

## LEGISLATIVE BILL 312

Approved by the Governor April 7, 2025

Introduced by Strommen, 47; Ballard, 21; Clouse, 37; DeBoer, 10; DeKay, 40; Dorn, 30; Guereca, 7; Hallstrom, 1; Holdcroft, 36; Ibach, 44; Jacobson, 42; Kauth, 31; Lippincott, 34; Lonowski, 33; McKeon, 41; Meyer, 17; Murman, 38; Sanders, 45; Storer, 43; Storm, 23.

A BILL FOR AN ACT relating to the Rural Health Systems and Professional Incentive Act; to amend sections 71-5662, 71-5663, 71-5665, and 71-5668, Revised Statutes Cumulative Supplement, 2024; to provide for student loans to certain students and loan repayments for nurse anesthetists and dietitian nutritionists under the Rural Health Systems and Professional Incentive Act; to harmonize provisions; and to repeal the original sections.

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

**Section 1.** Section 71-5662, Revised Statutes Cumulative Supplement, 2024, 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 any of the following ~~an~~ accredited programs in Nebraska:

- (a) ~~Medical~~ medical or dental education program;
- (b) ~~Physician or physician~~ physician assistant education program;
- (c) ~~Nurse anesthesia practice~~ nurse anesthesia program; ~~or~~
- (d) ~~Dietitian nutritionist~~ dietitian nutritionist program; ~~or~~
- (e) ~~Approved an approved~~ 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:

- (a) Be one of the following: ~~be~~
  - (i) A a ~~a~~ pharmacist; ~~τ~~
  - (ii) A a ~~a~~ dentist; ~~τ~~
  - (iii) A a ~~a~~ physical therapist; ~~τ~~
  - (iv) An an ~~an~~ occupational therapist; ~~τ~~
  - (v) A a ~~a~~ mental health practitioner; ~~τ~~
  - (vi) A a ~~a~~ psychologist licensed under the requirements of section 38-3114 or the equivalent thereof; ~~τ~~
  - (vii) A a ~~a~~ nurse practitioner; ~~τ~~
  - (viii) A a ~~a~~ nurse anesthetist;
  - (ix) A a ~~a~~ physician assistant; ~~τ~~
  - (x) A a ~~a~~ dietitian nutritionist licensed under section 38-1813;
  - (xi) A a ~~a~~ psychiatrist; ~~τ~~ or
  - (xii) A a ~~a~~ physician in an approved specialty; ~~and~~
- (b) ~~Be shall be~~ licensed to practice in Nebraska; ~~τ~~
- (c) ~~Not not~~ not be enrolled in a residency program; ~~τ~~
- (d) ~~Not not~~ not be practicing under a provisional or temporary license; ~~τ~~ and
- (e) Enter enter practice in a designated health profession shortage area in Nebraska.

**Sec. 2.** Section 71-5663, Revised Statutes Cumulative Supplement, 2024, 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 (a) for physicians, psychiatrists, dentists, and psychologists 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, shall not exceed ninety thousand dollars per recipient and (b) for physician assistants, nurse practitioners, nurse anesthetists, pharmacists, physical therapists, occupational therapists, dietitian nutritionists, and mental health practitioners 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, 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. 3.** Section 71-5665, Revised Statutes Cumulative Supplement, 2024, is amended to read:

71-5665 The commission shall periodically designate health profession shortage areas within the state for the following professions: Medicine and surgery, psychiatry, physician assistants' practice, nurse practitioners' practice, nurse anesthesia practice, dietitian nutritionist practice, psychology, and mental health practitioners' practice. The commission shall also periodically designate separate health profession shortage areas for each of the following professions: Pharmacy, dentistry, physical therapy, and occupational therapy. In making such designations the commission shall consider, after consultation with other appropriate agencies concerned with health services and with appropriate professional organizations, among other factors:

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

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

(3) Particular local health problems;

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

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

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

71-5668 Each loan repayment recipient shall execute an agreement with the department and a local entity. Such agreement shall be exempt from the requirements of the State Procurement Act 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, nurse anesthetist, dietitian nutritionist, 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, nurse anesthetists, pharmacists, physical therapists, occupational therapists, dietitian nutritionists, 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 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. 5.** Original sections 71-5662, 71-5663, 71-5665, and 71-5668, Revised Statutes Cumulative Supplement, 2024, are repealed.