

ASSEMBLY, No. 4613

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED SEPTEMBER 22, 2022

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Co-Sponsored by:

Assemblyman Benson

SYNOPSIS

Renames, extends eligibility, and makes various other changes to Primary Care Practitioner Loan Redemption Program; appropriates \$10 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/22/2022)

1 AN ACT concerning the Primary Care Practitioner Loan Redemption
2 Program, amending various sections of the New Jersey Statutes,
3 supplementing chapter 71C of Title 18A of the New Jersey
4 Statutes, and making an appropriation.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. N.J.S.18A:71C-32 is amended to read as follows:

10 18A:71C-32. "Approved site" means a site located within a State
11 designated underserved area or a health professional shortage area,
12 or a clinic which is part of the extramural network of dental clinics
13 established by the New Jersey Dental School of Rutgers, The State
14 University, or a site that has been determined by the Higher
15 Education Student Assistance Authority, in consultation with the
16 Department of Health **[and Senior Services]**, to serve medically
17 underserved populations according to criteria determined by the
18 authority, including, but not limited to, the percentage of medically
19 underserved patients served.

20 "Authority" means the Higher Education Student Assistance
21 Authority.

22 "Eligible qualifying loan expenses" means the cumulative
23 outstanding balance of student loans covering the cost of attendance
24 at an undergraduate institution of medical, dental, or other primary
25 care professional education at the time an applicant is selected for
26 the program. Interest paid or due on qualifying loans that an
27 applicant has taken out for use in paying the costs of undergraduate
28 medical, dental, or other primary care professional education shall
29 be considered eligible for reimbursement under the program. The
30 authority may establish a limit on the total amount of qualifying
31 loans which may be redeemed for participants under the program,
32 provided that the total redemption of qualifying loans does not
33 exceed \$120,000 for participants employed at an approved site, or
34 \$100,000 for participants employed at a place of employment other
35 than an approved site, or the maximum amount authorized by the
36 federal government, whichever is greater, either in State funds or
37 the sum of federal, State, and other non-federal matching funds,
38 pursuant to section 338I of the Public Health Service Act (42
39 U.S.C.s.254q-1), whichever is applicable.

40 "Executive director" means the executive director of the Higher
41 Education Student Assistance Authority.

42 "Health professional shortage area" (HPSA) means an urban or
43 rural area, a population group or a public or non-profit private
44 medical or dental facility or other public facility which the
45 Secretary of Health and Human Services determines has a health

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 professional shortage pursuant to section 332 of the Public Health
2 Service Act (42 U.S.C. s.254e).

3 "Primary care" means the practice of family medicine, general
4 internal medicine, general pediatrics, general obstetrics,
5 gynecology, pediatric dentistry, general dentistry, public health
6 dentistry, and any other areas of medicine or dentistry which the
7 Commissioner of Health **【and Senior Services】** may define as
8 primary care. Primary care also includes the practice of a nurse-
9 practitioner, certified nurse-midwife, and physician assistant.

10 "Primary care practitioner" means a State-licensed or certified
11 health care professional who has obtained a degree in allopathic or
12 osteopathic medicine, dentistry, or another primary care profession
13 at an undergraduate institution of medical, dental, or other primary
14 care professional education, as applicable.

15 "Program" means the **【Primary Care Practitioner】** Health Care
16 Professional Loan Redemption Program established pursuant to
17 N.J.S.18A:71C-33.

18 "Program participant" means a **【primary care】** practitioner who
19 contracts with the authority to engage in the clinical practice of
20 primary care, psychiatry or other qualifying health care field **【at an**
21 **approved site】** in exchange for the redemption of eligible qualifying
22 loan expenses provided under the program.

23 "Qualifying loan" means a government or commercial loan for
24 the actual costs paid for tuition and reasonable education and living
25 expenses relating to the obtaining of a degree in allopathic or
26 osteopathic medicine, dentistry, or another primary care profession.

27 "State designated underserved area" means a geographic area in
28 this State which has been ranked by the Commissioner of Health
29 **【and Senior Services】** on the basis of health status and economic
30 indicators as reflecting a medical or dental health professional
31 shortage.

32 "Total and permanent disability" means a physical or mental
33 disability that is expected to continue indefinitely or result in death
34 and renders a participant in the program unable to perform that
35 person's service obligation, as determined by the executive director
36 or his designee.

37 "Undergraduate medical, dental, or other primary care
38 professional education" means the period of time between entry into
39 medical school, dental school, or other primary care or medical
40 professional training program and the award of a degree in
41 allopathic or osteopathic medicine, dentistry, or another primary
42 care profession, respectively.

43 (cf: P.L.2012, c.45, s.99)

44

45 2. N.J.S.18A:71C-33 is amended to read as follows:

46 18A:71C-33. There is established a **【Primary Care Practitioner】**
47 Health Care Professional Loan Redemption Program within the

1 Higher Education Student Assistance Authority. The program shall
2 provide for the redemption of a portion of the eligible qualifying
3 loan expenses of program participants for each year of service [at
4 an approved site].

5 (cf: P.L.2009, c.145, s.2)

6

7 3. N.J.S.18A:71C-34 is amended to read as follows:

8 18A:71C-34. To be eligible to participate in the program, an
9 applicant shall:

10 a. be a resident of the State;

11 b. be a primary care practitioner, psychiatrist, or other health
12 care professional designated by the Commissioner of Health
13 pursuant to section 16 of P.L. , c. (C.) (pending before the
14 Legislature as this bill) for inclusion in the program; and

15 c. (Deleted by amendment, P.L.2009, c.145.)

16 d. agree to practice primary care, psychiatry, or other
17 qualifying medical care, as appropriate, [at an approved site] under
18 the terms and conditions provided in N.J.S.18A:71C-36 and the
19 agreement issued thereunder.

20 (cf: P.L.2009, c.145, s.3)

21

22 4. N.J.S.18A:71C-35 is amended to read as follows:

23 18A:71C-35. The Commissioner of Health [and Senior
24 Services], after consultation with the Commissioner of Corrections
25 and the Commissioner of Human Services, shall designate and
26 establish a ranking of State designated underserved areas. The
27 criteria used by the Commissioner of Health [and Senior Services]
28 in designating areas shall include, but not be limited to:

29 a. the financial resources of the population under
30 consideration, including the percentage of the population that is
31 eligible for medical assistance pursuant to P.L.1968, c.413
32 (C.30:4D-1 et seq.) and P.L.2005, c.156 (C.30:4J-8 et seq.), and the
33 percentage of the population that does not have health insurance
34 coverage;

35 b. the population's access to primary care, psychiatry, and
36 other medical services;

37 c. appropriate physician, dentist, psychiatry, or other primary
38 care staffing in State, county, municipal and private nonprofit
39 health care facilities and in clinics which are part of the extramural
40 network of dental clinics established by the New Jersey Dental
41 School of Rutgers, The State University; and

42 d. the extent to which racial and ethnic disparities in health
43 care in a geographic area, including, but not limited to, disparities
44 in the incidence of cancer, cardiovascular disease, stroke, chemical
45 dependency, diabetes, asthma, homicide, suicide, accidental injury,
46 infant mortality, child immunization rates, HIV/AIDS, dental caries,
47 and periodontal disease, indicate the need to increase access to

1 **【primary】** health care services among racial and ethnic minority
2 populations in that area.

3 The Commissioner of Health **【and Senior Services】** shall
4 transmit the list of State designated underserved areas and the
5 number of positions needed in each area to the executive director or
6 designee.

7 (cf: P.L.2012, c.45, s.100)

8

9 5. N.J.S.18A:71C-36 is amended to read as follows:

10 18A:71C-36. a. In administering the program, the authority or
11 its designated agent shall contract only with a primary care
12 practitioner, psychiatrist, or other health care practitioner employed
13 in a field designated by the Commissioner of Health for inclusion in
14 the program pursuant to section 16 of P.L. , c. (C.) (pending
15 before the Legislature as this bill).

16 b. The contract for a program participant employed at an
17 approved site shall require a program participant to:

18 (1) serve at least an initial two-year period at an approved site in
19 the full-time clinical practice of that person's **【primary care】**
20 profession;

21 (2) charge for professional services at the usual and customary
22 rate prevailing in the area in which the approved site is located, but
23 allow a patient who is unable to pay that charge to pay at a reduced
24 rate or receive care at no charge;

25 (3) not discriminate against any patient in the provision of
26 health care services on the basis of that person's ability to pay or
27 source of payment; and

28 (4) agree not to impose any charge in excess of the limiting fee
29 for a service, as determined by the United States Secretary of
30 Health and Human Services, to a recipient of benefits under the
31 federal Medicare program established pursuant to Pub.L.89-97 (42
32 U.S.C.s.1395 et seq.).

33 c. The contract for any program participant shall also specify
34 the applicant's dates of required service and the total amount of
35 eligible qualifying loan expenses to be redeemed by the State in
36 return for service, and stipulate that the applicant has knowledge of
37 and agrees to the six-month probationary period required prior to
38 final acceptance into the program pursuant to N.J.S.18A:71C-38.

39 d. The contract for a program participant employed at a site
40 other than an approved site shall require a program participant to:

41 (1) serve at least an initial two-year period in the full-time
42 clinical practice of that person's profession; and

43 (2) include such other provisions as the Commissioner of Health
44 may determine.

45 (cf: P.L.2009, c.145, s.5)

46

47 6. Section 10 of P.L.2009, c.145 (C.18A:71C-36.1) is amended
48 to read as follows:

1 10. a. A program participant, as a condition of participation,
2 shall be required to adhere to performance standards established by
3 the executive director or his designee and if the **[approved site is]**
4 program participant is employed at a clinic which is part of the
5 extramural network of dental clinics established by the New Jersey
6 Dental School of Rutgers, The State University the program
7 participant shall also meet performance standards set by the New
8 Jersey Dental School.

9 b. The standards shall include, but not be limited to,
10 requirements that a participant:

11 (1) maintain residency in the State;

12 (2) maintain a license or certification to practice a primary care
13 profession, psychiatry, or other qualifying health care profession in
14 the State;

15 (3) remain current with payments on student loans;

16 (4) enter into a mutually acceptable contract with an approved
17 site or employer, as applicable;

18 (5) maintain satisfactory performance of services rendered **[at**
19 **an approved site]**; and

20 (6) report to the authority or its designee, on a form and in a
21 manner prescribed by the authority or its designee, on the program
22 participant's performance of services rendered **[at an approved site]**
23 prior to repayment of the annual amount eligible for redemption.

24 (cf: P.L.2012, c.45, s.101)

25
26 7. N.J.S.18A:71C-37 is amended to read as follows:

27 18A:71C-37. a. Maximum redemption of loans under the loan
28 redemption program shall amount to 18 **[%]** percent of principal
29 and interest of eligible qualifying loan expenses in return for one
30 full year of service **[at an approved site]**, an additional 26 **[%]**
31 percent for a second full year of service, an additional 28 **[%]**
32 percent for a third full year of service and an additional 28 **[%]**
33 percent for a fourth full year of service for a total redemption of
34 eligible qualifying loan expenses of up to, but not to exceed,
35 \$120,000 for service at an approved site, and \$100,000 for service
36 at an employer other than an approved site, or the maximum amount
37 authorized by the federal government, whichever is greater, either
38 (1) in State funds or (2) the sum of federal, State, and other non-
39 federal funds pursuant to section 338I of the Public Health Service
40 Act (42 U.S.C.s.254q-1), whichever is applicable. No amount of
41 eligible qualifying loan expenses shall be redeemed for services
42 performed for less than a full year.

43 b. A participant who enters an agreement to fulfill service in a
44 State designated underserved area that is also a HPSA shall be
45 permitted a total redemption of eligible qualifying loan expenses for
46 four years of service up to, but not to exceed, the sum of federal,

1 State and other non-federal matching funds provided pursuant to
2 section 338I of the Public Health Service Act (42 U.S.C.s.254q-1).

3 c. A program participant who enters an agreement to fulfill
4 service in a State designated underserved area that is not also a
5 HPSA shall be permitted a total redemption of eligible qualifying
6 loan expenses for four years of service up to, but not to exceed,
7 \$120,000, or the maximum amount authorized by the federal
8 government, whichever is greater, in State funds.

9 d. A program participant who has engaged in full-time clinical
10 practice during the participant's initial two years of participation in
11 the program shall be permitted to fulfill the program participant's
12 subsequent service obligations on a part-time basis with the
13 approval of the authority or its designee and the program
14 participant's employer **【in a State designated underserved area】**,
15 with the program participant's redemption credit accruing on a pro
16 rata basis. The program participant may be permitted a total
17 redemption of eligible qualifying loan expenses for the equivalent
18 of four years of full-time service.

19 (cf: P.L.2009, c.145, s.6)

20

21 8. N.J.S.18A:71C-38 is amended to read as follows:

22 18A:71C-38. Each program participant shall serve a six-month
23 probationary period upon initial placement **【at an approved site】**.
24 During that period, the **【primary care】** supervisory staff of the
25 employer or approved site, or in the case of a clinic which is part of
26 the extramural network of dental clinics established by the New
27 Jersey Dental School of Rutgers, The State University, the director
28 of the clinics and the vice-dean of the dental school, together with
29 the program participant and the executive director or his designee,
30 shall evaluate the suitability of the placement for the program
31 participant. At the end of the probationary period, the **【primary**
32 **care】** supervisory staff shall recommend the continuation of the
33 program participant's present placement, a change in placement, or
34 its determination that the program participant is an unsuitable
35 candidate for the program. If the **【primary care】** supervisory staff of
36 the employer or approved site recommends a change in placement,
37 the executive director or a designee shall approve an alternate
38 placement at an employer or approved site. If the **【primary care】**
39 supervisory staff determines that the program participant is not a
40 suitable candidate for the program, the executive director or his
41 designee shall take this recommendation into consideration in
42 regard to the program participant's final acceptance into the
43 program. No loan redemption payment shall be made during the six-
44 month probationary period; however, a program participant shall
45 receive credit for the six-month period in calculating the first year
46 of required service under the loan redemption contract.

47 (cf: P.L.2012, c.45, s.102)

1 9. N.J.S.18A:71C-39 is amended to read as follows:

2 18A:71C-39. The executive director or his designee, in
3 consultation with the Commissioner of Health **【and Senior**
4 **Services】**, shall match program participants **【to】** interested in
5 servicing in State designated underserved areas or HPSAs to such
6 sites.

7 (cf: P.L.2009, c.145, s.8)

8

9 10. N.J.S.18A:71C-40 is amended to read as follows:

10 18A:71C-40. The executive director or his designee shall select
11 the program participants from among those applicants who meet the
12 eligibility criteria established pursuant to N.J.S.18A:71C-34,
13 subject to available funds and available approved sites, as
14 applicable. No less than 40 percent of available funds in each
15 program year shall be reserved for program participants serving at
16 an approved site. In the event that there are insufficient funds or
17 approved sites to select all of the applicants who meet the eligibility
18 criteria, the executive director or his designee shall accord priority
19 to applicants in the following manner:

20 a. first, to any applicant who is completing a fourth, third or
21 second year of a loan redemption contract;

22 b. second, to any applicant according to the severity of the
23 **【physician, dentist, or other primary care】** health care provider
24 shortage in the area selected by the applicant; and

25 c. third, to any applicant whose residence in the State at the
26 time of entry into postsecondary education was within a State
27 designated underserved area.

28 In the event that there are more applicants who have the same
29 priority than there are program positions, the executive director or
30 his designee shall select program participants by means of a lottery
31 or other form of random selection.

32 (cf: P.L.2009, c.145, s.9)

33

34 11. N.J.S.18A:71C-41 is amended to read as follows:

35 18A:71C-41. A program participant who has previously entered
36 into a contract with the authority may nullify the agreement by
37 notifying the authority in writing and reassuming full responsibility
38 for the remaining outstanding balance of the loan debt. In no event
39 shall service **【at an approved site】** for less than the full calendar
40 year of each period of service entitle the program participant to any
41 benefits under the program. A program participant seeking to
42 nullify the contract before completing a second full year of service
43 shall be required to pay 50 **【%】** percent of the redeemed portion of
44 indebtedness in not more than one year following nullification of
45 the agreement.

46 (cf: P.L.2009, c.145, s.11)

1 12. N.J.S.18A:71C-44 is amended to read as follows
2 18A:71C-44. A student who is participating in the federally
3 administered National Health Service Corps Loan Repayment
4 Program, section 338B of the Public Health Service Act (42
5 U.S.C.s.254 1-1), shall not be eligible to participate simultaneously
6 in the **【Primary Care Practitioner】** Health Care Professional Loan
7 Redemption Program.

8 (cf: P.L.2009, c.145, s.15)

9

10 13. Section 18 of P.L.2009, c.145 (C.18A:71C-46.1) is amended
11 to read as follows:

12 18. The authority shall work with State institutions of medical,
13 dental, and other **【primary】** health care professional education to
14 ensure that information on the **【Primary Care Practitioner】** Health
15 Care Professional Loan Redemption Program is made available to
16 students upon enrollment.

17 (cf: P.L.2009, c.145, s.18)

18

19 14. Section 9 of P.L.2009, c.236 (C.18A:71C-58) is amended to
20 read as follows:

21 9. Of the funds annually appropriated for the **【Primary Care**
22 **Practitioner】** Health Care Professional Loan Redemption Program
23 established in the Higher Education Student Assistance Authority
24 pursuant to N.J.S.18A:71C-32 et seq., 25 **【%】** percent shall be
25 dedicated to the Nursing Faculty Loan Redemption Program
26 established pursuant to this act. The program shall be administered
27 directly by the Higher Education Student Assistance Authority.

28 (cf: P.L.2009, c.236, s.9)

29

30 15. Section 7 of P.L.2017, c.126 (C.18A:71C-65) is amended to
31 read as follows:

32 7. An individual who is participating in the **【Primary Care**
33 **Practitioner】** Health Care Professional Loan Redemption Program,
34 N.J.S.18A:71C-32 et seq., or in the federally administered National
35 Health Service Corps Loan Repayment Program, section 338B of
36 the Public Health Service Act (42 U.S.C. s.2541-1), shall not be
37 eligible to participate simultaneously in the tuition reimbursement
38 program established pursuant to this act.

39 (cf: P.L.2017, c.126, s.7)

40

41 16. (New section) The Commissioner of Health, after
42 consultation with the Commissioner of Labor and Workforce
43 Development, may designate additional health care fields
44 experiencing critical Statewide labor shortages for inclusion in the
45 program. Any additional health care field included in the program
46 shall require a degree in allopathic or osteopathic medicine.

1 17. (New section) There is appropriated from the General Fund
2 to the Higher Education Student Assistance Authority the sum of
3 \$10,000,000 to effectuate the provisions of P.L. , c. (C.)
4 (pending before the Legislature as this bill).

5
6 18. This act shall take effect immediately.
7
8

9 STATEMENT
10

11 This bill makes a number of changes to broaden eligibility for
12 the Primary Care Practitioner Loan Redemption Program
13 established within the Higher Education Student Assistance
14 Authority (HESAA) under N.J.S.18A:71C-32 et seq. The bill
15 appropriates \$10 million to HESAA for the program and makes
16 numerous technical changes.

17 The bill:

- 18 • renames the program as the Health Care Professional Loan
19 Redemption Program;
- 20 • provides for the participation in the program of psychiatrists
21 and other health professionals working in fields designated
22 by the Commissioner of Health for inclusion in the program;
- 23 • permits the Commissioner of Health, after consultation with
24 the Commissioner of Labor and Workforce Development, to
25 designate additional health care fields experiencing critical
26 Statewide labor shortages for inclusion in the program; and
- 27 • removes the requirement that a participant be employed at an
28 approved site but provides that a minimum of 40 percent of
29 available funds in a program year be reserved for
30 participants employed at approved sites.

31 The existing law that dedicates 25 percent of the funds annually
32 appropriated for the Health Care Professional Loan Redemption
33 Program to the Nursing Faculty Loan Redemption Program is
34 maintained.

35 The sponsor notes that, according to Rutgers Today, New Jersey
36 is one of a dozen states projected to have the biggest need of
37 primary care physicians. The Health Resources and Services
38 Administration projects that New Jersey will have a shortage of
39 primary care physicians by 2025 of 1,000 or more physicians, due
40 to both the aging American population and the number of doctors
41 nearing retirement. As the baby boom generation reaches retirement
42 age, the percentage of the healthcare workforce aged 65 and over is
43 projected to reach 20% by 2034. As our population grows older, the
44 shortage of qualified individuals to care for this vulnerable
45 population will only be exacerbated.

46 The shortage is not limited to just primary care physicians, as the
47 American Association of Medical Colleges projects dire shortages
48 by 2033 in surgical, medical, and other specialties like pathology

1 and radiology. The sponsor also notes that the shortage of
2 psychiatrists has been exacerbated by the pandemic. Those seeking
3 help in New Jersey are experiencing long waits to meet with a
4 psychiatrist, if they can get in at all. This bill seeks to improve New
5 Jerseyans' access to vital medical care by encouraging health care
6 professionals to practice in the State.