

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 553**

Introduced by Riepe, 12.

Read first time January 22, 2025

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to the Rural Health Systems and Professional  
2 Incentive Act; to amend sections 71-5662, 71-5663, 71-5665, and  
3 71-5668, Revised Statutes Cumulative Supplement, 2024; to provide  
4 for student loans to students in dietitian nutritionist practice  
5 programs and loan repayments for dietitian nutritionists; to  
6 harmonize provisions; and to repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 71-5662, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           71-5662 (1) To be eligible for a student loan under the Rural Health  
4 Systems and Professional Incentive Act, an applicant or a recipient shall  
5 be enrolled or accepted for enrollment in any of the following an  
6 accredited programs in Nebraska:

7           (a) Medical ~~medical~~ or dental education program;

8           (b) Physician ~~or physician~~ assistant education program;

9           (c) Dietitian nutritionist program; or

10          (d) Approved ~~an approved~~ mental health practice program in Nebraska.

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

14          (3) To be eligible for loan repayment under the act, an applicant or  
15 a recipient shall:

16          (a) Be one of the following: be

17           (i) A a pharmacist; ~~τ~~

18           (ii) A a dentist; ~~τ~~

19           (iii) A a physical therapist; ~~τ~~

20           (iv) An ~~an~~ occupational therapist; ~~τ~~

21           (v) A a mental health practitioner; ~~τ~~

22           (vi) A a psychologist licensed under the requirements of section  
23 38-3114 or the equivalent thereof; ~~τ~~

24           (vii) A a nurse practitioner; ~~τ~~

25           (viii) A a physician assistant; ~~τ~~

26           (ix) A dietitian nutritionist licensed under section 38-1813;

27           (x) A a psychiatrist; ~~τ~~ or

28           (xi) A a physician in an approved specialty; ~~and~~

29          (b) Be ~~shall be~~ licensed to practice in Nebraska; ~~τ~~

30          (c) Not ~~not~~ be enrolled in a residency program; ~~τ~~

31          (d) Not ~~not~~ be practicing under a provisional or temporary

1 license; ~~7~~ and

2 (e) Enter ~~enter~~ practice in a designated health profession shortage  
3 area in Nebraska.

4 **Sec. 2.** Section 71-5663, Revised Statutes Cumulative Supplement,  
5 2024, is amended to read:

6 71-5663 (1) The amount of financial assistance provided through  
7 student loans pursuant to the Rural Health Systems and Professional  
8 Incentive Act shall be limited to thirty thousand dollars for each  
9 recipient for each academic year and, except as provided in subdivision  
10 (4)(a) of this section, shall not exceed one hundred twenty thousand  
11 dollars per medical, dental, or doctorate-level mental health student or  
12 thirty thousand dollars per master's level mental health or physician  
13 assistant student.

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

19 (3) The amount of financial assistance provided by the state through  
20 loan repayments pursuant to the act (a) for physicians, psychiatrists,  
21 dentists, and psychologists shall be limited to thirty thousand dollars  
22 per recipient per year of full-time practice in a designated health  
23 profession shortage area and, except as provided in subdivision (4)(c) of  
24 this section, shall not exceed ninety thousand dollars per recipient and  
25 (b) for physician assistants, nurse practitioners, pharmacists, physical  
26 therapists, occupational therapists, dietitian nutritionists, and mental  
27 health practitioners shall be limited to fifteen thousand dollars per  
28 recipient per year of full-time practice in a designated health  
29 profession shortage area and, except as provided in subdivision (4)(c) of  
30 this section, shall not exceed forty-five thousand dollars per recipient.

31 (4)(a) The total amount of financial assistance provided through

1 student loans for a doctorate-level mental health student or master's  
2 level mental health student shall be the full amount of such loans for a  
3 person who practices psychiatry, psychology, or mental health practice:

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

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

8 (b) The total amount of financial assistance provided through the  
9 medical resident incentive program for a psychiatrist shall be the full  
10 amount of such psychiatrist's qualified educational debts if such person  
11 practices psychiatry:

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

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

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

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

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

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

28 **Sec. 3.** Section 71-5665, Revised Statutes Cumulative Supplement,  
29 2024, is amended to read:

30 71-5665 The commission shall periodically designate health  
31 profession shortage areas within the state for the following professions:

1 Medicine and surgery, psychiatry, physician assistants' practice, nurse  
2 practitioners' practice, dietitian nutritionist practice, psychology, and  
3 mental health practitioners' practice. The commission shall also  
4 periodically designate separate health profession shortage areas for each  
5 of the following professions: Pharmacy, dentistry, physical therapy, and  
6 occupational therapy. In making such designations the commission shall  
7 consider, after consultation with other appropriate agencies concerned  
8 with health services and with appropriate professional organizations,  
9 among other factors:

10 (1) The latest reliable statistical data available regarding the  
11 number of health professionals practicing in an area and the population  
12 to be served by such practitioners;

13 (2) Inaccessibility of health care services to residents of an area;

14 (3) Particular local health problems;

15 (4) Age or incapacity of local practitioners rendering services; and

16 (5) Demographic trends in an area both past and future.

17 **Sec. 4.** Section 71-5668, Revised Statutes Cumulative Supplement,  
18 2024, is amended to read:

19 71-5668 Each loan repayment recipient shall execute an agreement  
20 with the department and a local entity. Such agreement shall be exempt  
21 from the requirements of the State Procurement Act and shall include, at  
22 a minimum, the following terms:

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

29 (2) In consideration of the agreement by the recipient, the State of  
30 Nebraska and a local entity within the designated health profession  
31 shortage area will provide equal funding for the repayment of the

1 recipient's qualified educational debts except as provided in subdivision  
2 (5) of this section, in amounts up to thirty thousand dollars per year  
3 per recipient for physicians, psychiatrists, dentists, and psychologists  
4 and up to fifteen thousand dollars per year per recipient for physician  
5 assistants, nurse practitioners, pharmacists, physical therapists,  
6 occupational therapists, dietitian nutritionists, and mental health  
7 practitioners toward qualified educational debts for up to three years or  
8 a longer period as required by subdivision (4)(c) of section 71-5663. The  
9 department shall make payments directly to the recipient;

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

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

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

27 (6) Beginning on July 1, 2022, any agreements entered into by  
28 December 31, 2024, shall first use federal funds from the federal  
29 American Rescue Plan Act of 2021 for the purposes of repaying qualified  
30 educational debts prior to using any state or local funds. Agreements  
31 using federal funds from the federal American Rescue Plan Act of 2021

1 shall not require equal funding from a local entity. Any federal funds  
2 from the act committed to agreements during this time period shall be  
3 used by December 31, 2026.

4 **Sec. 5.** Original sections 71-5662, 71-5663, 71-5665, and 71-5668,  
5 Revised Statutes Cumulative Supplement, 2024, are repealed.