

SENATE, No. 3495

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

SYNOPSIS

Establishes Reproductive Health Care Professional Loan Redemption Program; appropriates \$5 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT establishing a loan redemption program for reproductive
2 health care professionals, supplementing chapter 71C of Title
3 18A of the New Jersey Statutes, and making an appropriation.

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

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8 1. The Legislature finds and declares:

9 a. The cost of becoming a physician has increased exponentially,
10 with some health care professionals accruing more than \$200,000 in
11 student loans.

12 b. One-third of New Jersey's counties, home to more than a
13 quarter of all New Jersey women, do not have an abortion provider.

14 c. Geographic proximity to reproductive health care services is
15 imperative and a lack of nearby providers remains a key barrier to
16 timely, quality care.

17 d. Since the Supreme Court's decision in *Dobbs v. Jackson*
18 *Women's Health Organization*, 21 states and counting have banned
19 or severely restricted abortion access, leading New Jersey to
20 become a vital resource for people seeking abortions.

21 e. Abortion providers have experienced an increase in out-of-
22 State patients, many of whom come to New Jersey because abortion
23 is illegal in their home state.

24 f. Establishing a loan redemption program for reproductive
25 health care professionals will reduce the costs associated with
26 becoming a health care professional and increase the number of
27 providers available in the State who care for the increasing number
28 of patients requiring reproductive health care services.

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30 2. As used in this act:

31 "Abortion" means any medical treatment intended to induce the
32 termination of a pregnancy and services rendered to facilitate the
33 termination which may include follow up care, except for the
34 purpose of producing a live birth. Abortion includes, but is not
35 limited to, aspiration abortion and medication abortion.

36 "Approved site" means a site providing reproductive health care
37 services, which shall be approved by the authority in consultation
38 with the Department of Health. Approved sites may include, but are
39 not limited to, sites operated by a nonprofit organization, hospitals,
40 clinics, physicians' offices, and other facilities providing
41 reproductive health care services. An approved site shall include
42 sites providing abortions.

43 "Aspiration abortion" means a procedure that terminates a
44 pregnancy utilizing manual or electric suction to empty the uterus.

45 "Authority" means the Higher Education Student Assistance
46 Authority.

47 "Eligible reproductive health care professional" means a person
48 who: is licensed, certified, or otherwise authorized to provide health

1 care services pursuant to Title 45 of the Revised Statutes and is
2 providing reproductive health care services in the State.

3 “Executive director” means the executive director of the Higher
4 Education Student Assistance Authority.

5 “Program” means the Reproductive Health Care Professional
6 Loan Redemption Program established pursuant to this act.

7 “Program participant” means an eligible reproductive health care
8 professional who contracts with the authority to engage in the
9 clinical practice of reproductive health care services at an approved
10 site in exchange for the redemption of qualifying student loan
11 amounts.

12 “Qualifying student loan amounts” means the cumulative
13 outstanding balance of State, federal, or commercial student loans
14 at the time an applicant is selected for the program, which an
15 applicant has borrowed to pay for the cost of attendance for
16 undergraduate or graduate education at an institution of higher
17 education. Interest paid or due on qualifying student loan amounts
18 shall be considered eligible for reimbursement under the program.

19 “Reproductive health care services” means and includes medical,
20 surgical, counseling, or referral services relating to the human
21 reproductive system including, but not limited to, services relating
22 to pregnancy, contraception, or abortion.

23 “Total and permanent disability” means a physical or mental
24 disability that is expected to continue indefinitely or result in death
25 and renders a program participant unable to perform the program
26 participant’s contractual obligation, as determined by the executive
27 director or the executive director’s designee.

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29 3. There is established a Reproductive Health Care
30 Professional Loan Redemption Program within the Higher
31 Education Student Assistance Authority. The program shall provide
32 for the redemption of a portion of the qualifying student loan
33 amounts of a program participant for each period of service at an
34 approved site.

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36 4. a. To be eligible to participate in the program, an applicant
37 shall:

38 (1) be a resident of the State;

39 (2) be employed as an eligible reproductive health care
40 professional at an approved site; and

41 (3) submit an application in a manner determined by the
42 executive director.

43 b. The executive director, or the executive director’s designee,
44 shall select the program participants from among those applicants
45 who meet the eligibility criteria, subject to available funds. The
46 executive director shall give preference to applicants employed as
47 an eligible reproductive health care professional in a county facing
48 a shortage of reproductive health care professionals.

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1 c. The program participant shall enter into a written contract
2 with the authority to participate in the program. The contract shall
3 specify the duration of the program participant's required service
4 and the total amount of qualifying student loan amounts to be
5 redeemed by the State in return for service.

6 d. The redemption of loans under the program shall amount to
7 18 percent of the program participant's qualifying student loan
8 amounts in return for one full year of service at an approved site, an
9 additional 26 percent for a second full year of service, an additional
10 28 percent for a third full year of service, and an additional 28
11 percent for a fourth full year of service. Total redemption of
12 qualifying student loan amounts under the program shall not exceed
13 \$200,000.

14 e. The period of service shall commence on or after the date of
15 enactment of this act.

16 f. No amount of qualifying student loan amounts shall be
17 redeemed for services performed for less than a full year.

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19 5. a. A program participant who has entered into a redemption
20 contract with the authority may nullify that contract by submitting
21 written notification to the authority and assuming full responsibility
22 for repayment of the full amount of the program participant's
23 student loan amounts.

24 b. In the case of a program participant's death or total and
25 permanent disability, the authority shall nullify the service
26 obligation of the program participant.

27 c. The authority may nullify or suspend a program participant's
28 service obligation if continued enforcement of the contract may
29 result in extreme hardship.

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31 6. A reproductive health care professional who is participating
32 in the federally administered National Health Service Corps Loan
33 Repayment Program, section 338B of the Public Health Service Act
34 (42 U.S.C. s.254 1-1), or any other loan redemption program
35 administered by the authority shall not be eligible to participate
36 simultaneously in the program.

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38 7. The authority shall adopt rules and regulations pursuant to
39 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
40 et seq.) necessary to implement the provisions of this act.

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42 8. There is appropriated from the General Fund to the Higher
43 Education Student Assistance Authority the sum of \$5,000,000 to
44 effectuate the provisions of this act.

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46 9. This act shall take effect immediately.

STATEMENT

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This bill establishes the Reproductive Health Care Professional Loan Redemption Program in the Higher Education Student Assistance Authority (HESAA). The loan redemption program is to provide for the redemption of a portion of a program participant's State, federal, or commercial student loans in exchange for the program participant's service at a site providing reproductive health care services, as approved by the authority. Under the bill, the sites may include sites operated by a nonprofit organizations, hospitals, clinics, physicians' offices, and other facilities providing reproductive health care services. An approved site under the bill includes sites providing abortion care.

To be eligible to participate in the program, an applicant is required to: (1) be a resident of the State; (2) be employed as an eligible reproductive health care professional, defined as a person who is licensed, certified, or otherwise authorized to provide health care services and who is providing reproductive health care services in the State; and (3) submit an application in a manner determined by the executive director of the HESAA.

In selecting program participants, the executive director is required to give preference to applicants employed as an eligible reproductive health care professional in a county facing a shortage of reproductive health care professionals. The bill stipulates that a selected program participant is to enter into a written contract with the authority. The contract is to specify the duration of the program participant's required service and the total amount of student loans to be redeemed in return for the service.

Under the bill, loan redemption is to amount to 18 percent of a program participant's qualifying loan amounts 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. The total loan redemption for a program participant is not to exceed \$200,000.

Finally, the bill stipulates that a reproductive health care professional, who is participating in the National Health Services Corps Loan Repayment Program or any other loan redemption program administered by the authority, is not eligible to simultaneously participate in the Reproductive Health Care Professional Loan Redemption Program.