

HOUSE BILL 289

J2, F2, C3

3lr0836

By: **Delegates Cardin, Bromwell, Donoghue, Morhaim, Murphy, and Tarrant**

Introduced and read first time: January 23, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Loan Assistance Repayment Program for Physicians –**
3 **Participation in a Consumer Operated and Oriented Plan (CO-OP) Network**

4 FOR the purpose of authorizing the Office of Student Financial Assistance to assist in
5 the repayment of an education loan owed by a physician who practices primary
6 care and participates in the provider network of a Consumer Operated and
7 Oriented Plan (CO-OP) that sells health benefit plans through the Maryland
8 Health Benefit Exchange; establishing the priority of funding, through the
9 Maryland Loan Assistance Repayment Program for Physicians, for the
10 repayment of education loans for physicians practicing primary care and
11 participating in the provider network of a CO-OP; establishing requirements
12 for the amount of a loan awarded to a physician who practices primary care and
13 participates in the provider network of a CO-OP; defining a certain term; and
14 generally relating to the Maryland Loan Assistance Repayment Program for
15 Physicians.

16 BY repealing and reenacting, with amendments,
17 Article – Education
18 Section 18-2801, 18-2805, and 18-2806
19 Annotated Code of Maryland
20 (2008 Replacement Volume and 2012 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – Education
23 Section 18-2802 through 18-2804
24 Annotated Code of Maryland
25 (2008 Replacement Volume and 2012 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1

Article – Education

2 18–2801.

3 (a) In this subtitle the following words have the meanings indicated.

4 (b) **“CO-OP” MEANS A CONSUMER OPERATED AND ORIENTED PLAN**
5 **ESTABLISHED UNDER THE FEDERAL PATIENT PROTECTION AND AFFORDABLE**
6 **CARE ACT, AS AMENDED BY THE FEDERAL HEALTH CARE AND EDUCATION**
7 **RECONCILIATION ACT OF 2010.**

8 (c) “Department” means the Department of Health and Mental Hygiene.

9 [(c)] (D) “Education loan” means any loan that is obtained for tuition,
10 educational expenses, or living expenses for undergraduate or graduate study leading
11 to practice as a physician.

12 [(d)] (E) “Fund” means the Maryland Loan Assistance Repayment Program
13 Fund.

14 [(e)] (F) “Primary care” includes:

- 15 (1) Primary care;
- 16 (2) Family medicine;
- 17 (3) Internal medicine;
- 18 (4) Obstetrics;
- 19 (5) Pediatrics;
- 20 (6) Geriatrics;
- 21 (7) Emergency medicine; and
- 22 (8) Psychiatry.

23 [(f)] (G) “Program” means the Maryland Loan Assistance Repayment
24 Program for Physicians.

25 18–2802.

26 (a) (1) There is a Maryland Loan Assistance Repayment Program Fund in
27 the State.

1 (2) The Fund is a continuing, nonlapsing fund that is not subject to §
2 7–302 of the State Finance and Procurement Article.

3 (3) The State Treasurer shall hold the Fund separately, and the
4 Comptroller shall account for the Fund.

5 (4) The Fund shall be invested and reinvested in the same manner as
6 other State funds.

7 (5) Any investment earnings of the Fund shall be paid into the Fund.

8 (b) The Fund consists of:

9 (1) Revenue generated through an increase, as approved by the Health
10 Services Cost Review Commission, to the rate structure of all hospitals in accordance
11 with § 19–211 of the Health – General Article; and

12 (2) Any other money from any other source accepted for the benefit of
13 the Fund.

14 (c) Expenditures from the Fund shall be made by an appropriation in the
15 annual State budget or by an approved budget amendment as provided under § 7–209
16 of the State Finance and Procurement Article.

17 (d) The money in the Fund shall be used by the Office to administer the
18 Program.

19 18–2803.

20 There is a Maryland Loan Assistance Repayment Program for Physicians in the
21 State.

22 18–2804.

23 (a) (1) In this section, “eligible field of employment” means employment
24 by an organization, institution, association, society, or corporation that is exempt from
25 taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

26 (2) “Eligible field of employment” includes employment by the State or
27 any local government in the State.

28 (b) The Office shall assist in the repayment with the funds transferred to the
29 Office by the Comptroller under § 14–207(c)(2)(i) of the Health Occupations Article of
30 the amount of education loans owed by a physician who:

31 (1) (i) Practices primary care in an eligible field of employment in
32 a geographic area of the State that has been federally designated; or

1 (ii) Is a medical resident specializing in primary care who
2 agrees to practice for at least 2 years as a primary care physician in an eligible field of
3 employment in a geographic area of the State that has been federally designated; and

4 (2) Meets any other requirements established by the Office, in
5 consultation with the Department.

6 (c) Any unspent portions of the money that is transferred to the Office for
7 use under this subtitle from the Board of Physicians Fund may not be transferred to or
8 revert to the General Fund of the State, but shall remain in the Fund maintained by
9 the Office to administer the Program.

10 18–2805.

11 (a) In addition to the assistance provided under § 18–2804 of this subtitle,
12 the Office may, subject to the availability of money in the Fund, assist in the
13 repayment of an education loan owed by a physician who:

14 (1) (I) Practices a medical specialty that has been identified by the
15 Department as being in shortage in the geographic area of the State where the
16 physician practices that specialty; and

17 [(2)] (II) Commits to practicing in the area for a period of time
18 determined by the Office; OR

19 (2) (I) PRACTICES PRIMARY CARE; AND

20 (II) PARTICIPATES IN THE PROVIDER NETWORK OF A
21 CO-OP THAT SELLS HEALTH BENEFIT PLANS THROUGH THE MARYLAND
22 HEALTH BENEFIT EXCHANGE ESTABLISHED UNDER TITLE 31 OF THE
23 INSURANCE ARTICLE.

24 (b) The Office shall prioritize funding for the repayment of education loans
25 through the Program in the following order:

26 (1) Physicians that meet the requirements under § 18–2804(b) of this
27 subtitle;

28 (2) Physicians practicing primary care in a geographic area where the
29 Department has identified a shortage of primary care physicians; [and]

30 (3) Physicians practicing a medical specialty other than primary care
31 in a geographic area where the Department has identified a shortage of that specialty;
32 AND

1 **(4) PHYSICIANS PRACTICING PRIMARY CARE AND PARTICIPATING**
2 **IN THE PROVIDER NETWORK OF A CO-OP.**

3 18–2806.

4 **(A) [The] SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE** Office, in
5 collaboration with the Department, shall adopt regulations to implement the
6 provisions of this subtitle, including:

7 (1) Establishing the maximum number of participants in the Program
8 each year in each priority area described under § 18–2805 of this subtitle; and

9 (2) Establishing the minimum and maximum amount of a loan
10 awarded under this subtitle in each priority area described under § 18–2805 of this
11 subtitle.

12 **(B) A LOAN AWARDED TO A PHYSICIAN WHO PRACTICES PRIMARY CARE**
13 **AND PARTICIPATES IN THE PROVIDER NETWORK OF A CO-OP:**

14 **(1) SHALL BE IN THE AMOUNT OF \$5,000 FOR EACH YEAR THE**
15 **PHYSICIAN PARTICIPATES IN THE PROVIDER NETWORK OF A CO-OP; AND**

16 **(2) MAY NOT EXCEED THE LESSER OF:**

17 **(I) A TOTAL OF \$50,000; OR**

18 **(II) THE AMOUNT OF THE EDUCATION LOAN.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2013.