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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

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

"Authority" means the Higher Education Student Assistance Authority.

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

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

"Health professional shortage area" (HPSA) means an urban or rural area, a population group or a public or non-profit private medical or dental facility or other public facility which the 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.
professional shortage pursuant to section 332 of the Public Health Service Act (42 U.S.C. s.254e).

"Primary care" means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, gynecology, pediatric dentistry, general dentistry, public health dentistry, and any other areas of medicine or dentistry which the Commissioner of Health [and Senior Services] may define as primary care. Primary care also includes the practice of a nurse-practitioner, certified nurse-midwife, and physician assistant.

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

"Program" means the [Primary Care Practitioner] Health Care Professional Loan Redemption Program established pursuant to N.J.S.18A:71C-33.

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

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

"State designated underserved area" means a geographic area in this State which has been ranked by the Commissioner of Health [and Senior Services] on the basis of health status and economic indicators as reflecting a medical or dental health professional shortage.

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

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

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

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

18A:71C-33. There is established a [Primary Care Practitioner] Health Care Professional Loan Redemption Program within the
Higher Education Student Assistance Authority. The program shall provide for the redemption of a portion of the eligible qualifying loan expenses of program participants for each year of service [at an approved site].

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

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

a. be a resident of the State;
b. be a primary care practitioner, psychiatrist, or other health care professional designated by the Commissioner of Health pursuant to section 16 of P.L. 2009, c. 145 (pending before the Legislature as this bill) for inclusion in the program; and
c. (Deleted by amendment, P.L.2009, c.145.)
d. agree to practice primary care, psychiatry, or other qualifying medical care, as appropriate, [at an approved site] under the terms and conditions provided in N.J.S.18A:71C-36 and the agreement issued thereunder.

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

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

a. the financial resources of the population under consideration, including the percentage of the population that is eligible for medical assistance pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.2005, c.156 (C.30:4J-8 et seq.), and the percentage of the population that does not have health insurance coverage;
b. the population’s access to primary care, psychiatry, and other medical services;
c. appropriate physician, dentist, psychiatry, or other primary care staffing in State, county, municipal and private nonprofit health care facilities and in clinics which are part of the extramural network of dental clinics established by the New Jersey Dental School of Rutgers, The State University; and
d. the extent to which racial and ethnic disparities in health care in a geographic area, including, but not limited to, disparities in the incidence of cancer, cardiovascular disease, stroke, chemical dependency, diabetes, asthma, homicide, suicide, accidental injury, infant mortality, child immunization rates, HIV/AIDS, dental caries, and periodontal disease, indicate the need to increase access to
health care services among racial and ethnic minority populations in that area.

The Commissioner of Health shall transmit the list of State designated underserved areas and the number of positions needed in each area to the executive director or designee.

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Section 10 of P.L.2009, c.145 (C.18A:71C-36.1) is amended to read as follows:
10. a. A program participant, as a condition of participation, shall be required to adhere to performance standards established by the executive director or his designee and if the approved site is the extramural network of dental clinics established by the New Jersey Dental School of Rutgers, The State University the program participant shall also meet performance standards set by the New Jersey Dental School.

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

(1) maintain residency in the State;
(2) maintain a license or certification to practice a primary care profession, psychiatry, or other qualifying health care profession in the State;
(3) remain current with payments on student loans;
(4) enter into a mutually acceptable contract with an approved site or employer, as applicable;
(5) maintain satisfactory performance of services rendered at an approved site; and
(6) report to the authority or its designee, on a form and in a manner prescribed by the authority or its designee, on the program participant's performance of services rendered at an approved site prior to repayment of the annual amount eligible for redemption.

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

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

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

b. A participant who enters an agreement to fulfill service in a State designated underserved area that is also a HPSA shall be permitted a total redemption of eligible qualifying loan expenses for four years of service up to, but not to exceed, the sum of federal,
State and other non-federal matching funds provided pursuant to section 338I of the Public Health Service Act (42 U.S.C.s.254q-1).

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

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

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

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

18A:71C-38. Each program participant shall serve a six-month probationary period upon initial placement [at an approved site]. During that period, the [primary care] supervisory staff of the employer or approved site, or in the case of a clinic which is part of the extramural network of dental clinics established by the New Jersey Dental School of Rutgers, The State University, the director of the clinics and the vice-dean of the dental school, together with the program participant and the executive director or his designee, shall evaluate the suitability of the placement for the program participant. At the end of the probationary period, the [primary care] supervisory staff shall recommend the continuation of the program participant's present placement, a change in placement, or its determination that the program participant is an unsuitable candidate for the program. If the [primary care] supervisory staff of the employer or approved site recommends a change in placement, the executive director or a designee shall approve an alternate placement at an employer or approved site. If the [primary care] supervisory staff determines that the program participant is not a suitable candidate for the program, the executive director or his designee shall take this recommendation into consideration in regard to the program participant's final acceptance into the program. No loan redemption payment shall be made during the six-month probationary period; however, a program participant shall receive credit for the six-month period in calculating the first year of required service under the loan redemption contract.

(cf: P.L.2012, c.45, s.102)
9. N.J.S. 18A:71C-39 is amended to read as follows:
18A:71C-39. The executive director or his designee, in consultation with the Commissioner of Health [and Senior Services], shall match program participants [interested in serving in State designated underserved areas or HPSAs to such sites.]
(cf: P.L. 2009, c. 145, s. 8)

10. N.J.S. 18A:71C-40 is amended to read as follows:
18A:71C-40. The executive director or his designee shall select the program participants from among those applicants who meet the eligibility criteria established pursuant to N.J.S. 18A:71C-34, subject to available funds and available approved sites, as applicable. No less than 40 percent of available funds in each program year shall be reserved for program participants serving at an approved site. In the event that there are insufficient funds or approved sites to select all of the applicants who meet the eligibility criteria, the executive director or his designee shall accord priority to applicants in the following manner:
   a. first, to any applicant who is completing a fourth, third or second year of a loan redemption contract;
   b. second, to any applicant according to the severity of the [physician, dentist, or other primary care] health care provider shortage in the area selected by the applicant; and
   c. third, to any applicant whose residence in the State at the time of entry into postsecondary education was within a State designated underserved area.
   In the event that there are more applicants who have the same priority than there are program positions, the executive director or his designee shall select program participants by means of a lottery or other form of random selection.
(cf: P.L. 2009, c. 145, s. 9)

11. N.J.S. 18A:71C-41 is amended to read as follows:
18A:71C-41. A program participant who has previously entered into a contract with the authority may nullify the agreement by notifying the authority in writing and reassuming full responsibility for the remaining outstanding balance of the loan debt. In no event shall service [at an approved site] for less than the full calendar year of each period of service entitle the program participant to any benefits under the program. A program participant seeking to nullify the contract before completing a second full year of service shall be required to pay 50 [%] percent of the redeemed portion of indebtedness in not more than one year following nullification of the agreement.
(cf: P.L. 2009, c. 145, s. 11)
12. N.J.S.18A:71C-44 is amended to read as follows
13A:71C-44. A student who is participating in the federally
administered National Health Service Corps Loan Repayment
Program, section 338B of the Public Health Service Act (42
U.S.C.s.254 l-1), shall not be eligible to participate simultaneously
in the [Primary Care Practitioner] Health Care Professional Loan
Redemption Program.
(cf: P.L.2009, c.145, s.15)

13. Section 18 of P.L.2009, c.145 (C.18A:71C-46.1) is amended
to read as follows:
18. The authority shall work with State institutions of medical,
dental, and other [primary] health care professional education to
ensure that information on the [Primary Care Practitioner] Health
Care Professional Loan Redemption Program is made available to
students upon enrollment.
(cf: P.L.2009, c.145, s.18)

14. Section 9 of P.L.2009, c.236 (C.18A:71C-58) is amended to
read as follows:
9. Of the funds annually appropriated for the [Primary Care
Practitioner] Health Care Professional Loan Redemption Program
established in the Higher Education Student Assistance Authority
pursuant to N.J.S.18A:71C-32 et seq., 25 [%] percent shall be
dedicated to the Nursing Faculty Loan Redemption Program
established pursuant to this act. The program shall be administered
directly by the Higher Education Student Assistance Authority.
(cf: P.L.2009, c.236, s.9)

15. Section 7 of P.L.2017, c.126 (C.18A:71C-65) is amended to
read as follows:
7. An individual who is participating in the [Primary Care
Practitioner] Health Care Professional Loan Redemption Program,
N.J.S.18A:71C-32 et seq., or in the federally administered National
Health Service Corps Loan Repayment Program, section 338B of
the Public Health Service Act (42 U.S.C. s.254l-1), shall not be
eligible to participate simultaneously in the tuition reimbursement
program established pursuant to this act.
(cf: P.L.2017, c.126, s.7)

16. (New section) The Commissioner of Health, after
consultation with the Commissioner of Labor and Workforce
Development, may designate additional health care fields
experiencing critical Statewide labor shortages for inclusion in the
program. Any additional health care field included in the program
shall require a degree in allopathic of osteopathic medicine.
There is appropriated from the General Fund to the Higher Education Student Assistance Authority the sum of $10,000,000 to effectuate the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill).

18. This act shall take effect immediately.

STATEMENT

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

The bill:

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

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

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

The shortage is not limited to just primary care physicians, as the American Association of Medical Colleges projects dire shortages by 2033 in surgical, medical, and other specialties like pathology.
and radiology. The sponsor also notes that the shortage of psychiatrists has been exacerbated by the pandemic. Those seeking help in New Jersey are experiencing long waits to meet with a psychiatrist, if they can get in at all. This bill seeks to improve New Jerseyans’ access to vital medical care by encouraging health care professionals to practice in the State.