

## 2015-16 HEALTH LOAN REPAYMENT PROGRAM

The Health Professional Loan Repayment Program was created by the Washington state Legislature and the governor to encourage licensed primary care health professionals to serve in shortage areas of Washington State.

Since 2010, state funding has been reduced leaving enough funds to match a federal grant. Only those applicants who meet the Federal grant eligibility requirements listed below and are employed at an eligible site may apply.

Awards are made on a competitive basis and limited to available funds.

Financial support is provided in the form of loan repayment for a minimum two-year service obligation.

Award amounts are based on applicant's educational loan debt with a maximum award of \$35,000 per year, not to exceed \$70,000 for the minimum two-year service obligation.

There may be an opportunity to extend beyond the two-year service obligation based on fund availability.

<b>Professions included are:</b>
Primary Care Providers (MD/DO/Psychiatrists) <i>Includes: Family Medicine, Internal Medicine, Pediatrics, Obstetrics/Gynecology, Geriatrics</i>
Mid-Levels (Physician Assistant or Nurse Practitioner)
Dentists
Registered Dental Hygienists
Midwives (Certified-Nurse )
Registered Nurses
Pharmacists

Applicants must be employed or have a contract to begin employment (seeing patients) no later than July 1, 2015 at an eligible site **PRIOR** to submitting an application.

### **Application must be submitted online no later than April 30, 2015**

**All attachments must be postmarked by April 30, 2015. Faxed documents will not be accepted.**

**Application is located at:**

<http://www.wsac.wa.gov/health-professionals>

For questions regarding the application process please contact us at:

Email: [chrisw@wsac.wa.gov](mailto:chrisw@wsac.wa.gov) or (360) 753-7794

Mail attachments to:

**917 Lakeridge Way ♦ PO Box 43430 ♦ Olympia, Washington 98504-3430**

***We strongly recommend you mail your attachments with a return receipt if using the U.S. Postal Service, or use a company that can track delivery of the packet. Be sure to retain a copy of your documents.***

## ***2015-16 Health Professional Loan Repayment Program***

# ***PROVIDER ELIGIBILITY***

## ***Guidelines & Terms of Agreement***

It is **your** responsibility to read and understand these Guidelines and Terms of Agreement.

Web site: <http://www.wsac.wa.gov/health-professionals> Email: [chrisw@wsac.wa.gov](mailto:chrisw@wsac.wa.gov) Phone: (360) 753-7794

*Funds paid by the program to participants are for the sole purpose of repaying outstanding educational loan debt. These loans must have been secured while attending a program which led to the licensure as a health professional for which you are seeking this loan repayment.*

### **ELIGIBILITY**

Site must be approved and listed on the “2015-16 Health Professional Loan Repayment Approved Site List”.

- Applicants must meet the eligibility requirements, be working (seeing patients) no later than July 1, 2015 at an approved site.
- Submit the online 2015-16 Health Professional Loan Repayment Application and mail the required attachments **postmarked no later than April 30, 2015.**
- All attachments should be mailed in one envelope. If your letters of recommendation are in separate envelopes, please remove them from their individual envelopes before mailing your packet. Please do not staple or paper clip documents together.

### **Site Eligibility:**

**1. Eligible sites:** Sites include public and non-profit private entities located in and providing health care services in HPSAs. "Non-profit private entity means an entity which may not lawfully hold or use any part of its net earnings to the benefit of any private shareholder or individual and which does not hold or use its net earnings for that purpose" (42 C.F.R. 62.52).

*For-profit health facilities operated by non-profit organizations must follow the same guidelines as all other SLRP sites. They must accept reimbursement from Medicare, Medicaid, and the Children's Health Insurance Program, utilize a sliding fee scale, and see all patients regardless of their ability to pay.*

**2.** All sites must be located in federally-designated HPSAs. Medically Underserved Areas (MUAs) or Populations and shortage areas designated by the State **do not qualify.**

**3.** Providers must work in a HPSA that corresponds to their training and/or discipline. For example, psychiatrists and other mental health providers must serve in a mental health HPSA.

**4.** Eligible sites must charge for professional services at the usual and customary prevailing rates.

**5.** Eligible sites must provide discounts for individuals with limited incomes (i.e., use a sliding fee scale). For information about HHS Poverty Guidelines, please visit <http://aspe.hhs.gov/poverty/13poverty.cfm>.

- For those with annual incomes at or below 100 percent of the HHS Poverty Guidelines, States must ensure that sites provide services at no charge or at a nominal charge.
- For individuals between 100 and 200 percent of the HHS Poverty Guidelines, States must ensure that sites provide a schedule of discounts, which should reflect a nominal charge covered by a third party

(either public or private). A State may allow sites to charge for services to the extent that payment will be made by a third party which is authorized or under legal obligation to pay the charges.

6. Site must accept Medicaid patients using A or B of Title XVIII of the Federal Social Security Act or a state plan for medical assistance approved under Title XIX of the Act.
7. Site must accept an assignment from Medicare under the terms specified in Title XVIII of the federal Social Security Act, section 18.42 (b)(3)(B)(ii).
8. Site must accept patients entitled to medical assistance under the state Medicaid agency.
9. Site must have been in business for a minimum of **one** year.
10. Site cannot promise loan repayment to an employee or when recruiting for an employee. The provider application process is competitive and there are no guarantees that a provider will be awarded even if the site has been approved.
11. Site may receive only one provider award per profession - per recruitment or retention - per year.
  - **Retention** status means that the site submitted the site application for someone who began working on or before June 30, 2014.
  - **Recruitment** status means the provider was hired or will be hired on or after July 1, 2014.
12. If the organization has more than one clinic, the site must submit a separate application for each physical location/clinic.
13. Site must submit separate applications for a (CAH) hospital and for each of the clinics owned by hospital.
14. Site must not be a K-12 school based clinic.
15. Stand-alone Urgent Care Clinics, Emergency Departments, Specialty Clinics and Placement Agencies are not eligible.
16. Hospital must be a Critical Access Hospital to be eligible.
17. Only Registered Nurses and Pharmacists are eligible for loan repayment at a hospital(must be a Critical Access Hospital).
18. The Site understands and agrees that no aspect of the provider's employer-provided wage and/or benefit(s) will be reduced in any way as a result of the provider's receipt of the Health Professional Loan Repayment Program award.
19. The site application is to be completed by an authorized HR staff or other site personnel. The provider is not allowed to complete the site application. This is a conflict of interest. If during the provider application it is found that the provider completed both – the provider will be disqualified.

### **The following site types are eligible to be approved as sites for participants:**

1. Federally Qualified Health Centers (FQHCs)
  - Community Health Centers (CHCs)
  - Migrant Health Centers
2. FQHC Look-A-Likes
3. Centers for Medicare & Medicaid Services Certified Rural Health Clinics (RHCs)
4. Other Health Facilities
  - Community Outpatient Facilities
  - Community Mental Health Facilities
  - State and County Health Department Clinics
  - Free Clinics
  - Mobile Units
  - Critical Access Hospitals (CAH) affiliated with a qualified outpatient clinic
  - Long-term Care Facilities
  - State Mental Health Facilities

5. Indian Health Service Facilities, Tribally-Operated 638 Health Programs, and Urban Indian Health Programs

- Federal Indian Health Service (IHS) Clinical Practice Sites
- Tribal/638 Health Clinics
- Urban Indian Health Program

6. Correctional or Detention Facilities

- Federal Prisons
- State Prisons

7. Private Practices (Solo or Group)

As with all other SLRP practice sites, solo or group practices must be a public or private non-profit entity.

## Applicant Eligibility:

- Must be a United States citizen. (Permanent Resident status does not qualify.)
- Must **not** have an outstanding contractual obligation for health professional service to the Federal Government, or to a State or other entity, unless that service obligation will be completely satisfied before the SLRP contract has been signed. Please note that certain provisions in employment contracts can create a service obligation (e.g., an employer offers a recruitment or moving bonus agreement in return for provider to work at that facility for a certain period of time or pay back the bonus – this is an obligation).
- Individuals in the Reserve Component of the U.S. Armed Forces or National Guard are eligible to participate in the SLRP. If the SLRP participant's military training and/or service, in combination with the participant's site, exceed 35 workdays per service year, the SLRP service obligation should be extended to compensate for the break in service.
- Individuals who have **Primary Care Loans** through the Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions are NOT eligible to participate in the SLRP.
- Must be providing primary care: Primary care is delivery of continuous and comprehensive professional, health services addressing the largest majority of personal health care needs that include health education; disease prevention; initial assessment of health problems; treatment of acute and chronic health problems; and the overall management of an individual's health care services. It entails first-contact care of persons with undifferentiated illnesses, comprehensive care that is not disease or organ specific, care that is longitudinal in nature and care that includes the coordination of other health services. Primary care dental services and primary care behavioral health services are included within this definition.
- Must begin employment (seeing patients) at an eligible site no later than July 1, 2015.
- Must have a current and valid license to practice in the state of Washington by July 1, 2015.
- Must not be working at a Stand-alone Urgent Care Clinic, Emergency Department, Specialty Clinic or through a Placement Agency. These are not considered primary care and are not eligible.
- Must submit an on-line Health Professional Loan Repayment Application by the April 30, 2015, deadline.
- Must have current eligible educational debt incurred for licensure in the profession they are applying for. (Qualifying educational loans are a government or commercial loan for actual costs paid for tuition and reasonable educational and living costs related to the undergraduate or graduate degree (as determined by the institution of higher education) for licensure in the profession for eligibility for this loan repayment. Loans for other degrees cannot be included.
- Must not owe a service obligation to the military, federal government, state, or other entity unless that obligation will be completely satisfied prior to the beginning of service under this program.

- Must not have received an award through the Health Professional Scholarship Program or be a previous Health Professional Loan Repayment Program recipient. Previous recipients of the Loan Repayment Program cannot reapply.
- Must not have a judgment lien against their property for a debt to the United States. Debtors with judgment liens for Federal debts are ineligible.
- **Must not ever have** defaulted on any Federal payment obligations (HEAL, Nursing Student Loans, Federal income tax liabilities, FHA loans, etc.)
- **Must not ever have** breached a prior service obligation to the Federal/State/local government or other entity, even if you have subsequently satisfied the obligation.
- **Must not ever have** had any Federal debt written off as uncollectible or had any Federal service or payment obligation waived.
- Must not have a Perkins Loan being forgiven by service (this is a service obligation).
- Must not be in default on any education loans or other service obligations.
- Must not be employed in a school based clinic (K-12).
- Must not be hired in an administrative position. Must provide direct care to patients.
- Must not be hired as a Public Health Nurse. Must be working in a clinic with scheduled hours.
- Pharmacist must not be hired to work primarily as an educator/liason with specific patients monitoring specific issues such as warfarin, diabetes, etc. Must be a general pharmacist working in the pharmacy filling and dispensing prescriptions working with general public.

## Eligible Loans:

### Include:

- Educational loans leading to licensure in the licensure you are seeking loan repayment for.

### Does Not Include:

- Loans that have no current balance.
- Loans that have been consolidated under non-educational lenders (*example: home mortgage*).
- Stafford Parent Plus Loans.
- Primary Care Loan (*this makes you ineligible for this program*).
- Loans that have a cosigner.
- Loans that have been consolidated with another person's loans (*example: spouse, child's Parent Plus Loan that has been consolidated with yours*).
- Loans obtained under someone else's name, such as a relative, spouse or friend.
- Loans that are currently being repaid by the employer - unless those payments cease upon your acceptance of our award.
- Perkins Loans that are eligible to be forgiven by service.
- Loans for other educational degrees that were not required to obtain licensure in the profession you are applying under. (If those loans were consolidated – you will not be able to submit the loan.)

## SELECTION

Applicants will be selected for participation in the Health Professional Loan Repayment Program based on a score that is a combination of site score and provider score. When the site applies it receives a score based on data they supply on their application. When the applicant applies information is taken from the application and scored. The provider scoring information is not shared in order to protect its integrity.

## SERVICE OBLIGATION

- At the end of each quarter the participant will go to the council website and download the current service verification form to report the hours they have worked. This is the document used to start the payment process.
- The site administrator is responsible for verifying the hours worked, faxing, emailing or mailing a copy of the form and retaining the original copy of the form.
- The quarter are: Jan- Mar, Apr-Jun, Jul-Sep, and Oct-Dec
- In January and July of each year, participants are required to send the last six months of payment history from the lender(s) to verify that all loan repayment funds are being fully applied against the approved educational lender(s).
- Funds must be applied to the approved lender(s) dollar for dollar.
- Participants must be employed full time; a minimum of 40 hours each week (may not average hours over a pay period).
  - Definition of “full time” employment: *For all health professionals, except as noted below: At least 32 hours of the minimum 40 hours per week are/will be spent providing direct outpatient care during normally scheduled clinic hours in the ambulatory care office(s) specified above. The remaining 8 hours per week is/will be spent providing clinical services to patients in the above offices, performing clinical support activities in alternate locations as directed by the above site(s), or performing practice-related administrative activities. For OB/GYNs, FPs practicing OB on a regular basis, providers of geriatric services, certified nurse midwives, and pediatric dentists health providers: At least 21 of the minimum 40 hours per week are/will be spent providing direct outpatient care during normally scheduled clinic hours in the ambulatory care office(s) specified above. The remaining 19 hours per week is/will be spent providing clinical services to patients in the above offices, performing clinical support activities in alternate locations as directed by the above site(s), or performing practice-related administrative activities (with practice-related administrative activities not to exceed 8 hours per week).*
- Participants must not exceed more than 7 weeks (**approximately 35 work days**) per service year (July 1st – June 30<sup>th</sup>) away from the approved service site for vacation, holidays, continuing professional education, illness, or any other reason. If the participant submits documentation supporting the need for absence of longer than 7 weeks, he/she may qualify for a suspension (deferment) of the service obligation.

A suspension of the participant’s SLRP obligation may be granted for up to 1 year. In order to qualify for a suspension, the participant must document a medical condition or personal situation that makes compliance with the obligation temporarily “impossible” or an “extreme hardship” such that enforcement would be against equity and good conscience. Examples would be the terminal illness of an immediate family member for whom the participant is caretaker or extended maternity leave due to medical complications.

*Maternity/Paternity leave rules are as outlined in the above bullet.*

## AWARD AND PAYMENTS

- The maximum award amount is \$70,000, not to exceed applicant’s loan debt (whichever is less).
- Participant must serve full-time (minimum of 40 hours per week) for a minimum of two years. *See definition of full time above.*
- Awards are based on the loan debt balance at the time of award. The funds are intended to reduce the debt by the award amount. It is not intended to pay the balance in full as interest continues to accrue.
- Awards will be divided into eight quarterly payments over the obligation period.
- Credit is earned during the quarter and payments are made after the completion of each quarter and upon receipt, review and approval of the Service Verification Form.

- Verification of payment on loan debt will be required periodically throughout the service obligation. Participants will be asked to submit copies of their payment history from their lender(s) as documentation that **all** program funds were applied to their loan debt. Failure to document that all funds were applied will place them in default.
- The loan repayment contract will begin July 1st as indicated on your Award Notification. During the first three months of the contract, the participant is responsible for continuing all lender payments. ***Program funds may not be used as reimbursement for those payments.***
- For program audit requirements, payment history tracking begins after the first check is issued - **not** the first day of the contract period.
- Payments will be suspended during medical leave (*example: FMLA*) and the service obligation will be prorated accordingly. See Service Obligation above for full details on leave.
- Payments will cease upon termination of employment. Once you are re-employed at an eligible site, your payments will restart at the end of the next completed quarter. You will be paid for any pending payments from past quarters that were being held at that time.

### **Extensions:**

Participants may request an extension on an annual basis; however extension requests will be determined on a case by case basis, based on available federal and state matching funds.

If a participant receives a deferment or does not complete his contract during the two year contract period, and are eligible for an extension, the extension will not start until the beginning of the next quarter. For example; if the original contract began July 1, and the participant did not complete the contract by June 30<sup>th</sup> of the contract period due to FMLA, their extension would not start until the first day of the next quarter, which would be October 1<sup>st</sup>.

### **Other information:**

- If you pay your loans in full before the end of the service obligation, your payments will cease but your service obligation is not waived.
- The only permissible basis for canceling a contract is the death of the participant.
- The program shall not be held responsible for any outstanding payments on principal and interest to any lender.
- Funds are considered educational and cannot be discharged in a bankruptcy.
- Loan debt continues to accrue interest during the service obligation period. Participants are responsible for any balance remaining at the end of the obligation period. Program funds are intended to reduce the debt by the award amount and may not pay the balance in full.

### **REPAYMENT**

Participants who breach their obligation will owe the State an amount equal to the sum of the following:

- The total of the amounts paid to, or on behalf of, the participant for loan repayments for any period of obligated service not served:
- An amount equal to the number of months of obligated service not completed multiplied by \$7,500; and
- Interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach, except that the amount the State is entitled to recover shall not be less than \$31,000.

## INTEREST RATES, PENALTIES, FEES AND COST EXAMPLES

The interest, fees and examples shown below are in the case of the Borrower going into Repayment. Interest will begin accruing on the principal balance when the Borrower goes into Repayment status. The beginning interest rate you will pay will be determined when your account goes into Repayment status.

- **INTEREST RATE during the life of the Repayment**

The interest rate is variable. This means the interest rate can move lower or higher than your beginning interest rate. Rates parallel the current rate for new loans in the primary federal student loan program for undergraduate students. The interest rate is updated each year on July 1st.

- **REPAYMENT FEES**

**Repayment Financial Penalty:** The balance of award funds not disbursed, **plus** the number of unserved months times \$7,500 (minimum repayment amount of \$31,000). Interest will be charged at the highest maximum prevailing government interest rate.

**Late Fee:** A late charge of 5% of the payment due may be charged on any payment received later than 20 days after the due date.

- **Returned Check Charge:** Up to \$50 (*does not include any fees charged by banks or other institutions*)
- **Collection and Legal Fees:** Any necessary expenses for collection of any amount not paid when due (to the extent permitted by law) including attorney's fees, whether or not legal proceedings have begun.

## REPAYMENT COST EXAMPLES

	<b>Award Balance</b> (total amount awarded to you minus the amount of the award you were paid to date)	<b>Financial Penalty</b> (Months of service not fulfilled multiplied by \$7,500)	<b>Repayment Amount</b> (before interest is assessed) <i>*Minimum of \$31,000</i>	<b>Interest Rate</b> (highest possible starting rate)	<b>Loan Term</b> (how long it takes you to pay off the loan)	<b>Assumes Monthly Payment of:</b>	<b>Total Paid</b> (includes penalty and interest)
<b>Example 1</b>	\$50,000 - \$43,750 = <b>\$6,250 Award Balance</b>	3 months x \$7,500 = <b>\$22,500</b>	\$6,250 + \$22,500 = *\$28,750 <i>Repayment Amount:</i> <b>\$31,000</b>	8.25%	3 years	\$1,000	<b>\$35,983.15</b>
<b>Example 2</b>	\$50,000 - \$43,750 = <b>\$6,250 Award Balance</b>	3 months x \$7,500 = <b>\$22,500</b>	\$6,250 + \$22,500 = *\$28,750 <i>Repayment Amount:</i> <b>\$31,000</b>	8.25%	5 years	\$642	<b>\$38,443.97</b>
<b>Example 3</b>	\$50,000 - \$43,750 = <b>\$6,250 Award Balance</b>	3 months x \$7,500 = <b>\$22,500</b>	\$6,250 + \$22,500 = *\$28,750 <i>Repayment Amount:</i> <b>\$31,000</b>	8.25%	10 years	\$383	<b>\$45,828.79</b>
<b>Example 4</b>	\$70,000 - \$35,000 = <b>\$35,000 Award Balance</b>	12 months x \$7,500 = <b>\$90,000</b>	\$35,000 + \$90,000 = <i>Repayment Amount:</i> <b>\$125,000</b>	8.25%	3 years	\$4,030	<b>\$145,101.14</b>
<b>Example 5</b>	\$70,000 - \$35,000 = <b>\$35,000 Award Balance</b>	12 months x \$7,500 = <b>\$90,000</b>	\$35,000 + \$90,000 = <i>Repayment Amount:</i> <b>\$125,000</b>	8.25%	5 years	\$2,585	<b>\$155,062.14</b>
<b>Example 6</b>	\$70,000 - \$35,000 = <b>\$35,000 Award Balance</b>	12 months x \$7,500 = <b>\$90,000</b>	\$35,000 + \$90,000 = <i>Repayment Amount:</i> <b>\$125,000</b>	8.25%	10 years	\$1,542	<b>\$184,942.27</b>

**About this example:** The total amount you will pay for this loan will vary depending on how long you take to repay it and how much service credit was performed before going into repayment. This example provides six estimates, based on a 2 year service obligation and assuming a minimum payment is made each month for the total number of years shown. Examples use the highest interest rate possible for your loan. Service obligations and service credit rates may vary for each individual. The total paid can be different if other fees/legal costs are assessed. **Interest rates and amounts borrowed are for example purposes only and do not reflect your actual repayment.**



## Before you begin the application you will need to have the following information available:

- Employer name, address, and employer contact person's name, phone number and email address.
- Lender names and current balances.
- Name, dates and degree from college/universities you have attended.
- If applicable, dates and place of residency, internship, or preceptorship.
- Licensure information, date of license and license number (includes licenses from other states).
- Employment start date (month, day, and year).
- Break-out of the number of patients you see (insured, private pay, Medicare/Medicaid, uninsured, sliding fee, charity)
- List of rural counties (both Washington and other states) you have lived in, the dates, zip code and length of time you lived there.
- If applicable, Medicare Core Provider Number. (This is not a required number – supply only if you have one.)

## REQUIRED ATTACHMENTS

Once you click the “submit button” the Forms will become available for you to print.

- Signed and dated \*Agreement (Agreement/Signature page)
- **Current** loan statement(s) with outstanding educational debt amount.
  - *Be sure to include all eligible debt. Once the application is submitted you will not be able to add lenders to your list.*
  - Debt must be related to obtaining licensure **for this profession only**. Do not include debt for other degrees or programs (if the loans were consolidated with other degrees, you will not be able to submit the loan).
  - Do not submit promissory notes, school statements, etc.
  - You must submit statements from the lender showing lender name, your name, account balance and date. Please submit the most current lender statement.
- Three letters of recommendation from training supervisors/professional colleagues. The letters should *support your experience and commitment to serving rural and underserved urban populations*. We will not accept faxed letters or letters sent directly to our office. Please remove any letters from envelopes and do not staple documents together before submitting them in your packet.
- Completed \*Site Administrator Confirmation Form (this form is to be completed by your site).
- Copy of employer/employee contract and/or agreement.  
*If a contract or agreement does not exist, submit a signed/dated letter from your Human Resource Director on letterhead stating the following:*
  - that an employer/employee contract/agreement does not exist,
  - the date you were employed,
  - the site(s) you currently work at,
  - your job title,
  - the number of hours you work each week,
  - that you provide primary care and not specialty care, and
  - that your employer is not providing funds to pay toward your educational debt.
- Current job description (this is to be a separate document **from** your Human Resource Department – do not submit something you write yourself).