

CHAPTER 21. STUDENT SERVICES

SUBCHAPTER J. THE PHYSICIAN EDUCATION LOAN REPAYMENT PROGRAM

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21.251. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter J, Repayment of Certain Physician Education Loans. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 61.531 through 61.540.

(b) Purpose. The purpose of the Physician Education Loan Repayment Program is to encourage qualified physicians to practice medicine in a health professional shortage area designated by the Texas Department of State Health Services, and provide health care services to recipients under the medical assistance program authorized by the Texas Human Resources Code, Chapter 32, and to enrollees under the child health plan program authorized by the Texas Health and Safety Code, Chapter 62.

21.252. Administration.

The Texas Higher Education Coordinating Board, or its successor or successors, shall administer the Physician Education Loan Repayment Program and may enter into a memorandum of understanding with the Texas Department of State Health Services to perform specified duties in administering the program.

21.253. Dissemination of Information.

The Board shall disseminate information about the Physician Education Loan Repayment program to health-related institutions of higher education, appropriate state agencies, and any interested professional associations.

21.254. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) CHIP – The Children’s Health Insurance Program, authorized by the Texas Health and Safety Code, Chapter 62.
- (3) Commissioner – The commissioner of higher education, the chief executive officer of the Board.
- (4) Federally Qualified Health Center – Any entity in Texas defined under 42 USC §1396d (l)(2)(B).
- (5) DSHS – The Texas Department of State Health Services.
- (6) Full-time Service – An average of at least 32.5 hours of direct patient care per week at the HPSA practice site.
- (7) HPSA – A Health Professional Shortage Area, which is a part of a county or population designated by the U. S. Department of Health and Human Services (HHS) on the basis of meeting the criteria identified in Sec. 215 of the Public Health Service Act, 58 Stat. 690 (42 U.S.C. 216); Sec. 332 of the Public Health Service Act, 90 Stat. 2270 - 2272 (42 U.S.C. 254e). Texas HPSAs are recommended for designation by HHS based on analysis of data by DSHS.
- (8) Medicaid – The medical assistance program authorized by Chapter 32, Human Resources Code.
- (9) Non-profit facility – A healthcare facility identified as a 501(c)(3) by the Internal Revenue Service.
- (10) Primary Care Specialty – family medicine, general practice, obstetrics/gynecology, general internal medicine, general pediatrics, psychiatry, or geriatrics.
- (11) Rural HPSA – A HPSA-designated county or a HPSA-designated area or population in a county of less than 50,000 people.
- (12) Service Period – A period of 12 consecutive months qualifying a physician for loan repayment.

21.255. Loan Repayment Assistance Under Former Law; Saving Provision.

Physicians qualifying for loan repayment assistance on the basis of applications submitted to the Board before September 1, 2009, may receive loan repayment assistance pursuant to Sections 61.531 through 61.539 of the Texas Education Code, the statute in effect prior to the passage of H.B.2154, 81st Texas Legislature.

21.256. Eligibility.

- (a) To be eligible for the Board to reserve loan repayment funds, a physician must:

- (1) ensure that the Board or its designee has received the application by the stated deadline;
  - (2) at the time of application, hold an unrestricted license to practice medicine under Subtitle B, Title 3, Occupations Code;
  - (3) not be currently fulfilling another obligation to provide medical services in exchange for loan repayment or any other benefit or incentive; and
  - (4) agree to provide four consecutive years of service in a HPSA.
- (b) To be eligible to receive loan repayment assistance, a physician must:
- (1) have completed one, two, three, or four years of consecutive practice in a HPSA;
  - (2) during the service period, have provided direct patient care to:
    - (A) Medicaid enrollees and
    - (B) CHIP enrollees;
  - (3) follow a policy of providing health care to all who present for care, regardless of ability to pay or lack of insurance; and
  - (4) if qualifying on the basis of a practice located in a HPSA designated for its low-income population, must accept payments on a sliding fee scale .

21.257. Application Ranking Criteria.

If there are not sufficient funds to award loan repayment assistance for all eligible physicians whose applications are received by the stated deadline, applications shall be ranked according to the following criteria, in priority order:

- (1) renewal applications;
- (2) satisfactorily earned and maintained certification from an American Specialty Board that is a member of the American Board of Medical Specialties or the Bureau of Osteopathic Specialists in one of the following specialties:
  - (A) primary care specialties, or
  - (B) other specialties, if the DSHS determines that there is a critical need for the applicant's specialty in the HPSA where the practice is located.
- (3) HPSA score for practice location;
- (4) practice located in a rural HPSA; and
- (5) practice in a Federally Qualified Health Center.

21.258. Eligible Education Loan.

To be eligible for repayment, an education loan must:

- (1) be evidenced by a promissory note for loans to pay for the cost of attendance for undergraduate, graduate, or medical education at an accredited institution in the United States;
- (2) not have been made during residency;
- (3) not be in default at the time of the physician's application;
- (4) not have an existing service obligation;
- (5) not be subject to repayment through another student loan repayment or loan forgiveness program;
- (6) if the loan was consolidated with other loans, the physician must provide documentation of the portion of the consolidated debt that was originated to pay for the cost of attendance for the physician's undergraduate, graduate, or medical education at an accredited institution in the United States.

21.259. Amount of Repayment Assistance.

(a) A physician whose total student loan indebtedness is at least \$160,000 may receive repayment assistance based on full-time service for the following amounts:

- (1) for the first year of service, \$25,000;
- (2) for the second year of service, \$35,000;
- (3) for the third year of service, \$45,000;
- (4) for the fourth year of service, \$55,000.

(b) If a physician's total student loan indebtedness is less than \$160,000, the annual loan repayment amounts based on full-time service will be the amounts required to repay the indebtedness over a period of four years, with annual increases that are proportional to the annual increases for physicians whose student loan indebtedness is at least \$160,000.

(c) The total amount of repayment assistance to a physician may not exceed \$160,000 over a period of no more than four years.

(d) A physician may receive prorated loan repayment assistance based on the percentage of full-time service provided for each year of service.

21.260. Limitations.

(a) The total amount of repayment assistance to a physician may not exceed \$160,000 over a period of no more than four years.

(b) Except under circumstances determined by the Board and DSHS to constitute good cause, failure to meet the program requirements will result in non-payment for that year and removal

from the program. Additionally, providers who do not meet the requirements will be ineligible to apply for other loan repayment programs in Texas.

21.261. Disbursement of Loan Repayment Assistance.

(a) The annual loan repayment amount may be disbursed in the form of:

(1) one or multiple state warrants co-payable to the physician and the holder(s) of the loan(s), or

(2) one or multiple state warrants or electronic payments delivered directly to the holder(s) on the physician's behalf.

(b) The Board shall follow Internal Revenue Service requirements for reporting of loan repayment assistance to physicians during each calendar year.

21.262. Reporting of Retention Rates.

Prior to September 1 of every even numbered year, the Board shall report to the Legislative Budget Board and the Governor the results of a survey of physicians who have completed a Physician Education Loan Repayment Program contract to practice in a HPSA to determine rates of retention in those shortage areas and counties.