

**CHAPTER 43-17.2
PHYSICIAN LOAN REPAYMENT PROGRAM**

43-17.2-01. State-community matching physician loan repayment program.

1. The North Dakota state-community matching physician loan repayment program is established as provided by this chapter.
2. The purpose of the program is to increase the number of physicians practicing medicine in North Dakota communities with defined health professional medical need.
3. Under the program, loan repayments may be made to a recipient for educational expenses incurred while the recipient was attending an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board.
4. Each recipient is limited to a forty-five thousand dollar maximum loan repayment from the state to be paid over two years. The loan repayment from the selected community must be in an amount that equals or exceeds the amount of loan repayment provided by the state. The selected community may negotiate a period of service longer than two years.
5. The state health council may select any number of recipients and communities each year as participants in the program subject to the availability of funding.

43-17.2-02. Powers of state health council.

The state health council may:

1. Determine eligibility and qualifications of an applicant to receive loan repayment in accordance with section 43-17.2-03.
2. Identify communities with health professional medical need and establish a priority ranking for program participation of the selected communities.
3. Determine the amount of the loan repayment an applicant may receive within the parameters of this chapter. This determination must include an investigation of the outstanding education loans incurred by the applicant.
4. Determine the condition of loan repayment to an applicant.
5. Enter into a two-year nonrenewable loan repayment program contract with the applicant and the selected community to provide repayment of education loans in exchange for the physician agreeing to practice medicine in the selected community.
6. Receive and use funds appropriated for the program.
7. Receive and use funds paid by the selected communities for repayment of education loans for physicians who apply and qualify for assistance under the program.
8. Enforce any contract under the program.
9. Cancel a contract for reasonable cause.
10. Participate in federal programs supporting repayment of loans to eligible physicians, and agree to the conditions of the federal programs.
11. Create a loan repayment application packet.
12. Accept property from any entity.
13. Work with the university of North Dakota's center for rural health in implementing this chapter.

43-17.2-03. Physician selection criteria - Eligibility for loan repayment.

1. The state health council shall establish criteria to apply to an applicant for a loan repayment. The criteria must include:
 - a. The extent to which an applicant's training is in a medical specialty determined by the state health council to be needed in a selected community.
 - b. The applicant's commitment to serve in a community with defined health professional medical need.
 - c. The applicant's achieving a match with a selected community.

- d. The availability of the applicant for service, with the highest consideration being given to an applicant who is available for service at the earliest date.
 - e. The applicant's professional competence and conduct.
 - f. The applicant's willingness to accept medicare and medicaid assignment.
2. The state health council shall give priority for program participation to an applicant who:
 - a. Graduated from the university of North Dakota school of medicine and health sciences and is enrolled in or has completed a university of North Dakota school of medicine and health sciences postgraduate residency training program;
 - b. Graduated from an accredited out-of-state medical or osteopathic college and is enrolled in or has completed a university of North Dakota school of medicine and health sciences postgraduate residency training program; or
 - c. Graduated from the university of North Dakota school of medicine and health sciences and is enrolled in or has completed an accredited out-of-state postgraduate residency training program in a specialty training program not available in this state.
 3. A physician who receives loan repayment under this chapter:
 - a. Must be a graduate of an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board;
 - b. Must have a full and unrestricted license to practice medicine in this state;
 - c. Shall submit an application to participate in the loan repayment program; and
 - d. Must have entered into an agreement with a selected community to provide full-time medical services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

43-17.2-04. Community selection criteria.

1. The state health council shall apply at least the following criteria for selecting a community with defined health professional medical need:
 - a. The ratio of physicians to population in the community.
 - b. Access by the residents of the community to medical care within the community and in the surrounding area.
 - c. Assessment of the expected number of physician visits within the community per year.
 - d. The mix of physician specialties within the community.
 - e. Indications of community support for more physicians within the community.
2. The state health council shall give priority for participation to a community that:
 - a. Demonstrates a need for primary care physicians or for a physician trained in the specialty of psychiatry; or
 - b. Has a population of not more than fifteen thousand persons.
3. In selecting a community with health professional medical need, the state health council may consult public and private associations and organizations and make an onsite visit to a community for assessment.

43-17.2-05. Eligible loans.

The state health council may provide for loan repayment to a recipient of any education loan. The council may not provide for repayment of any loan that is in default at the time of the application. The amount of repayment must be related to the applicant's outstanding education loans. No applicant may receive repayment in an amount greater than the total outstanding balance on the applicant's education loans together with applicable interest. Loan payments may not be used to satisfy other service obligations under similar programs.

43-17.2-06. Breach of loan repayment contract.

A recipient of loan repayment under this chapter who breaches the loan repayment program contract by failing to begin or complete the obligated service is liable for twice the total uncredited amount of all loan repayment that was contracted on a prorated monthly basis. Any damages the state is entitled to recover under this chapter must be paid to the health council within one year from the date of the breach of the loan repayment program contract. Amounts not paid within the one-year period may be subject to collection through deductions in medicaid payments or other collection methods. Damages recoverable for breach of contract include all interest, costs, and expenses incurred in collection, including attorney's fees. Damages collected under this section must be prorated among the state and the involved community. The state share must be deposited in the general fund. For compelling reasons, the health council may agree to and accept a lesser measure of damages for breach of a loan repayment program contract.

43-17.2-07. Release from contract obligation.

An applicant is released from the applicant's obligated service, without penalty, if the obligated service has been completed; the applicant is unable to complete the term of the contract because of permanent physical disability; the applicant dies; or the applicant proves extreme hardship or other good cause, to be determined by the council. A decision by the health council not to release an applicant from the applicant's obligated service without penalty is reviewable by the district court.

43-17.2-08. Term of obligated service.

The length of the term of obligated service of a recipient of a loan repayment under this chapter is a minimum of two years.

43-17.2-09. Payment.

No payment may be made under this chapter until the physician has practiced at least six months on a full-time basis in a selected community with health professional medical need. Any arrangement made by the state health council for loan repayment in accordance with this chapter must provide that any loan repayment for a year of obligated service be made no later than the end of the fiscal year in which the physician completes the year of obligated service.