



Virginia
Regulatory
Town Hall

Proposed Regulation Agency Background Document

Agency Name:	Department of Health
VAC Chapter Number:	12 VAC 5-508
Regulation Title:	Virginia Physician Loan Repayment Program
Action Title:	Make emergency Virginia Physician Loan Repayment Program regulations permanent
Date:	April 6, 2001

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

Summary

Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

These new regulations set forth the criteria for eligibility for the Virginia Physician Loan Repayment Program for primary care physicians and psychiatrists; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a designated medically underserved area or an approved state or local institution; and penalties for a recipient's failure to fulfill the practice requirements of the Virginia Physician Loan Repayment Program.

Basis

Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.

Legal authority to promulgate this regulation is in §32.1-122.6:1 of the Code of Virginia and the Appropriation Act of 2000, Item 300 C. The scope of these regulations is to regulate a loan repayment program for physicians, psychiatrists, and medical students willing to practice their profession in designated medically underserved areas of the Commonwealth in exchange for payment of their medical educational loans.

See the following web site addresses <http://leg1.state.va.us/000/1st/LS602282.htm>, Code of Virginia site, and <http://leg1.state.va.us/001/bud/SubCom/HB30.pdf>, Appropriation Act site.

Purpose

Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.

These regulations set forth the criteria for eligibility for the Virginia Medical Loan Repayment Program for primary care physicians and psychiatrists; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a Virginia Medically Underserved Area (VMUA), as identified by the Board of Health by regulation or a federal Health Professional Shortage Area (HPSA) in Virginia, designated by the Bureau of Primary Health Care, Health Resources Administration; and penalties for a recipient's failure to fulfill the practice requirements of the Virginia Medical Loan Repayment Program.

These regulations are intended to increase access to health care in medically underserved areas of the Commonwealth. The goal is to reduce the number of medical shortage areas in the Commonwealth and reduce health disparities that exist between race, gender, socio-economic, and age groups that are found within these medically underserved areas.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.

The loan repayment program has never been implemented because funding, until now, was not available. The Appropriation Act of 2000, Item 300 C. provides use of unexpended scholarship funds for this program. The program will provide a positive incentive to recruit primary care physicians, psychiatrists, and medical students to practice in designated medically underserved areas or in approved state or local institutions of the Commonwealth. Therefore, citizens of underserved areas can stay within their communities for health care, communities will be strengthened by having health practitioners living and working in their area, and state institutions seeking practitioners will have a pool of applicants from which to recruit.

Issues

Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 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 include a sentence to that effect.

The primary advantage to the citizens of the designated underserved areas is that they can stay within their communities for health care. Another advantage is that the communities will be strengthened by having health practitioners living and working in their area. In addition, state and local institutions seeking practitioners will now have a pool of applicants from which they can hire for their physician positions. This regulation has no disadvantages to the citizens of the Commonwealth.

Fiscal Impact

Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.

Funds for implementaton of this regulation are currently available from the balance of funds after medical scholarships are awarded through the Virginia Medical Scholarship Program (12 VAC 5-530) within a fiscal year. Therefore, if all funds are used by the scholarship program, no funds will be available for the loan repayment program. Funds are from the General Fund (0100), Higher Education Student Financial Assistance (10800), Scholarships (10810). There is no projected cost for localities, individuals, businesses, or other entities.

Detail of Changes

Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.

There are no changes to report because this is a new regulation.

Alternatives

Please describe the specific 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.

The agency chose to alter federal regulations of a successful loan repayment program it administers through a grant from the National Health Service Corps (NHSC), see 42 CFR 62, Subpart C. Because there is now funding for a state loan repayment program, the agency chose to use one application package for both programs. This method of applying for either program has been determined to be less burdensome for applicants. When an application is received, the agency makes the determination of which program the applicant will become a participant. This determination is based on guidelines published by the NHSC, these regulations for the Virginia Loan Repayment Program, and available funds. For example an applicant for the NHSC Loan Repayment Program must work in a designated Health Professional Shortage Area (HPSA). Whereas, the Virginia Loan Repayment Program allows applicants to work in HPSAs or designated Virginia Medically Underserved Areas. Applicants must complete an application package. This application package is essential to determine qualified applicants and reduce potential fraud in the program.

Public Comment

Please summarize all public comment received during the NOIRA comment period and provide the agency response.

The agency has received two letters of public comment as of April 6, 2001. These comments were based on the emergency regulations and they will be summarized during the public comment period for adoption of these permanent regulations.

Clarity of the Regulation

Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.

The regulations have been extensively reviewed by personnel at all levels of the agency, by the Office of the Attorney General, and the Department of Planning and Budget, because they were first proposed as emergency regulations. After making suggested changes from all reviewers, the regulations are easily understandable.

Periodic Review

Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.

After the 60 day comment period, the agency will review all public comments and determine if the regulations should be amended. Review will take place no later than three years after the effective date of this regulation.

Family Impact Statement

Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which 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.

Overall this regulation will have a positive impact on the institution of the family and family stability. Placing medical practitioners in designated underserved communities will save disposable family income by reducing automobile costs, because travel distance to seek medical care is reduced. Individuals will seek care for their children, their parents, or themselves when needed, because they will miss less time from work. Families will have a greater opportunity to be part of a "medical home" within their own community, enhancing continuity of care as well as health outcomes.