LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1015

Introduced by Walz, 15.
Read first time January 05, 2024
Committee: Health and Human Services

A BILL FOR AN ACT relating to the Rural Health Systems and Professional Incentive Act; to amend sections 71-5650 and 71-5652, Reissue Revised Statutes of Nebraska, and sections 71-5662, 71-5663, and 71-5668, Revised Statutes Supplement, 2023; to restate the purposes of the Rural Health Systems and Professional Incentive Act; to change provisions relating to loan repayments, financial assistance amounts, and loan repayment recipient agreements under the Rural Health Systems and Professional Incentive Act; to provide for financial assistance in the form of loan repayments to certain dentists who agree to provide dental services to medicaid patients as prescribed; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 71-5650, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

71-5652 The purposes of the Rural Health Systems and Professional Incentive Act are to:

1. Create the Nebraska Rural Health Advisory Commission and establish its powers and duties;

2. Establish a student loan program that will provide financial incentives to medical, dental, master's level and doctorate-level mental health, and physician assistant students who agree to practice their profession in a designated health profession shortage area within Nebraska;

3. Establish a loan repayment program that will provide financial incentives to medical residents who agree to practice their profession in a designated health profession shortage area within Nebraska; and

4. Establish a loan repayment program that will require community matching funds and will provide financial incentives to eligible health professionals who agree to practice their profession in a designated health profession shortage area within Nebraska; and

5. Establish a loan repayment program for certain dentists who provide dental services to medicaid patients.

Sec. 3. Section 71-5662, Revised Statutes Supplement, 2023, is amended to read:

71-5662 (1) To be eligible for a student loan under the Rural Health Systems and Professional Incentive Act, an applicant or a recipient shall be enrolled or accepted for enrollment in an accredited medical or dental
education program or physician assistant education program or an approved mental health practice program in Nebraska.

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

(3) To be eligible for loan repayment under the act, an applicant or a recipient shall be a pharmacist, a dentist, a physical therapist, an occupational therapist, a mental health practitioner, a psychologist licensed under the requirements of section 38-3114 or the equivalent thereof, a nurse practitioner, a physician assistant, a psychiatrist, or a physician in an approved specialty and shall:

(a) be licensed to practice in Nebraska;
(b) not be enrolled in a residency program;
(c) not be practicing under a provisional or temporary license; and
(d) Except as provided pursuant to an agreement under section 6 of this act, enter practice in a designated health profession shortage area in Nebraska.

Sec. 4. Section 71-5663, Revised Statutes Supplement, 2023, is amended to read:

71-5663 (1) The amount of financial assistance provided through student loans pursuant to the Rural Health Systems and Professional Incentive Act shall be limited to thirty thousand dollars for each recipient for each academic year and, except as provided in subdivision (4)(a) of this section, shall not exceed one hundred twenty thousand dollars per medical, dental, or doctorate-level mental health student or thirty thousand dollars per master's level mental health or physician assistant student.

(2) The amount of financial assistance provided through the medical resident incentive program pursuant to the act shall be limited to forty thousand dollars for each recipient for each year of residency and,
except as provided in subdivision (4)(b) of this section, shall not exceed one hundred twenty thousand dollars.

(3) The amount of financial assistance provided by the state through loan repayments pursuant to the act is limited as follows:

(a) For dentists pursuant to section 6 of this act, up to sixty thousand dollars per recipient per year of full-time practice and up to a maximum of three hundred thousand dollars per recipient;

(b) For physicians, psychiatrists, dentists, and psychologists, up shall be limited to thirty thousand dollars per recipient per year of full-time practice in a designated health profession shortage area and, except as provided in subdivision (4)(c) of this section, up to a maximum of shall not exceed ninety thousand dollars per recipient; and

(c) For physician assistants, nurse practitioners, pharmacists, physical therapists, occupational therapists, and mental health practitioners, up shall be limited to fifteen thousand dollars per recipient per year of full-time practice in a designated health profession shortage area and, except as provided in subdivision (4)(c) of this section, up to a maximum of shall not exceed forty-five thousand dollars per recipient.

(4)(a) The total amount of financial assistance provided through student loans for a doctorate-level mental health student or master's level mental health student shall be the full amount of such loans for a person who practices psychiatry, psychology, or mental health practice:

(i) For at least five years in a designated health profession shortage area; and

(ii) If all or a majority of such practice consists of the treatment of members of the community supervision population.

(b) The total amount of financial assistance provided through the medical resident incentive program for a psychiatrist shall be the full amount of such psychiatrist's qualified educational debts if such person practices psychiatry:
(i) For at least five years in a designated health profession shortage area; and

(ii) If all or a majority of such practice consists of the treatment of members of the community supervision population.

(c) The total amount of financial assistance provided through loan repayments pursuant to the act for psychiatrists, psychologists, and mental health practitioners shall be the full amount of such person's qualified educational debts if such person practices psychiatry, psychology, or mental health practice:

(i) For at least five years in a designated health profession shortage area; and

(ii) If all or a majority of such practice consists of the treatment of members of the community supervision population.

(5) For purposes of this section, community supervision population means persons on probation, post-release supervision, and pretrial release.

Sec. 5. Section 71-5668, Revised Statutes Supplement, 2023, is amended to read:

71-5668 Except as otherwise provided in section 6 of this act, a each loan repayment recipient shall execute an agreement with the department and a local entity. Such agreement shall be exempt from the requirements of sections 73-501 to 73-510 and shall include, at a minimum, the following terms:

(1) The loan repayment recipient agrees to practice his or her profession, and a physician, psychiatrist, dentist, nurse practitioner, or physician assistant also agrees to practice an approved specialty, in a designated health profession shortage area for at least three years, or the period required by subdivision (4)(c) of section 71-5663, and to accept medicaid patients in his or her practice;

(2) In consideration of the agreement by the recipient, the State of Nebraska and a local entity within the designated health profession
shortage area will provide equal funding for the repayment of the recipient's qualified educational debts except as provided in subdivision (5) of this section, in amounts up to thirty thousand dollars per year per recipient for physicians, psychiatrists, dentists, and psychologists and up to fifteen thousand dollars per year per recipient for physician assistants, nurse practitioners, pharmacists, physical therapists, occupational therapists, and mental health practitioners toward qualified educational debts for up to three years or a longer period as required by subdivision (4)(c) of section 71-5663. The department shall make payments directly to the recipient;

(3) If the loan repayment recipient discontinues practice in the shortage area prior to completion of the three-year requirement or the period required by subdivision (4)(c) of section 71-5663, as applicable, the recipient shall repay to the state one hundred fifty percent of the total amount of funds provided to the recipient for loan repayment with interest at a rate of eight percent simple interest per year from the date of default. Upon repayment by the recipient to the department, the department shall reimburse the local entity its share of the funds which shall not be more than the local entity's share paid to the loan repayment recipient;

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

(5) For a loan repayment recipient seeking benefits under subdivision (4)(c) of section 71-5663, the recipient agrees to such other terms as the department deems appropriate; and

(6) Beginning on July 1, 2022, any agreements entered into by December 31, 2024, shall first use federal funds from the federal American Rescue Plan Act of 2021 for the purposes of repaying qualified educational debts prior to using any state or local funds. Agreements
using federal funds from the federal American Rescue Plan Act of 2021 shall not require equal funding from a local entity. Any federal funds from the act committed to agreements during this time period shall be used by December 31, 2026.

Sec. 6. (1) In lieu of the agreement required by section 71-5668, a loan repayment recipient may execute an agreement with the department under this section if such loan repayment recipient is a dentist who:

(a) Has practiced dentistry for less than five years at the time of entering into such agreement; and

(b) Has not received any prior financial assistance under the Rural Health Systems and Professional Incentive Act.

(2) An agreement under this section shall be exempt from the requirements of sections 73-501 to 73-510 and shall include, at a minimum, the following terms:

(a) The loan repayment recipient agrees to:

(i) Practice dentistry for five years in the State of Nebraska beginning on the date of the agreement; and

(ii) Provide dental services for not less than the number or percentage of medicaid patients determined by the commission. Such number or percentage shall be included in the agreement;

(b)(i) The department shall make payments directly to the recipient for the repayment of the recipient's qualified educational debts in amounts up to sixty thousand dollars per year per recipient toward qualified educational debts for up to five years; and

(ii) The recipient shall prove to the commission that all of such payments have been used to pay for the qualified educational debts of the recipient. The commission shall specify in the agreement the manner in which a recipient can comply with this subdivision (2)(b)(ii);

(c) If the loan repayment recipient breaches any term of the agreement specified in subdivision (a) or (b) of this subsection:

(i) The recipient shall pay to the state one hundred percent of the
total amount of money provided to the recipient under the agreement and interest on such amount remaining to be repaid. Such interest shall begin on the date the recipient breached any term of the agreement and be calculated at a rate of eight percent simple interest per year; and

(ii) The state shall not be obligated to pay any additional money under the agreement to the recipient; and

(d) Any practice or payment obligation incurred by the loan repayment recipient under the agreement is canceled in the event of the loan repayment recipient's death or total and permanent disability.

Sec. 7. Original sections 71-5650 and 71-5652, Reissue Revised Statutes of Nebraska, and sections 71-5662, 71-5663, and 71-5668, Revised Statutes Supplement, 2023, are repealed.