

# SENATE, No. 3212

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED OCTOBER 17, 2022

**Sponsored by:**

**Senator GORDON M. JOHNSON**

**District 37 (Bergen)**

**Senator ROBERT W. SINGER**

**District 30 (Monmouth and Ocean)**

**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: 10/17/2022)**

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  
48 Higher Education Student Assistance Authority. The program shall

1 provide for the redemption of a portion of the eligible qualifying  
2 loan expenses of program participants for each year of service **【at**  
3 **an approved site】**.

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

5

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

7 18A:71C-34. To be eligible to participate in the program, an  
8 applicant shall:

9 a. be a resident of the State;

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

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

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

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

20

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

22 18A:71C-35. The Commissioner of Health **【and Senior**  
23 **Services】**, after consultation with the Commissioner of Corrections  
24 and the Commissioner of Human Services, shall designate and  
25 establish a ranking of State designated underserved areas. The  
26 criteria used by the Commissioner of Health **【and Senior Services】**  
27 in designating areas shall include, but not be limited to:

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

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

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

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

1 populations in that area.

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

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

7

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

9 18A:71C-36. a. In administering the program, the authority or  
10 its designated agent shall contract only with a primary care  
11 practitioner, psychiatrist, or other health care practitioner employed  
12 in a field designated by the Commissioner of Health for inclusion in  
13 the program pursuant to section 16 of P.L. , c. (C. ) (pending  
14 before the Legislature as this bill).

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

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

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

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

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

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

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

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

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

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

45

46 6. Section 10 of P.L.2009, c.145 (C.18A:71C-36.1) is amended  
47 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,  
47 State and other non-federal matching funds provided pursuant to

1 section 338I of the Public Health Service Act (42 U.S.C.s.254q-1).

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

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

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

19

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

21 18A:71C-38. Each program participant shall serve a six-month  
22 probationary period upon initial placement **【at an approved site】**.  
23 During that period, the **【primary care】** supervisory staff of the  
24 employer or approved site, or in the case of a clinic which is part of  
25 the extramural network of dental clinics established by the New  
26 Jersey Dental School of Rutgers, The State University, the director  
27 of the clinics and the vice-dean of the dental school, together with  
28 the program participant and the executive director or his designee,  
29 shall evaluate the suitability of the placement for the program  
30 participant. At the end of the probationary period, the **【primary**  
31 **care】** supervisory staff shall recommend the continuation of the  
32 program participant's present placement, a change in placement, or  
33 its determination that the program participant is an unsuitable  
34 candidate for the program. If the **【primary care】** supervisory staff of  
35 the employer or approved site recommends a change in placement,  
36 the executive director or a designee shall approve an alternate  
37 placement at an employer or approved site. If the **【primary care】**  
38 supervisory staff determines that the program participant is not a  
39 suitable candidate for the program, the executive director or his  
40 designee shall take this recommendation into consideration in  
41 regard to the program participant's final acceptance into the  
42 program. No loan redemption payment shall be made during the six-  
43 month probationary period; however, a program participant shall  
44 receive credit for the six-month period in calculating the first year  
45 of required service under the loan redemption contract.

46 (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

**S3212 JOHNSON, SINGER**

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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.