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Fast-Track Regulation Agency Background Document

Agency name	Virginia Department of Health
Virginia Administrative Code (VAC) citation(s)	12 VAC 5-508
Regulation title(s)	Regulations Governing the Virginia Physician Loan Repayment Program
Action title	Amend Chapter 508 following Periodic Review to update the chapter
Date this document prepared	July 10, 2015

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

The State Board of Health (board) proposes to amend 12VAC5-508 Regulations Governing the Virginia Physician Loan Repayment Program. The proposed amendments update the chapter to conform to current practice and similar regulatory programs within the Virginia Department of Health, remove unnecessary sections and provide greater clarity to the regulations. The amendments further bring the chapter in line with requirements set forth in Title 32.1-122.6:1 as amended in the 2013 legislative session.

Acronyms and Definitions

Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.

No acronyms are used in this Agency Background Document. No technical terms are utilized in this document.

Statement of final agency action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

The amendments to the Regulations Governing the Virginia Physician Loan Repayment Program (12VAC5-508) were approved by the State Health Commissioner, on behalf of the Board while the Board was not in session on _____.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including: 1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable; and 2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.

The regulation is promulgated under the authority of §32.1-12 and §32.1-122.6:1 of Chapter 4 of Title 32.1 of the Code of Virginia (Code). Section 32.1-12 of the Code grants the Board the legal authority "to make, adopt, promulgate, and enforce such regulations necessary to carry out the provisions of Title 32.1 of the Code." Section 32.1-122.6:1 of the Code requires the Board establish a physician loan repayment program for graduates of accredited medical schools who have a specialty in the primary care areas of family practice medicine, general internal medicine, pediatrics and obstetrics/gynecology, or who are currently employed in a geriatrics fellowship.

Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Describe the specific reasons the regulation is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

To fulfill the statutory mandate to review regulations and to protect the citizens of the Commonwealth, the Virginia Department of Health (Department) conducted a periodic review of 12VAC5-508 *et. seq.* "Regulations Governing the Virginia Physician Loan Repayment Program." As a result of this review, the Department plans to begin the regulatory process to amend these regulations. During the review it was noted by the Department that amendments were required to update the regulations and conform the regulations to other similar regulatory programs within the Department, remove unnecessary sections and provide greater clarity. This regulatory chapter is mandated by the Code and increases the availability of adequate quality primary care in medically underserved areas in the Commonwealth. Further, facilities within medically underserved areas will be better positioned to retain qualified physicians because of the obligation created by accepting the loan repayment funds.

Rationale for using fast-track process

Please explain the rationale for using the fast-track process in promulgating this regulation. Why do you expect this rulemaking to be noncontroversial?

The amendments update the regulations to conform to similar regulatory programs within the Department. Similar regulatory programs have recently undergone amendments to update the programs. Those regulatory updates have not been controversial and have received no public comment; as these amendments are substantially similar the Department does not expect that this regulatory action will be controversial.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of changes" section below.

Definitions

12VAC5-508-10. Definitions. Amend this section to update outdated definitions. Add missing definitions. Add clarifying language. These amendments include updating the definition of full-time to at least 32 hours per week for 45 weeks per year to conform more closely to industry standard employment contracts.

Administration of the Virginia Physician Loan Repayment Program

12VAC5-508-20. Eligible applications. The substantive elements of this section were previously located in 12VAC5-508-50. Clarifying language inserted.

12VAC5-508-30. Application requirement. The substantive elements of this section were previously located in 12VAC5-508-60. The section was updated to reflect the current practice of similar regulatory programs.

12VAC5-508-40. Selection criteria. The substantive elements of this section were previously located in 12VAC5-508-70. Minor clarifying language was inserted.

12VAC5-508-50. Loans qualifying for repayment. The substantive elements of this section were previously located in 12VAC5-508-90. The section was updated to reflect the current practice of similar regulatory programs. Insertion of minor clarifying language.

12VAC5-508-60. Loan repayment Terms. The substantive elements of this section were previously located in 2VAC5-508-80, 12VAC5-508-140 and 12VAC5-508-150. The sections were combined and rearranged for reduced redundancy. Clarifying language was inserted. Maximum loan repayment dollar amounts were increased from \$50,000 to \$60,000 for the first two years of service and renewal amounts were increased from \$35,000 to \$40,000 per year for the third and fourth years. These increases bring the Virginia Physician Loan Repayment program into conformity with the award terms for the National Health Service Corps Loan Repayment Program and other similar programs.

12VAC5-508-70. Release of information. The substantive elements of this section were previously located in 12VAC5-508-110. Insertion of minor clarifying language.

12VAC5-508-80. Practice site. The substantive elements of this section were previously located in 12VAC5-508-120. This section was updated to reflect the current practice of similar regulatory programs.

12VAC5-508-90. Effective date for start of service. The substantive elements of this section were previously located in 12VAC5-508-130. Language regarding financial damages was removed from this section and moved to 12VAC5-508-160 (Breach of Contract).

12VAC5-508-100. Terms of service. The substantive elements of this section were previously located in 12VAC5-508-200. Unnecessary language was removed and minor clarifying language was inserted.

12VAC5-508-110. Compensation during service. The substantive elements of this section were previously located in 12VAC5-508-160.

12VAC5-508-120. Conditions of practice. The substantive elements of this section were previously located in 12VAC5-508-210.

12VAC5-508-130. Change of practice site. The substantive elements of this section were previously located in 12VAC5-508-190. Clarifying language was inserted.

12VAC5-508-140. Monitoring during service. The substantive elements of this section were previously located in 12VAC5-508-180. Minor clarifying language was inserted.

Contract

12VAC5-508-150. Loan repayment contract. The substantive elements of this section were previously located in 12VAC5-508-220. Minor clarifying language was inserted.

12VAC5-508-160. Breach of contract. The substantive elements of this section were previously located in 12VAC5-508-230. Minor clarifying language inserted.

12VAC5-508-170. Deferment or waiver of service. The substantive elements of this section were previously located in 12VAC5-508-250. The section regarding default due to death or permanent disability was amended to reflect language and current practice of similar regulatory chapters.

12VAC5-508-180. Cash reimbursement and penalty. The substantive elements of this section were previously located in 12VAC5-508-260. The section was reformatted to reflect current practice of similar regulatory chapters.

Records and Reporting

12VAC5-508-190. Reporting requirements. The substantive elements of this section were previously located in 12VAC5-508-270. Minor clarifying language was inserted.

The agency proposes repealing all other sections in Chapter 508.

Issues

Please identify the issues associated with the proposed regulatory action, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please indicate.

The primary advantages of the regulatory action to the public, the agency, and the Commonwealth is clearer and updated regulations, as well as consistency across regulatory programs. There are no known disadvantages related to the regulatory action.

Requirements more restrictive than federal

Please identify and describe any requirement of the proposal which is more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.

There are no requirements in this proposed action that exceed federal requirements.

Localities particularly affected

Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.

No locality will be particularly affected by the proposed regulation.

Regulatory flexibility analysis

Pursuant to § 2.2-4007.1B of the Code of Virginia, please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.

The alternative regulatory methods are not applicable. The regulations are mandated by law and there is no other method than by the proposed amendments to simplify and clarify the existing regulations.

Economic impact

Please identify the anticipated economic impact of the proposed new regulations or amendments to the existing regulation. When describing a particular economic impact, please specify which new requirement or change in requirement creates the anticipated economic impact.

<p>Projected cost to the state to implement and enforce the proposed regulation, including: a) fund source / fund detail; and b) a delineation of one-time versus on-going expenditures</p>	<p>Projected cost to the state is negligible.</p>
<p>Projected cost of the new regulations or</p>	<p>No projected cost is foreseen to implement and</p>

changes to existing regulations on localities.	enforce this regulatory proposal.
Description of the individuals, businesses, or other entities likely to be affected by the new regulations or changes to existing regulations.	Physicians desiring to work in medically underserved areas, patients and facilities within medically underserved areas within the Commonwealth.
Agency’s best estimate of the number of such entities that will be affected. Please include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated and; b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	According to the Health Resources and Services Administration there are currently 241 Health Professional Shortage Areas within the Commonwealth of Virginia.
All projected costs of the new regulations or changes to existing regulations for affected individuals, businesses, or other entities. Please be specific and include all costs including: a) the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; and b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the proposed regulatory changes or new regulations.	None. The regulatory amendments simply update the regulations and bring them into conformity with other similar regulatory programs.
Beneficial impact the regulation is designed to produce.	Clearer, more effective and less burdensome regulations.

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.

There are no other viable alternatives other than the proposed amendments to update and clarify the current regulations. The proposed amendments simply update the regulations and bring them into conformity with other similar regulatory programs. The regulations are mandated by law and the amendments decrease the regulatory burden of the chapter by conforming the regulations to other similar regulatory chapters. The regulatory chapter is not anticipated to be intrusive or bring a cost to small businesses.

Public participation notice

If an objection to the use of the fast-track process is received within the 30-day public comment period from 10 or more persons, any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, the agency shall: 1) file notice of the objections with the Registrar of Regulations for publication in the Virginia Register; and 2) proceed with the normal promulgation process with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.

Periodic review and small business impact review report of findings

If this fast-track is the result of a periodic review/small business impact review, use this form to report the agency's findings. Please (1) summarize all comments received during the public comment period following the publication of the Notice of Periodic Review and (2) indicate whether the regulation meets the criteria set out in Executive Order 17 (2014), e.g., is necessary for the protection of public health, safety, and welfare, and is clearly written and easily understandable. In addition, as required by 2.2-4007.1 E and F, please include a discussion of the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation from the public; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation.

No comments were received from the public during the recent periodic review. There is a continued need for the regulation as it is mandated by law. The Department has not received any complaints or comments concerning the regulation from the public. With the proposed amendments the regulation is clearly written and easily understandable and the Department is confident based on this most recent review the regulation does not overlap, duplicate or conflict with federal or state law or regulation.

Family impact

Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The board has assessed the impact the proposed amendments will have on the institution of the family and family stability. The board anticipates no impact to the family or family stability.

Detail of changes

*Please list all changes that are being proposed and the consequences of the proposed changes; explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation. If the proposed regulation is a new chapter, describe the intent of the language and the expected impact. Please describe the difference between existing regulation(s) and/or agency practice(s) and what is being proposed in this regulatory action. If the proposed regulation is intended to replace an emergency regulation, please list separately: (1) all differences between the **pre-emergency** regulation and this proposed regulation; and 2) only changes made since the publication of the emergency regulation.*

For changes to existing regulation(s), use this chart:

Current section	Proposed	Current requirement	Proposed change, intent,
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number	new section number, if applicable		rationale, and likely impact of proposed requirements
10 - Definitions		<p>The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:</p> <p>"Accredited residency" means a graduate medical education program in family practice medicine, general internal medicine, pediatric medicine, obstetrics and gynecology, or psychiatry accredited by the Liaison Committee on Graduate Medical Education.</p> <p>"Board" or "Board of Health" means the State Board of Health.</p> <p>"Commercial loans" means loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and either financial or credit institutions that are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the state in which the lender has its principal place of business.</p> <p>"Commissioner" means the State Health Commissioner.</p> <p>"Department" means Virginia Department of Health.</p> <p>"Full-time" means at least 40 hours per week for 45 weeks per year.</p> <p>"Health Professional Shortage Area" or "HPSA"</p>	<p>The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:</p> <p><u>"Accredited Approved residency" means a graduate medical education program in family practice medicine, general internal medicine, pediatric medicine, or obstetrics and gynecology, approved by the Board. In determining whether a course of study is acceptable, the Board may consider the reputation of the program and whether it is approved or accredited by regional or national educational or professional associations including but not limited to such organizations as by the accredited by the Accreditation Council for Liaison Committee on Graduate Medical Education, Liaison Committee on Medical Education, Council on Postgraduate Training of the American Osteopathic Association, Council on Osteopathic College Accreditation, College of Family Physicians of Canada, Committee for the Accreditation of Canadian Medical Schools, Education Commission on Foreign Medical Graduates, Royal College of Physicians and Surgeons of Canada, or their appropriate subsidiary agencies; by any appropriate agency of the United States government; or by any other organization approved by the Board.</u></p> <p>"Board" or "Board of Health" means the State Board of Health.</p> <p>"Commercial loans" means loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and either financial or credit institutions that are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the state in which the lender has its principal place of</p>

		<p>means a geographic area in Virginia designated by the Bureau of Primary Health Care, Health Resources and Services Administration as medically underserved in accordance with the procedures of the Public Health Service Act (42 USC § 254e) and implementing regulations (42 CFR Part 5.2).</p> <p>"Participant" or "loan repayment participant" means an eligible primary care physician or an eligible psychiatrist who enters into a contract with the commissioner and participates in the loan repayment program.</p> <p>"Penalty" means the amount of money equal to twice the amount of all monetary loan repayment paid to the loan repayment participant, less any service obligation completed.</p> <p>"Practice" means the practice of medicine by a recipient in one of the designated primary care specialties in a specific geographic area determined to be fulfillment of the recipient's loan repayment obligation.</p> <p>"Primary care" means the specialties of family practice medicine, general internal medicine, pediatric medicine, obstetrics and gynecology, and psychiatry.</p> <p>"Reasonable educational expenses" means the costs of education, exclusive of tuition, that are considered to be required by the school's degree program or</p>	<p>business.</p> <p>"Commissioner" means the State Health Commissioner. "Department" means Virginia Department of Health.</p> <p>"Full-time" means at least 40<u>32</u> hours per week for 45 weeks per year.</p> <p><u>"Geriatrics fellowship" means a geriatrics subspecialty training program following residency approved by the Board. In determining whether a course of study is acceptable, the Board may consider the reputation of the program and whether it is approved or accredited by regional or national educational or professional associations including but not limited to such organizations as the Accreditation Council for Graduate Medical Education, Liaison Committee on Medical Education, Council on Postgraduate Training of the American Osteopathic Association, Council on Osteopathic College Accreditation, College of Family Physicians of Canada, Committee for the Accreditation of Canadian Medical Schools, Education Commission on Foreign Medical Graduates, Royal College of Physicians and Surgeons of Canada, or their appropriate subsidiary agencies; by any appropriate agency of the United States government; or by any other organization approved by the Board.</u></p> <p>"Health Professional Shortage Area" or "HPSA" means a geographic <u>an</u> area in Virginia designated by the Bureau of Primary Health Care, Health Resources and Services Administration as <u>having a shortage of health professional(s) medically underserved</u> in accordance with the procedures of the Public Health Service Act (42 USC § 254e) and implementing regulations (42 CFR Part 5.2).</p> <p>"Participant" or "recipient-loan</p>
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		<p>an eligible program of study, such as fees for room, board, transportation and commuting costs, books, supplies, educational equipment and materials, and clinical travel, which was a part of the estimated student budget of the school in which the participant was enrolled.</p> <p>"State or local institution" means any Virginia state agency or local government agency that may require services of a primary care practitioner. This includes, but is not limited to, the Department of Health, the Department of Behavioral Health and Developmental Services, the Department of Corrections, the Department of Juvenile Justice, and local community services boards.</p> <p>"Virginia medically underserved area" or "VMUA" means a geographic area in Virginia designated by the State Board of Health in accordance with the Rules and Regulations for the Identification of Medically Underserved Areas (12VAC5-540) or § 32.1-122.5 of the Code of Virginia, or designated as a federal health professional shortage area (HPSA) in Virginia by the Bureau of Primary Health Care, Health Resources and Services Administration in accordance with the procedures of the Public Health Service Act (42 USC § 254e) and implementing regulations (42 CFR Part 5.2).</p>	<p>repayment participant" means an eligible primary care physician <u>or a physician currently employed in a geriatrics fellowship</u> or an eligible psychiatrist who enters into a contract with the commissioner and participates in the loan repayment program.</p> <p>"Penalty" means the amount of money equal to twice the amount of all monetary <u>loan repayment payments</u> paid to the loan repayment participant, less any service obligation completed.</p> <p>"Practice" means the practice of medicine by a recipient in <u>a geriatrics fellowship or in one of the designated primary care specialties</u> in a specific geographic area determined to be fulfillment of the recipient's loan repayment obligation.</p> <p>"Primary care" means the specialties of family practice medicine, general internal medicine, pediatric medicine, <u>and</u> obstetrics and gynecology, and psychiatry.</p> <p>"Reasonable educational expenses" means the costs of education, exclusive of tuition, that are considered to be required by the school's degree program or an eligible program of study, such as fees for room, board, transportation and commuting costs, books, supplies, educational equipment and materials, and clinical travel, which that was a part of the estimated student budget of the school in which the participant was enrolled.</p> <p>"State or local institution" means any Virginia state agency or local government agency that may require services of a primary care practitioner. This includes, but is not limited to, the Department of Health, the Department of Behavioral Health and Developmental Services, the Department of Corrections, the Department of</p>
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			<p>Juvenile Justice, and local community services boards.</p> <p>"Virginia medically underserved area" or "VMUA" means a geographic an area in Virginia designated by the State Board of Health in accordance with the Rules and Regulations for the Identification of Medically Underserved Areas (12VAC5-540) or and § 32.1-122.5 of the Code of Virginia, or designated as a federal health professional shortage area (HPSA) in Virginia by the Bureau of Primary Health Care, Health Resources and Services Administration in accordance with the procedures of the Public Health Service Act (42 USC § 254e) and implementing regulations (42 CFR Part 5.2).</p> <p>Intent: Update and correct the definitions of "Accredited residency", "Health Professional Shortage Area", "Participant" or "recipient", "penalty", "primary care", "reasonable educational expenses", and "Virginia medically underserved area." Addition of the definition for "Geriatrics fellowship"</p>
<p>20 -General information and purpose of chapter. Eligible applicants.</p>		<p>These regulations set forth the criteria for eligibility for the Virginia Physician Loan Repayment Program; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a state or local institution or a medically underserved area of Virginia, as identified by the Board of Health by regulation or a federal HPSA in Virginia, designated by the Bureau of Primary Health Care, Health Resources and Services Administration; and penalties for a recipient's failure to fulfill the practice requirements of the Virginia Physician Loan Repayment Program.</p>	<p>These regulations set forth the criteria for eligibility for the Virginia Physician Loan Repayment Program; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a state or local institution or a medically underserved area of Virginia, as identified by the Board of Health by regulation or a federal HPSA in Virginia, designated by the Bureau of Primary Health Care, Health Resources and Services Administration; and penalties for a recipient's failure to fulfill the practice requirements of the Virginia Physician Loan Repayment Program.</p> <p>The purpose of the Virginia Physician Loan Repayment Program is to improve the recruitment and retention of primary</p>

		<p>The purpose of the Virginia Physician Loan Repayment Program is to improve the recruitment and retention of primary care practitioners in underserved areas of Virginia and in state and local institutions. A limited number of loan repayment participation contracts will be signed with participants in return for service in a designated Virginia Medically Underserved Area (VMUA) or HPSA, and targeted at practitioners located in non-profit community-based or hospital-based primary care centers. Private-for-profit entities will be eligible depending on the insurance status of the patient population. State and local institutions are eligible. Loan repayment benefits are to be used to repay outstanding qualifying medical educational loans and are based on the availability of funds.</p>	<p>care practitioners in underserved areas of Virginia and in state and local institutions. A limited number of loan repayment participation contracts will be signed with participants in return for service in a designated Virginia Medically Underserved Area (VMUA) or HPSA, and targeted at practitioners located in non-profit community-based or hospital-based primary care centers. Private-for-profit entities will be eligible depending on the insurance status of the patient population. State and local institutions are eligible. Loan repayment benefits are to be used to repay outstanding qualifying medical educational loans and are based on the availability of funds.</p> <p><u>Eligible applicants for the Virginia Physician Loan Repayment Program shall:</u></p> <ol style="list-style-type: none"> <u>1. Be a United States citizen, national or a qualified alien pursuant to 8 U.S.C. § 1621;</u> <u>2. Have graduated from an accredited medical school;</u> <u>3. Be an allopathic (M.D.) or osteopathic (D.O.) physician who is enrolled in the final year of an approved residency program in allopathic medicine, osteopathic medicine, or already in practice; and who will have completed post-graduate training in an accredited residency or be employed or accepted in a geriatrics fellowship when the period of obligated service begins;</u> <u>4. Have a valid unrestricted Virginia license to practice medicine, a copy of which shall be furnished to the Virginia Physician Loan Repayment Program;</u> <u>5. Have submitted a completed application to participate in the Virginia Physician Loan Repayment Program;</u>
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			<p><u>6. Have no other contractual service obligation unless completely satisfied before the physician loan repayment program contract has been signed;</u></p> <p><u>7. Not have an active military obligation;</u></p> <p><u>8. Be employed or have a contract for employment in a HPSA, VMUA, approved geriatrics fellowship, or in a state or local institution within a month of the completion of the approved residency program or within a month of the application date, whichever is later;</u></p> <p><u>9. Not have a history of failing to comply with, or inability to comply with, service or payment obligations;</u></p> <p><u>10. Not have a history of noncompliance within any other state or federal scholarship or loan repayment program; and</u></p> <p><u>11. Have an educational loan balance that can be verified.</u></p> <p>Intent: Remove unnecessary language. The substantive elements of this section were previously located in 12VAC5-508-50. Physicians currently employed in a geriatrics fellowship were added to the list of physicians eligible to participate in the Physician Loan Repayment Program. Additional eligibility requirements were added to conform the regulatory chapter to similar regulatory programs.</p>
<p>30 - Compliance with the Administrative Process Act. <u>Application requirement.</u></p>		<p>Chapter 40 (§ 2.2-4000 et seq.) of Title 2.2 of the Code of Virginia (the Administrative Process Act) governs the promulgation and administration of this chapter and applies to any appeal of a case decision made pursuant to or based upon this chapter.</p>	<p>Chapter 40 (§ 2.2-4000 et seq.) of Title 2.2 of the Code of Virginia (the Administrative Process Act) governs the promulgation and administration of this chapter and applies to any appeal of a case decision made pursuant to or based upon this chapter.</p> <p><u>The applicant shall submit a completed application for loan repayment including documentation of eligibility requirements, to the Physician Loan Repayment</u></p>

			<p><u>Program, and the application shall be received in the department by the deadline date published on the department's website. The application form shall be available on the department's website.</u></p> <p>Intent: Remove unnecessary language. The substantive elements of this section were previously located in 12VAC5-508-60. The language was updated to reflect the current practice of similar regulatory programs. Specifying that the deadline date and application form shall be available on the department's website.</p>
<p>40 – <u>Administration</u> <u>Selection criteria</u></p>		<p>The State Health Commissioner, as executive officer of the Board of Health, shall administer this program. Any requests for variance from these regulations shall be considered on an individual basis by the board in regular session.</p>	<p>The State Health Commissioner, as executive officer of the Board of Health, shall administer this program. Any requests for variance from these regulations shall be considered on an individual basis by the board in regular session.</p> <p><u>Applicants shall be competitively reviewed and selected for participation in the Virginia Physician Loan Repayment Program based upon the following criteria:</u></p> <ol style="list-style-type: none"> <u>1. Commitment to serve. The individual's stated commitment to serve in a designated HPSA, VMUA, approved geriatrics fellowship, or in a state or local institution.</u> <u>2. Virginia residents/graduates. Preferential consideration shall be given to individuals who are or have been Virginia residents, or graduates of Virginia medical schools (verification shall be obtained by the Virginia Physician Loan Repayment Program).</u> <u>3. Residents of HPSAs or VMUAs. Preferential consideration shall be given to individuals who reside in rural or designated medically underserved areas (verification shall be obtained by the Virginia Physician Loan Repayment Program).</u>

			<p><u>4. Availability for service. Individuals who are immediately eligible and available for service shall be given higher consideration.</u></p> <p><u>5. Length of proposed commitment. Preferential consideration shall be given to individuals who commit to longer periods of service.</u></p> <p><u>6. Selection for participation. All of an individual's professional qualifications and competency to practice in an underserved area shall be considered, including board eligibility or specialty certification, professional achievements, and other indicators of competency received from supervisors, program directors, or other individuals who have agreed to enter into an employment contract with the individual.</u></p> <p>Intent: Removal of unnecessary language. The substantive elements of this section were previously located in 12VAC5-508-70. Minor clarifying language was inserted: specifying that an applicant must commit to serve in a designated health professional shortage area, Virginia medically underserved area, an approved geriatrics fellowship or in a state or local institution; clarifying that preferential consideration given to individuals who are natives of HPSAs or VMUAs shall be an additional selection criteria. Removal of language which is an eligibility requirement rather than a selection criterion.</p>
<p>50 - Eligible applicants <u>Loans qualifying for repayment</u></p>		<p>Eligible applicants for the Virginia Physician Loan Repayment Program must:</p> <ol style="list-style-type: none"> 1. Be a citizen of the United States; 2. Be an allopathic (M.D.) or osteopathic (D.O.) physician who is enrolled in the final year of an approved residency 	<p>Eligible applicants for the Virginia Physician Loan Repayment Program must:</p> <ol style="list-style-type: none"> 1. Be a citizen of the United States; 2. Be an allopathic (M.D.) or osteopathic (D.O.) physician who is enrolled in the final year of an approved residency program in allopathic medicine, osteopathic medicine, psychiatry, or already in

		<p>program in allopathic medicine, osteopathic medicine, psychiatry, or already in practice; and who will have completed post-graduate training in an accredited residency in specialties of family practice medicine, general internal medicine, general pediatrics, obstetrics/gynecology, osteopathic general practice or psychiatry when the period of obligated service begins. Note that obstetrics/gynecology practitioners must provide prenatal care and obstetric service to be eligible for the Virginia Physician Loan Repayment Program. Practitioners who practice only gynecology are not eligible to participate in the loan repayment program;</p> <p>3. Have a valid unrestricted Virginia license to practice medicine, a copy of which shall be furnished to the Virginia Physician Loan Repayment Program;</p> <p>4. Have submitted a completed application to participate in the Virginia Physician Loan Repayment Program; and</p> <p>5. Have signed and submitted a written contract agreeing to repay educational loans and to serve for the applicable period of obligated service in an area of defined need.</p>	<p>practice; and who will have completed post-graduate training in an accredited residency in specialties of family practice medicine, general internal medicine, general pediatrics, obstetrics/gynecology, osteopathic general practice or psychiatry when the period of obligated service begins. Note that obstetrics/gynecology practitioners must provide prenatal care and obstetric service to be eligible for the Virginia Physician Loan Repayment Program. Practitioners who practice only gynecology are not eligible to participate in the loan repayment program;</p> <p>3. Have a valid unrestricted Virginia license to practice medicine, a copy of which shall be furnished to the Virginia Physician Loan Repayment Program;</p> <p>4. Have submitted a completed application to participate in the Virginia Physician Loan Repayment Program; and</p> <p>5. Have signed and submitted a written contract agreeing to repay educational loans and to serve for the applicable period of obligated service in an area of defined need.</p> <p><u>A. Based on the availability of funds, the loan repayment program shall pay for the cost of education necessary to obtain a medical degree. The program shall pay toward the outstanding principal, interest, and related expense of verifiable federal, state, or local government loans and commercial loans obtained by the participant for:</u></p> <p><u>1. Tuition expenses; and</u></p> <p><u>2. Other reasonable educational expenses.</u></p> <p><u>B. All loan repayment awards shall be applied only to outstanding educational loans secured while attending an accredited medical</u></p>
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			<p><u>school. Qualifying outstanding educational loans shall:</u></p> <p><u>1. Have sufficient documentation verifying the educational use of the loans;</u></p> <p><u>2. Not exceed the "reasonable" levels as determined by the school's standard budget in the year the loan was made; and</u></p> <p><u>3. Not include loans from friends and relatives.</u></p> <p><u>C. The department shall be the final authority in determining qualifying educational loans.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-90. The section has been updated to reflect the current practice of similar regulatory programs.</p>
<p>60 - Application requirement and restrictions <u>Loan Repayment Terms</u></p>		<p>The applicant must submit a completed application for loan repayment on a form provided by the Virginia Physician Loan Repayment Program between the dates of January 1 and May 1 of the year in which the applicant intends to initiate practice in a medically underserved area. The applicant must agree to serve for not less than two years and up to four years.</p>	<p>The applicant must submit a completed application for loan repayment on a form provided by the Virginia Physician Loan Repayment Program between the dates of January 1 and May 1 of the year in which the applicant intends to initiate practice in a medically underserved area. The applicant must agree to serve for not less than two years and up to four years.</p> <p><u>A. Repayment of loans shall begin after the commissioner has received notification that the participant has officially accepted placement and has begun the required service obligation.</u></p> <p><u>B. The applicant shall agree to serve a minimum of two years for a loan repayment amount of up to \$60,000 with an option for renewal in the third and fourth years. Renewals shall only be granted if the applicant can show a reduction in his educational loan balances. The loan repayment amount shall depend upon availability of funds and the applicant's indebtedness. In no event shall the amount of the</u></p>

			<p><u>loan repayment exceed the total indebtedness.</u></p> <p><u>C. Payment shall be a lump-sum payment. Payment shall be made to the recipient. A participant shall be paid one lump sum payment of \$60,000 the first year for the minimum two-year commitment. If a participant commits to a service obligation greater than two years, he shall be paid a lump sum payment of \$40,000 each following year depending on the availability of funds.</u></p> <p><u>D. The maximum number of years of participation in the loan repayment program to which a participant may commit is four years. Verification of payment to the lender shall be required and submitted to the department. It shall be the responsibility of the participant to negotiate with each lending institution the terms of the educational loan repayments.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-80, 12VAC5-508-140 and 12VAC5-508-150. The sections were combined and rearranged for reduced redundancy and greater clarity.</p>
<p>70 - <u>Selection criteria-Release of information</u></p>		<p>Applicants shall be competitively reviewed and selected for participation in the Virginia Physician Loan Repayment Program based upon the following criteria:</p> <ol style="list-style-type: none"> 1. Commitment to serve. The individual's stated commitment to serve in a designated medically underserved area of Virginia or in a state or local institution. 2. Virginia residents/graduates. Preferential consideration will be given to individuals who are or have been Virginia residents, 	<p>Applicants shall be competitively reviewed and selected for participation in the Virginia Physician Loan Repayment Program based upon the following criteria:</p> <ol style="list-style-type: none"> 1. Commitment to serve. The individual's stated commitment to serve in a designated medically underserved area of Virginia or in a state or local institution. 2. Virginia residents/graduates. Preferential consideration will be given to individuals who are or have been Virginia residents, graduates of Virginia medical schools (verification will be obtained by the Virginia Physician Loan Repayment Program), or natives of rural or

		<p>graduates of Virginia medical schools (verification will be obtained by the Virginia Physician Loan Repayment Program), or natives of rural or designated medically underserved areas.</p> <p>3. Availability for service. Individuals who are immediately eligible and available for service will be given higher consideration.</p> <p>4. Length of proposed commitment. Preferential consideration will be given to individuals who commit to longer periods of service.</p> <p>5. Selection for participation. All of an individual's professional qualifications and competency to practice in an underserved area will be considered, including board eligibility or specialty certification, professional achievements, and other indicators of competency received from supervisors, program directors, or other individuals who have agreed to enter into an employment contract with the individual.</p> <p>6. No other obligations. Individuals shall have no other obligation for health professional service to the federal government or state government unless such obligation will be completely satisfied prior to the beginning of service under the Virginia Physician Loan Repayment Program.</p>	<p>designated medically underserved areas.</p> <p>3. Availability for service. Individuals who are immediately eligible and available for service will be given higher consideration.</p> <p>4. Length of proposed commitment. Preferential consideration will be given to individuals who commit to longer periods of service.</p> <p>5. Selection for participation. All of an individual's professional qualifications and competency to practice in an underserved area will be considered, including board eligibility or specialty certification, professional achievements, and other indicators of competency received from supervisors, program directors, or other individuals who have agreed to enter into an employment contract with the individual.</p> <p>6. No other obligations. Individuals shall have no other obligation for health professional service to the federal government or state government unless such obligation will be completely satisfied prior to the beginning of service under the Virginia Physician Loan Repayment Program.</p> <p><u>Applicants shall agree to execute a release of information to allow the department access to loan records, credit information, and information from lenders necessary to verify eligibility and to determine loan repayments. To facilitate the process, applicants shall submit payment statements from each lending institution.</u></p> <p><u>Participants who have consolidated qualifying loans with other loans shall submit upon request other documentation, such as copies of original loan applications, to verify the portion of the loan that qualifies for repayment.</u></p>
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<p>80 - <u>Loan repayment amount Practice site</u></p>		<p>The amount that the Commonwealth agrees to repay will depend upon availability of funds and the applicant's indebtedness, but no amount will exceed the total indebtedness. For each year of participation, the Commonwealth will repay loan amounts according to the following schedule: two years of service will receive up to \$50,000 (minimum requirement); three years of service will receive up to \$85,000; and four years of service will receive up to \$120,000.</p>	<p>The amount that the Commonwealth agrees to repay will depend upon availability of funds and the applicant's indebtedness, but no amount will exceed the total indebtedness. For each year of participation, the Commonwealth will repay loan amounts according to the following schedule: two years of service will receive up to \$50,000 (minimum requirement); three years of service will receive up to \$85,000; and four years of service will receive up to \$120,000.</p> <p><u>All sites eligible for a participant's loan repayment service obligation shall be located in a designated HPSA, VMUA, an approved geriatrics fellowship, or in a state or local institution. The department shall publish a list of preapproved areas on the department's website.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-120. Clarifying language was inserted and the section was updated. By publishing the list of preapproved practice sites on the department's website the program will be more efficient and transparent.</p>
<p>90 - <u>Loans qualifying for repayment Effective date for start of service</u></p>		<p>Based on the availability of funds, the loan repayment program will pay for the cost of education necessary to obtain a medical degree. The program will pay toward the outstanding principal, interest, and related expense of federal, state, or local government loans (not to include repayment of the Virginia Medical Scholarship Program) and commercial loans obtained</p>	<p>Based on the availability of funds, the loan repayment program will pay for the cost of education necessary to obtain a medical degree. The program will pay toward the outstanding principal, interest, and related expense of federal, state, or local government loans (not to include repayment of the Virginia Medical Scholarship Program) and commercial loans obtained by the participant for:</p> <p>1. School tuition and required fees incurred by the participant;</p>

		<p>by the participant for:</p> <ol style="list-style-type: none"> 1. School tuition and required fees incurred by the participant; 2. Other reasonable educational expenses, including fees, books and laboratory expenses; and 3. Reasonable living expenses. 	<ol style="list-style-type: none"> 2. Other reasonable educational expenses, including fees, books and laboratory expenses; and 3. Reasonable living expenses. <p><u>Applicants shall become participants in the loan repayment program only when the applicant and the commissioner or his designee have signed the loan repayment program contract. The effective start date of the obligated service under the contract is the date of employment or the date of the commissioner's signature on the contract, whichever is later.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-130. Unnecessary language which was related to breach of contract was removed from this section and moved to 12VAC5-508-160.</p>
<p>100 - <u>Repayment restrictions Terms of Service.</u></p>		<p>A. The following financial debts or service obligations are not qualified for repayment by the loan repayment program:</p> <ol style="list-style-type: none"> 1. Public Health Service Physician Shortage Area Scholarship; 2. Public Health and National Health Service Corps Scholarship Training Program; 3. Indian Health Service Scholarship Program; 4. Armed Forces Health Professions Scholarship Programs; 5. National Health Service Corps Scholarship Program financial damages or loans obtained to repay such damages; 6. Indian Health Corps Scholarship or loans 	<p>A. The following financial debts or service obligations are not qualified for repayment by the loan repayment program:</p> <ol style="list-style-type: none"> 1. Public Health Service Physician Shortage Area Scholarship; 2. Public Health and National Health Service Corps Scholarship Training Program; 3. Indian Health Service Scholarship Program; 4. Armed Forces Health Professions Scholarship Programs; 5. National Health Service Corps Scholarship Program financial damages or loans obtained to repay such damages; 6. Indian Health Corps Scholarship or loans obtained to repay such damages; 7. Financial damages or loans obtained to repay damages incurred as a result of breach of contract with

		<p>obtained to repay such damages;</p> <p>7. Financial damages or loans obtained to repay damages incurred as a result of breach of contract with any other federal, state, local agency or commercial institution;</p> <p>8. Loans for which documentation verifying the educational use of the loans is not available or is not sufficient;</p> <p>9. Loans or part of loans obtained for educational or personal expenses during the participant's education that exceed the "reasonable" level, as determined by the school's standard budget in the year the loan was made;</p> <p>10. Loans that have been repaid in full, and loans that incur their own obligation for service which has not yet been performed;</p> <p>11. Loans from friends and relatives; and</p> <p>12. The Virginia Medical Scholarship Program.</p> <p>B. The Department of Health will be the final authority in determining qualifying educational loans.</p>	<p>any other federal, state, local agency or commercial institution;</p> <p>8. Loans for which documentation verifying the educational use of the loans is not available or is not sufficient;</p> <p>9. Loans or part of loans obtained for educational or personal expenses during the participant's education that exceed the "reasonable" level, as determined by the school's standard budget in the year the loan was made;</p> <p>10. Loans that have been repaid in full, and loans that incur their own obligation for service which has not yet been performed;</p> <p>11. Loans from friends and relatives; and</p> <p>12. The Virginia Medical Scholarship Program.</p> <p>B. The Department of Health will be the final authority in determining qualifying educational loans. The following are the terms of service for the loan repayment program: <u>The following are the terms of service for the loan repayment program:</u></p> <p><u>1. The participant shall contract to provide a minimum of two years of the required service with a maximum of four years in whole year increments. Additional service beyond the two-year commitment is dependent upon the availability of state funds for the Virginia Physician Loan Repayment Program. An existing contract may be renewed for one year at a time up to a maximum of four years, as funds become available;</u></p> <p><u>2. The participant shall provide full-time service.</u></p> <p><u>3. No period of internship, residency, or other advanced</u></p>
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			<p><u>clinical training, except an approved geriatrics fellowship, may count toward satisfying a period of obligated service under this loan repayment program.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-200. Repetitive language and unnecessary language was removed.</p>
<p>110 - <u>Release of information Compensation during service</u></p>		<p>Applicants shall agree to execute a release to allow the board access to loan records, credit information, and information from lenders necessary to verify eligibility and to determine loan repayments. To facilitate the process, applicants should submit pay-off statements from each lending institution.</p> <p>Participants who have consolidated qualifying loans with other loans may be asked to submit other documentation, such as copies of original loan applications, to verify the portion of the loan that qualifies for repayment.</p> <p>The applicant is required to submit all requested loan documentation prior to approval by the Commonwealth.</p>	<p>Applicants shall agree to execute a release to allow the board access to loan records, credit information, and information from lenders necessary to verify eligibility and to determine loan repayments. To facilitate the process, applicants should submit pay-off statements from each lending institution.</p> <p>Participants who have consolidated qualifying loans with other loans may be asked to submit other documentation, such as copies of original loan applications, to verify the portion of the loan that qualifies for repayment.</p> <p>The applicant is required to submit all requested loan documentation prior to approval by the Commonwealth.</p> <p>Each participant shall be <u>responsible for negotiating his own compensation package directly with the site where he will provide primary health care services.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-160. A minor correction was made to the language.</p>
<p>120 - <u>Service obligation sites Conditions of Practice</u></p>		<p>All sites eligible for loan repayment participation will be located in a designated medically underserved area of the Commonwealth or in a state or local institution. All placements must be to an approved entity providing primary health care within the designated VMUA or HPSA</p>	<p>All sites eligible for loan repayment participation will be located in a designated medically underserved area of the Commonwealth or in a state or local institution. All placements must be to an approved entity providing primary health care within the designated VMUA or HPSA or a state or local institution. Each applicant will be provided with a list of preapproved areas.</p>

		<p>or a state or local institution. Each applicant will be provided with a list of preapproved areas.</p>	<p><u>A. The participant shall agree to provide health services without discrimination, regardless of a patient's ability to pay. Payments from Medicare and Medicaid shall be accepted by the designated practice site.</u> <u>B. The participant shall agree to comply with all policies, rules, and regulations of the designated practice site.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-210. Minor clarifying language was inserted to ensure consistency of terminology throughout the chapter.</p>
<p>130 - <u>Effective date for start of service— Change of practice site</u></p>		<p>Applicants become participants in the loan repayment program only when the applicant and the commissioner or designee have signed the loan repayment program contract. The effective start date of the obligated service under contract is the date of employment or the date of the commissioner's signature, whichever is later.</p> <p>If the contracted participant fails to begin or complete the period of professional practice to which he has agreed, the participant will be subject to the financial damages specified in the contract.</p>	<p>Applicants become participants in the loan repayment program only when the applicant and the commissioner or designee have signed the loan repayment program contract. The effective start date of the obligated service under contract is the date of employment or the date of the commissioner's signature, whichever is later.</p> <p>If the contracted participant fails to begin or complete the period of professional practice to which he has agreed, the participant will be subject to the financial damages specified in the contract.</p> <p><u>Should any participant find that he is unable to fulfill the required service commitment at the practice site to which he has committed to practice, he may request approval of a change of practice site. Such requests shall be made in writing. The commissioner in his discretion may approve such a request. All practice sites, including changes of practice sites, shall be selected with the approval of the commissioner.</u></p> <p><u>In the event of a dispute between the participant and the practice site, every effort shall be made to resolve the dispute before reassignment will be permitted.</u></p>

			<p>Intent: The substantive elements of this section were previously located in 12VAC5-508-190. Clarifying language was inserted to clarify that the participant chooses their new practice site with approval from the commissioner.</p>
<p>140 - Repayment policy <u>Monitoring during service</u></p>		<p>It will be the responsibility of the participant to negotiate with each lending institution for the terms of the educational loan repayments. Each lending institution must certify that the participant's debt is a valid educational loan prior to payment by the loan repayment program. Any penalties associated with early repayment shall be the responsibility of the participant.</p>	<p>It will be the responsibility of the participant to negotiate with each lending institution for the terms of the educational loan repayments. Each lending institution must certify that the participant's debt is a valid educational loan prior to payment by the loan repayment program. Any penalties associated with early repayment shall be the responsibility of the participant.</p> <p><u>Monitoring of the recipient's service obligation shall be conducted on an ongoing basis by department staff. Service verification forms shall be submitted by the participant to the department semi-annually (every six months), countersigned by a representative of the service site (e.g., the medical director, human resource coordinator, chief executive officer) certifying continuous full-time service by the participant.</u></p> <p><u>The participant shall maintain practice records in a manner that will allow the department to readily determine if the individual has complied with or is complying with the terms and conditions of the contract. Department staff reserves the right to conduct a regular survey to ensure that all participants are maintaining practices that accept Medicare and Medicaid assignment and do not discriminate based on the patient's ability to pay.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-180. Minor clarifying language was inserted to ensure consistency of terminology across the chapter.</p>
<p>150 - <u>Disbursement</u></p>		<p>In an effort to assist loan repayment participants in</p>	<p>In an effort to assist loan repayment participants in reducing their</p>

<p><u>procedure— Loan repayment contract</u></p>		<p>reducing their educational debt with as little interest expense as is possible, the Virginia Physician Loan Repayment Program will disburse the funds in a lump sum payment. A participant will be paid one lump sum payment up to \$50,000 the first year for the minimum two-year commitment within 45 days of execution of the contract. If a participant commits to a service obligation greater than two years, he will be paid a lump sum payment up to \$35,000 the following year depending on availability of funds, approximately 45 days after the beginning of the subsequent year. The maximum number of years to which a participant can commit is four years.</p>	<p>educational debt with as little interest expense as is possible, the Virginia Physician Loan Repayment Program will disburse the funds in a lump sum payment. A participant will be paid one lump sum payment up to \$50,000 the first year for the minimum two-year commitment within 45 days of execution of the contract. If a participant commits to a service obligation greater than two years, he will be paid a lump sum payment up to \$35,000 the following year depending on availability of funds, approximately 45 days after the beginning of the subsequent year. The maximum number of years to which a participant can commit is four years.</p> <p><u>Prior to becoming a participant in the Virginia Physician Loan Repayment Program, the applicant shall enter into a contract with the commissioner agreeing to the terms and conditions upon which the loan repayment is granted. The contract shall:</u></p> <ol style="list-style-type: none"> <u>1. Include the terms and conditions to carry out the purposes and intent of this program;</u> <u>2. Provide that the participant shall be required to i) provide primary health care services at an approved site in a designated HPSA, VMUA or in a state or local institution for a minimum period of two years or ii) be employed in an approved geriatrics fellowship for a minimum of two years. All loan repayment program participation shall be contingent upon continuous, full-time practice in a designated HPSA, VMUA, an approved geriatrics fellowship or in a state or local institution;</u> <u>3. Provide for repayment of all amounts paid, plus interest, and penalties, less any service time, in the event of breach of the contract;</u> <u>4. Be signed by the applicant; and</u>
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			<p><u>5. Be signed by the commissioner or his designee.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-220. Minor clarifying language was inserted to utilize defined terms and specify what qualifies as a medically underserved area.</p>
<p>160 - <u>Compensation during service</u> <u>Breach of contract</u></p>		<p>Each participant is responsible for negotiating his own compensation package directly with the site where he will provide primary health care services.</p>	<p>Each participant is responsible for negotiating his own compensation package directly with the site where he will provide primary health care services.</p> <p><u>A. The following may constitute breach of contract:</u></p> <p><u>1. Participant's failure to begin or complete his term of obligated service under the terms and conditions of the Virginia Physician Loan Repayment contract, regardless of the length of the agreed period of obligated service;</u></p> <p><u>2. Participant's falsification and/or misrepresentation of information on the program application or verification forms or other required documents;</u></p> <p><u>3. Participant's employment is terminated for good cause, as determined by the employer and confirmed by the department. If employment is terminated for reasons beyond the participant's control (e.g., closure of site), the participant shall transfer to another approved site in a designated HPSA, VMUA, approved geriatrics fellowship or in a state or local institution within six months of termination. Failure of participant to find a transfer site within this time limit shall be deemed to be a breach of the contract.</u></p> <p><u>B. In the event of a breach of contract, the participant shall make default payments as described in 12VAC5-508-180 and in accordance with the terms of the contract. In the event of a breach of</u></p>

			<p><u>contract where the recipient has partially fulfilled his obligation, the total amount of reimbursement shall be prorated by the proportion of obligation completed.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-230. Minor clarifying language was inserted to utilize defined terms and specify what qualifies as a medically underserved area.</p>
<p>170 - Tax implications <u>Deferment or waiver of service</u></p>		<p>Loan repayments are income and, therefore, are taxable by the United States Internal Revenue Service. It will be the responsibility of each participant to report the loan repayment award when preparing his tax return. Program participants should consider working with a qualified tax advisor regarding this matter.</p> <p>The department will provide a form 1099 to applicants awarded loan repayment.</p>	<p>Loan repayments are income and, therefore, are taxable by the United States Internal Revenue Service. It will be the responsibility of each participant to report the loan repayment award when preparing his tax return. Program participants should consider working with a qualified tax advisor regarding this matter.</p> <p>The department will provide a form 1099 to applicants awarded loan repayment.</p> <p>A. <u>Participants have the obligation to complete full-time continuous service for the period of their entire commitment. Under unusual circumstances, as described in 12VAC5-508-170(B), a participant may request that the board agree to a deferment of the service obligation. This deferment, if granted, shall not relieve the participant of the responsibility to complete the remaining portion of the obligation. Such deferment shall not be permitted as a matter of course, but may be allowed in the most compelling cases.</u></p> <p>B. <u>Individual cases may be considered by the board for a variance of payment or service, pursuant to §32.1-12 of the Code of Virginia, if it finds compliance with the applicable service</u></p>

			<p><u>requirements or default repayment would pose an undue hardship on the recipient.</u></p> <p><u>C. If the participant is in default due to death or disability so as not to be able to engage in medical practice in a designated HPSA, VMUA, approved geriatrics fellowship, or in a state or local institution in the Commonwealth, the participant or his personal representative may be relieved of his obligation under the contract to engage in medical practice, upon repayment to the Commonwealth, of the total amount of loan repayment received plus interest and penalty as stated in the contract. For participants completing part of the required service obligation prior to becoming permanently disabled or in the event of death, the total amount of loan repayment funds owed shall be reduced by the proportion of obligated years served. The obligation to make restitution may be waived by the board upon application of the participant or the participant's representative to the board.</u></p> <p><u>D. All requests for deferments, waivers or variances must be submitted in writing to the department for consideration and final disposition by the board.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-250. The language regarding waiver was clarified. The proposed amendments reflect language utilized in similar regulatory programs.</p>
<p>180 - Monitoring during service Cash</p>		<p>Monitoring of the service by participants shall be conducted on an ongoing</p>	<p>Monitoring of the service by participants shall be conducted on an ongoing basis by department</p>

<p><u>reimbursement and penalty</u></p>		<p>basis by department staff. Service verification forms will be submitted by the participant to the department semi-annually (every six months), countersigned by a representative of the service site, to include, but not limited to, a medical director, human resource coordinator, or chief executive officer, certifying continuous full-time service by the participant.</p> <p>The participant is required to maintain practice records in a manner that will allow the department to readily determine if the individual has complied with or is complying with the terms and conditions of the participation agreement. Department staff reserves the right to conduct a regular survey to ensure that all participants are maintaining practices that accept Medicare and Medicaid assignment and do not discriminate based on the patient's ability to pay.</p>	<p>staff. Service verification forms will be submitted by the participant to the department semi-annually (every six months), countersigned by a representative of the service site, to include, but not limited to, a medical director, human resource coordinator, or chief executive officer, certifying continuous full-time service by the participant.</p> <p>The participant is required to maintain practice records in a manner that will allow the department to readily determine if the individual has complied with or is complying with the terms and conditions of the participation agreement. Department staff reserves the right to conduct a regular survey to ensure that all participants are maintaining practices that accept Medicare and Medicaid assignment and do not discriminate based on the patient's ability to pay.</p> <p><u>Participants who serve less than their obligated service are liable for repayment, including interest and penalty, to the Commonwealth as stated in the contract, reduced by the proportion of obligated years served.</u></p> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-260. The language was amended to reflect language utilized in similar regulatory programs.</p>
<p><u>190 - Change of practice site—Reporting requirements</u></p>		<p>Should any participant find that he is unable to fulfill the service commitment at the loan repayment site to which he has committed to practice, he may be placed in breach of contract status or he may be expected to continue service at another approved loan repayment site within six months from departure from the previous site. This site will be selected in consultation with the participant and</p>	<p>Should any participant find that he is unable to fulfill the service commitment at the loan repayment site to which he has committed to practice, he may be placed in breach of contract status or he may be expected to continue service at another approved loan repayment site within six months from departure from the previous site. This site will be selected in consultation with the participant and with the approval of the commissioner.</p>

		<p>with the approval of the commissioner.</p> <p>In the event of a dispute between the participant and the site, every effort will be made to resolve the dispute before reassignment will be permitted.</p>	<p>In the event of a dispute between the participant and the site, every effort will be made to resolve the dispute before reassignment will be permitted.</p> <p><u>Reporting requirements of the participant are as follows:</u></p> <ol style="list-style-type: none"> <u>1. Each participant shall at any time provide information as required by the department to verify compliance with the practice requirements of the Virginia Physician Loan Repayment Program.</u> <u>2. Each participant shall promptly notify the department, in writing, within 30 days of any of the following events:</u> <ol style="list-style-type: none"> <u>a. Participant changes name;</u> <u>b. Participant changes address;</u> <u>c. Participant changes practice site;</u> <u>d. Participant no longer intends or is able to fulfill service obligation as a primary care health care provider in a designated HPSA, VMUA, approved geriatrics fellowship or in a state or local institution; or</u> <u>e. Participant ceases to practice as a physician.</u> <p>Intent: The substantive elements of this section were previously located in 12VAC5-508-270. Minor clarifying language was inserted to utilize defined terms and specify what qualifies as a medically underserved area.</p>
<p>200 - Terms of service</p>		<p>The following are the terms of service for the loan repayment program:</p> <ol style="list-style-type: none"> 1. The participant shall contract to provide a minimum of two years with a maximum of up to four years in whole year increments. Additional service beyond the two-year commitment is 	<p>The following are the terms of service for the loan repayment program:</p> <ol style="list-style-type: none"> 1. The participant shall contract to provide a minimum of two years with a maximum of up to four years in whole year increments. Additional service beyond the two-year commitment is dependent upon the availability of state funds for the Virginia Physician Loan Repayment

		<p>dependent upon the availability of state funds for the Virginia Physician Loan Repayment Program. An existing contract may be renewed for one year at a time up to a maximum of four years, as funds become available;</p> <p>2. The participant shall begin service within 12 months from entering into the contract;</p> <p>3. The participant shall provide full-time service of at least 40 hours per week for 45 weeks per year to allow for continuing education, holidays, and vacation. The minimum 40-hour week must not be performed in less than four days per week, with no more than 12 hours of work performed in any 24-hour period. Time spent in an "on-call" status will not count toward the 40-hour week. Any exceptions to the "on-call" provisions of this section must be approved in advance by the commissioner prior to placement.</p> <p>4. No period of internship, residency, or other advanced clinical training may count toward obligated service under this loan repayment program.</p>	<p>Program. An existing contract may be renewed for one year at a time up to a maximum of four years, as funds become available;</p> <p>2. The participant shall begin service within 12 months from entering into the contract;</p> <p>3. The participant shall provide full-time service of at least 40 hours per week for 45 weeks per year to allow for continuing education, holidays, and vacation. The minimum 40-hour week must not be performed in less than four days per week, with no more than 12 hours of work performed in any 24-hour period. Time spent in an "on-call" status will not count toward the 40-hour week. Any exceptions to the "on-call" provisions of this section must be approved in advance by the commissioner prior to placement.</p> <p>4. No period of internship, residency, or other advanced clinical training may count toward satisfying a period of obligated service under this loan repayment program.</p> <p>Intent: Repeal an unnecessary section.</p>
<p>210—Conditions of practice</p>		<p>A. The participant must agree to provide health services without discrimination regardless of a patient's ability to pay. Payments from Medicare and Medicaid must be accepted by the designated service site.</p> <p>B. The participant must agree to comply with all</p>	<p>A. The participant must agree to provide health services without discrimination regardless of a patient's ability to pay. Payments from Medicare and Medicaid must be accepted by the designated service site.</p> <p>B. The participant must agree to comply with all policies, rules, and regulations of the designated service site.</p>

		<p>policies, rules, and regulations of the designated service site.</p>	<p>Intent: Repeal an unnecessary section.</p>
<p>220 –Loan repayment contract</p>		<p>Prior to becoming a participant in the Virginia Physician Loan Repayment Program, the applicant shall enter into a contract with the commissioner agreeing to the terms and conditions upon which the loan repayment is granted. The contract shall:</p> <ol style="list-style-type: none"> 1. Include the terms and conditions to carry out the purposes and intent of this program; 2. Provide that the participant will be required to provide primary health care services at an approved site in a designated medically underserved area or in a state or local institution for a minimum period of two years. A four-year commitment is required in order to be eligible for the maximum amount of loan repayment, depending upon availability of funds. All loan repayment program participation will be contingent upon continuous, full-time practice in a medically underserved area of Virginia or in a state or local institution; 3. Provide for repayment of all amounts paid, plus interest, and penalties, less any service time, as set out in the contract in the event of breach of the contract; 4. Be signed by the applicant; and 5. Be signed by the commissioner or his designee. 	<p>Prior to becoming a participant in the Virginia Physician Loan Repayment Program, the applicant shall enter into a contract with the commissioner agreeing to the terms and conditions upon which the loan repayment is granted. The contract shall:</p> <ol style="list-style-type: none"> 1. Include the terms and conditions to carry out the purposes and intent of this program; 2. Provide that the participant will be required to provide primary health care services at an approved site in a designated medically underserved area or in a state or local institution for a minimum period of two years. A four-year commitment is required in order to be eligible for the maximum amount of loan repayment, depending upon availability of funds. All loan repayment program participation will be contingent upon continuous, full-time practice in a medically underserved area of Virginia or in a state or local institution; 3. Provide for repayment of all amounts paid, plus interest, and penalties, less any service time, as set out in the contract in the event of breach of the contract; 4. Be signed by the applicant; and 5. Be signed by the commissioner or his designee. <p>Intent: Repeal an unnecessary section.</p>

<p>230 --Breach of contract</p>		<p>The following may constitute breach of contract:</p> <ol style="list-style-type: none"> 1. Participant's failure to begin or complete his term of obligated service under the terms and conditions of the Virginia Physician Loan Repayment contract, regardless of the length of the agreed period of obligated service; 2. Participant's falsification and/or misrepresentation of information on the program application or verification forms or other required documents; 3. Participant's employment being terminated for good cause, as determined by the employer and confirmed by the department. If employment is terminated for reasons beyond the participant's control (e.g., closure of site), the participant must transfer to another approved site in a designated medically underserved area or in a state or local institution within six months of termination. Failure of participant to accept such a transfer site shall be deemed to be a breach of the contract; and 4. Participant's failure to provide all reasonable, usual and customary full-time health care service for at least 45 weeks per year. 	<p>The following may constitute breach of contract:</p> <ol style="list-style-type: none"> 1. Participant's failure to begin or complete his term of obligated service under the terms and conditions of the Virginia Physician Loan Repayment contract, regardless of the length of the agreed period of obligated service; 2. Participant's falsification and/or misrepresentation of information on the program application or verification forms or other required documents; 3. Participant's employment being terminated for good cause, as determined by the employer and confirmed by the department. If employment is terminated for reasons beyond the participant's control (e.g., closure of site), the participant must transfer to another approved site in a designated medically underserved area or in a state or local institution within six months of termination. Failure of participant to accept such a transfer site shall be deemed to be a breach of the contract; and 4. Participant's failure to provide all reasonable, usual and customary full-time health care service for at least 45 weeks per year. <p>Intent: Repeal an unnecessary section.</p>
<p>240 --Collection procedure</p>		<p>If any person who has received funds and has been declared in breach of contract under this program at any time becomes an employee of the Commonwealth or any of its agencies, he shall be</p>	<p>If any person who has received funds and has been declared in breach of contract under this program at any time becomes an employee of the Commonwealth or any of its agencies, he shall be deemed to have agreed, as a condition of employment, to</p>

		<p>deemed to have agreed, as a condition of employment, to voluntarily or involuntarily have his wages withheld to repay the default damages.</p> <p>Failure of a participant to make any repayment of the penalty when it is due shall be cause for the commissioner to refer the debt to the Attorney General of the Commonwealth of Virginia for collection. The recipient shall be responsible for any costs of collection as may be provided in Virginia law.</p>	<p>voluntarily or involuntarily have his wages withheld to repay the default damages.</p> <p>Failure of a participant to make any repayment of the penalty when it is due shall be cause for the commissioner to refer the debt to the Attorney General of the Commonwealth of Virginia for collection. The recipient shall be responsible for any costs of collection as may be provided in Virginia law.</p> <p>Intent: Repeal an unnecessary section.</p>
<p>250 –Waiver or suspension or both</p>		<p>Participants have the obligation to complete full-time continuous service for the period of their entire commitment. Under unusual circumstances (e.g., illness), a participant may request that the commissioner agree to a postponement of the service obligation. This postponement, if granted, will not relieve the participant of the responsibility to complete the remaining portion of the obligation. Such postponement will not be permitted as a matter of course, but may be allowed in the most compelling cases.</p> <p>Waiver of the default provisions may be considered if the participant suffers from a physical or mental disability that occurs after the participant's commitment and results in the total and permanent inability of the participant to perform the obligated service (as determined by the commissioner), or if the participant dies during the</p>	<p>Participants have the obligation to complete full-time continuous service for the period of their entire commitment. Under unusual circumstances (e.g., illness), a participant may request that the commissioner agree to a postponement of the service obligation. This postponement, if granted, will not relieve the participant of the responsibility to complete the remaining portion of the obligation. Such postponement will not be permitted as a matter of course, but may be allowed in the most compelling cases.</p> <p>Waiver of the default provisions may be considered if the participant suffers from a physical or mental disability that occurs after the participant's commitment and results in the total and permanent inability of the participant to perform the obligated service (as determined by the commissioner), or if the participant dies during the period of obligated service.</p> <p>Intent: Repeal of an unnecessary section.</p>

<p>260 - Cash reimbursement and penalty</p>		<p>period of obligated service. Regardless of the length of the agreed period of obligated service, participants who serve less than the two-year minimum (but at least one year) are liable to pay monetary damages to the Commonwealth of Virginia as stated in the contract. The default penalty will require the participant to repay twice the total amount of the award received. (For example, if a recipient owes \$50,000, he would have to repay a total of \$100,000.)</p>	<p>Regardless of the length of the agreed period of obligated service, participants who serve less than the two-year minimum (but at least one year) are liable to pay monetary damages to the Commonwealth of Virginia as stated in the contract. The default penalty will require the participant to repay twice the total amount of the award received. (For example, if a recipient owes \$50,000, he would have to repay a total of \$100,000.)</p> <p>Intent: Repeal an unnecessary section.</p>
<p>270 - Reporting requirements</p>		<p>Reporting requirements of the loan repayment participant are as follows:</p> <ol style="list-style-type: none"> 1. Each participant shall at any time provide information as required by the commissioner to verify compliance with the practice requirements of the Virginia Physician Loan Repayment Program, e.g., verification of employment, see 12VAC5-508-180. 2. Each participant shall promptly notify the commissioner, in writing, within 30 days before any of the following events occur: <ol style="list-style-type: none"> a. Participant changes name; b. Participant changes address; c. Participant changes practice site; d. Participant no longer intends to fulfill service obligation as a primary care health care provider in a designated medically underserved area; or 	<p>Reporting requirements of the loan repayment participant are as follows:</p> <ol style="list-style-type: none"> 1. Each participant shall at any time provide information as required by the commissioner to verify compliance with the practice requirements of the Virginia Physician Loan Repayment Program, e.g., verification of employment, see 12VAC5-508-180. 2. Each participant shall promptly notify the commissioner, in writing, within 30 days before any of the following events occur: <ol style="list-style-type: none"> a. Participant changes name; b. Participant changes address; c. Participant changes practice site; d. Participant no longer intends to fulfill service obligation as a primary care health care provider in a designated medically underserved area; or e. Participant ceases to practice as a physician. <p>Intent: Repeal an unnecessary section.</p>

		e. Participant ceases to practice as a physician.	
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