both somatic and mental health care services;

20 (9) Master's level mental health student means a graduate student  
21 enrolled in or accepted for enrollment in an approved mental health  
22 practice program leading to a master's degree and meeting the educational  
23 requirements for licensure in mental health practice by the department;

24 (10) Office means the Office of Rural Health;

25 (11) Part-time practice means less than full-time practice but at  
26 least twenty hours per week;

27 (12 ~~11~~) Qualified educational debts means government and commercial  
28 student-loan loans obtained by students for postsecondary education  
29 tuition, other educational expenses, and reasonable living expenses, as  
30 determined by the department, but does not include loans received under  
31 the act or the Nebraska Medical Student Assistance Act; and

1           (~~13~~ 12) Rural means located within any county in Nebraska having a  
2 population of less than fifteen thousand inhabitants and not included  
3 within a metropolitan statistical area as defined by the United States  
4 Department of Commerce, Bureau of the Census.

5           Sec. 4. Section 71-5661, Revised Statutes Cumulative Supplement,  
6 2014, is amended to read:

7           71-5661 (1) The financial incentives provided by the Rural Health  
8 Systems and Professional Incentive Act shall consist of (a) student loans  
9 to eligible students for attendance at an eligible school as determined  
10 pursuant to section 71-5662, ~~and~~ (b) the repayment of qualified  
11 educational debts owed by physicians in an approved medical specialty  
12 residency program in Nebraska as determined pursuant to section 71-5662,  
13 and (c) the repayment of qualified educational debts owed by eligible  
14 health professionals as determined pursuant to such section 71-5662.  
15 Funds for such incentives shall be appropriated from the General Fund to  
16 the department for such purposes.

17           (2) The Rural Health Professional Incentive Fund is created. The  
18 fund shall be used to carry out the purposes of the act, except that  
19 transfers may be made from the fund to the General Fund at the direction  
20 of the Legislature. Money credited pursuant to section 71-5670.01 and  
21 payments received pursuant to sections 71-5666 and 71-5668 and section 10  
22 of this act shall be remitted to the State Treasurer for credit to the  
23 Rural Health Professional Incentive Fund. Any money in the fund available  
24 for investment shall be invested by the state investment officer pursuant  
25 to the Nebraska Capital Expansion Act and the Nebraska State Funds  
26 Investment Act.

27           Sec. 5. Section 71-5662, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29           71-5662 (1) To be eligible for a student loan under the Rural Health  
30 Systems and Professional Incentive Act, an applicant or a recipient shall  
31 be enrolled or accepted for enrollment in an accredited medical or dental

1 education program or physician assistant education program or an approved  
2 mental health practice program in Nebraska.

3 (2) To be eligible for the medical resident incentive under the act,  
4 an applicant or a recipient shall be enrolled or accepted for enrollment  
5 in an approved medical specialty residency program in Nebraska.

6 (3 2) To be eligible for loan repayment under the act, an applicant  
7 or a recipient shall be a pharmacist, a dentist, a physical therapist, an  
8 occupational therapist, a mental health practitioner, a psychologist  
9 licensed before ~~December 1, 2008~~, under the requirements of the Uniform  
10 Licensing Law or on or after ~~December 1, 2008~~, under the requirements of  
11 section 38-3114 or the equivalent thereof, a nurse practitioner, a  
12 physician assistant, or a physician in an approved specialty and shall be  
13 licensed to practice in Nebraska, not be enrolled in a residency program,  
14 not be practicing under a provisional or temporary license, and enter  
15 practice in a designated health profession shortage area in Nebraska.

16 Sec. 6. Section 71-5663, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 71-5663 (1) The amount of financial assistance provided through  
19 student loans pursuant to the Rural Health Systems and Professional  
20 Incentive Act shall be limited to thirty ~~twenty~~ thousand dollars for each  
21 recipient for each academic year and shall not exceed one hundred twenty  
22 ~~eighty~~ thousand dollars per medical, dental, or doctorate-level mental  
23 health student or thirty ~~twenty~~ thousand dollars per master's level  
24 mental health or physician assistant student.

25 (2) The amount of financial assistance provided through the medical  
26 resident incentive program pursuant to the act shall be limited to forty  
27 thousand dollars for each recipient for each year of residency and shall  
28 not exceed one hundred twenty thousand dollars.

29 (3 2) The amount of financial assistance provided by the state  
30 through loan repayments pursuant to the act (a) for physicians, dentists,  
31 and psychologists shall be limited to thirty ~~twenty~~ thousand dollars per

1 recipient per year of full-time practice in a designated health  
2 profession shortage area and shall not exceed ninety sixty thousand  
3 dollars per recipient and (b) for physician assistants, nurse  
4 practitioners, pharmacists, physical therapists, occupational therapists,  
5 and mental health practitioners shall be limited to fifteen ~~ten~~ thousand  
6 dollars per recipient per year of full-time practice in a designated  
7 health profession shortage area and shall not exceed forty-five ~~thirty~~  
8 thousand dollars per recipient.

9 Sec. 7. Section 71-5666, Revised Statutes Cumulative Supplement,  
10 2014, is amended to read:

11 71-5666 Each student loan recipient shall execute an agreement with  
12 the state. Such agreement shall be exempt from the requirements of  
13 sections 73-501 to 73-510 and shall include the following terms, as  
14 appropriate:

15 (1) The borrower agrees to practice the equivalent of one year of  
16 full-time practice of an approved specialty in a designated health  
17 profession shortage area in Nebraska for each year of education for which  
18 a loan is received and agrees to accept medicaid patients in his or her  
19 practice;

20 (2) If the borrower practices an approved specialty in a designated  
21 health profession shortage area in Nebraska, the loan shall be forgiven  
22 as provided in this section. Practice in a designated area shall commence  
23 within three months of the completion of formal education, which may  
24 include a period not to exceed five years to complete specialty training  
25 in an approved specialty. The commission may approve exceptions to any  
26 period required for completion of training ~~the three-month restriction~~  
27 upon showing good cause. Loan forgiveness shall occur on a quarterly  
28 basis, with completion of the equivalent of three months of full-time  
29 practice resulting in the cancellation of one-fourth of the annual loan  
30 amount. Part-time practice in a shortage area shall result in a prorated  
31 reduction in the cancellation of the loan amount;

1           (3) If the borrower practices an approved specialty in Nebraska but  
2 not in a designated health profession shortage area, practices a  
3 specialty other than an approved specialty in Nebraska, does not practice  
4 the profession for which the loan was given, discontinues practice of the  
5 profession for which the loan was given, or practices outside Nebraska,  
6 the borrower shall repay one hundred fifty percent of the outstanding  
7 loan principal with interest at a rate of eight percent simple interest  
8 per year from the date of default. Such repayment shall commence within  
9 six months of the completion of formal education, which may include a  
10 period not to exceed five years to complete specialty training in an  
11 approved specialty, and shall be completed within a period not to exceed  
12 twice the number of years for which loans were awarded;

13           (4) If a borrower who is a medical, dental, or doctorate-level  
14 mental health student determines during the first or second year of  
15 medical, dental, or doctorate-level mental health education that his or  
16 her commitment to the loan program cannot be honored, the borrower may  
17 repay the outstanding loan principal, plus six percent simple interest  
18 per year from the date the loan was granted, prior to graduation from  
19 medical or dental school or a mental health practice program without  
20 further penalty or obligation. Master's level mental health and physician  
21 assistant student loan recipients shall not be eligible for this  
22 provision;

23           (5) If the borrower discontinues the course of study for which the  
24 loan was granted, the borrower shall repay one hundred percent of the  
25 outstanding loan principal. Such repayment shall commence within six  
26 months of the date of discontinuation of the course of study and shall be  
27 completed within a period of time not to exceed the number of years for  
28 which loans were awarded; and

29           (6) Any practice or payment obligation incurred by the student loan  
30 recipient under the student loan program is canceled in the event of the  
31 student loan recipient's total and permanent disability or death ~~In the~~

1 ~~event of a borrower's total and permanent disability or death, the unpaid~~  
2 ~~debt accrued under the Rural Health Systems and Professional Incentive~~  
3 ~~Act shall be canceled.~~

4 Sec. 8. Section 71-5667, Revised Statutes Cumulative Supplement,  
5 2014, is amended to read:

6 71-5667 Agreements ~~Loan agreements~~ executed prior to July 1, 2007,  
7 under the ~~Nebraska Medical Student Assistance Act~~ or the Rural Health  
8 Systems and Professional Incentive Act may be renegotiated and new  
9 agreements executed to reflect the terms required by section 71-5666. No  
10 funds repaid by borrowers under the terms of agreements executed prior to  
11 July 1, 2007, shall be refunded. Any repayments being made under the  
12 terms of prior agreements may be discontinued upon execution of a new  
13 agreement if conditions permit. Any agreement renegotiated pursuant to  
14 this section shall be exempt from the requirements of sections 73-501 to  
15 73-510.

16 Sec. 9. Section 71-5668, Revised Statutes Cumulative Supplement,  
17 2014, is amended to read:

18 71-5668 Each loan repayment recipient shall execute an agreement  
19 with the department and a local entity. Such agreement shall be exempt  
20 from the requirements of sections 73-501 to 73-510 and shall include, at  
21 a minimum, the following terms:

22 (1) The loan repayment recipient agrees to practice his or her  
23 profession, and a physician, dentist, nurse practitioner, or physician  
24 assistant also agrees to practice an approved specialty, in a designated  
25 health profession shortage area for at least three years and to accept  
26 medicaid patients in his or her practice;

27 (2) In consideration of the agreement by the recipient, the State of  
28 Nebraska and a local entity within the designated health profession  
29 shortage area will provide equal funding for the repayment of the  
30 recipient's qualified educational debts, in amounts up to thirty ~~twenty~~  
31 thousand dollars per year per recipient for physicians, dentists, and

1 psychologists and up to fifteen ~~ten~~ thousand dollars per year per  
2 recipient for physician assistants, nurse practitioners, pharmacists,  
3 physical therapists, occupational therapists, and mental health  
4 practitioners toward qualified educational debts for up to three years.  
5 The department shall make payments directly to the recipient; ~~and~~

6 (3) If the loan repayment recipient discontinues practice in the  
7 shortage area prior to completion of the three-year requirement, the  
8 recipient shall repay to the state one hundred fifty ~~twenty-five~~ percent  
9 of the total amount of funds provided to the recipient for loan repayment  
10 with interest at a rate of eight percent simple interest per year from  
11 the date of default. Upon repayment by the recipient to the department,  
12 the department shall reimburse the local entity its share of the funds  
13 which shall not be more than the local entity's share paid to the loan  
14 repayment recipient; and -

15 (4) Any practice or payment obligation incurred by the loan  
16 repayment recipient under the loan repayment program is canceled in the  
17 event of the loan repayment recipient's total and permanent disability or  
18 death.

19 Sec. 10. Each medical resident incentive recipient shall execute an  
20 agreement with the department. Such agreement shall be exempt from the  
21 requirements of sections 73-501 to 73-510 and shall include, at a  
22 minimum, the following terms:

23 (1) The medical resident incentive recipient agrees to practice an  
24 approved medical specialty the equivalent of one year of full-time  
25 practice in a designated health profession shortage area and to accept  
26 medicaid patients in his or her practice;

27 (2) In consideration of the agreement by the medical resident  
28 incentive recipient, the State of Nebraska will provide funding for the  
29 repayment of the recipient's qualified educational debts, in amounts up  
30 to forty thousand dollars per year for up to three years while in an  
31 approved medical specialty residency program in Nebraska. The department

1 shall make payments directly to the medical resident incentive recipient;

2 (3) If the medical resident incentive recipient extends his or her  
3 residency training but not in an approved specialty, practices an  
4 approved specialty in Nebraska but not in a designated health profession  
5 shortage area, practices a specialty other than an approved specialty in  
6 Nebraska, does not practice the profession for which the loan was given,  
7 discontinues practice of the profession for which the loan was given, or  
8 practices outside Nebraska, the medical resident incentive recipient  
9 shall repay to the state one hundred fifty percent of the outstanding  
10 loan principal with interest at a rate of eight percent simple interest  
11 per year from the date of default. Such repayment shall commence within  
12 six months of the completion or discontinuation of an approved specialty  
13 residency training in Nebraska and shall be completed within a period not  
14 to exceed twice the number of years for which the medical resident  
15 incentive recipient received awards; and

16 (4) Any practice or payment obligation incurred by the medical  
17 resident incentive recipient under the medical resident incentive program  
18 is canceled in the event of the medical resident incentive recipient's  
19 total and permanent disability or death.

20 Sec. 11. Original sections 71-5650, 71-5652, 71-5653, 71-5662, and  
21 71-5663, Reissue Revised Statutes of Nebraska, and sections 71-5661,  
22 71-5666, 71-5667, and 71-5668, Revised Statutes Cumulative Supplement,  
23 2014, are repealed.