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By: **Senators Teitelbaum, Conway, DeGrange, Dorman, and Exum**  
Introduced and read first time: February 1, 2002  
Assigned to: Education, Health, and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Physicians - Default on Federal Education Loans or Service Obligations -**  
3                                   **Penalties**

4 FOR the purpose of requiring the State Board of Physician Quality Assurance to  
5 suspend a physician's license under certain circumstances; requiring the Board  
6 to send the physician notice of the Board's intention to suspend at least a certain  
7 number of months before the suspension; allowing the physician who has  
8 received notice of suspension to request a certain hearing and to make  
9 arrangements for repayment of a defaulted loan or satisfaction of a service  
10 obligation within a certain time period; providing for certain penalties if a  
11 physician fails to satisfy a debt obligation or fails to begin satisfying a debt  
12 obligation; requiring the Board to reinstate a physician's suspended license if  
13 certain requirements are met; providing that the suspension of license under  
14 this section is not a contested case under the Administrative Procedure Act;  
15 providing that each violation of this section is a separate violation; authorizing  
16 the Board to charge a certain fee; and generally relating to the penalties for  
17 physicians defaulting on federal education loans.

18 BY adding to  
19 Article - Health Occupations  
20 Section 14-509  
21 Annotated Code of Maryland  
22 (2000 Replacement Volume and 2001 Supplement)

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

25                                   **Article - Health Occupations**

26 14-509.

27 (A) THE BOARD SHALL SUSPEND THE LICENSE OF A PHYSICIAN PRACTICING  
28 IN THE STATE WHO HAS BEEN CERTIFIED BY A FEDERAL OR STATE AGENCY AND  
29 REPORTED TO THE BOARD FOR NONPAYMENT, DEFAULT, OR BREACH OF A  
30 REPAYMENT OR SERVICE OBLIGATION UNDER ANY FEDERAL OR STATE

1 EDUCATIONAL LOAN, LOAN REPAYMENT, OR SERVICE CONDITIONAL SCHOLARSHIP  
2 PROGRAM ACCORDING TO THE PROVISIONS OF THIS SECTION.

3 (B) THE BOARD SHALL SEND THE PHYSICIAN NOTICE OF THE BOARD'S  
4 INTENTION TO SUSPEND THE PHYSICIAN'S LICENSE AT LEAST 6 MONTHS PRIOR TO  
5 THE EFFECTIVE DATE OF THE SUSPENSION.

6 (C) UPON RECEIPT OF THE BOARD'S NOTICE OF SUSPENSION, THE PHYSICIAN  
7 SHALL HAVE:

8 (1) THE OPPORTUNITY TO REQUEST A HEARING BEFORE THE BOARD  
9 ACCORDING TO THE PROCEDURES SET FORTH BY THE BOARD; AND

10 (2) 6 MONTHS TO MAKE PAYMENT OR SERVICE ARRANGEMENTS WITH  
11 THE APPROPRIATE LOAN OR SERVICE CONDITIONAL SCHOLARSHIP PROGRAM  
12 SERVICING AGENCY TO SATISFY ANY REPORTED NONPAYMENT, DEFAULT, OR  
13 BREACH OF A SERVICE OBLIGATION.

14 (D) IF THE PHYSICIAN FAILS TO SATISFY OR FAILS TO BEGIN TO SATISFY THE  
15 PHYSICIAN'S DEBT OBLIGATION 3 MONTHS BEFORE THE EFFECTIVE DATE OF THE  
16 SUSPENSION NOTICE, THE PHYSICIAN MAY NOT SERVE ON A PROVIDER PANEL FOR A  
17 PREFERRED PROVIDER ORGANIZATION, HEALTH MAINTENANCE ORGANIZATION, OR  
18 ANY OTHER HEALTH SERVICE PROVIDER ORGANIZATION LICENSED TO OPERATE IN  
19 THE STATE.

20 (E) IF THE PHYSICIAN FAILS TO SATISFY OR FAILS TO BEGIN TO SATISFY THE  
21 PHYSICIAN'S DEBT OBLIGATION BY THE EFFECTIVE DATE OF THE SUSPENSION  
22 NOTICE, THE PHYSICIAN'S LICENSE SHALL BE SUSPENDED AND THE PHYSICIAN  
23 SHALL BE PROHIBITED FROM:

24 (1) RECEIVING A HEALTH INSURANCE REIMBURSEMENT PAYMENT  
25 FROM ANY HEALTH INSURER LICENSED TO OPERATE IN THE STATE; AND

26 (2) PRACTICING MEDICINE IN THE STATE.

27 (F) (1) THE BOARD SHALL REINSTATE A PHYSICIAN'S LICENSE SUSPENDED  
28 UNDER THIS SECTION AFTER THE PHYSICIAN SENDS TO THE BOARD:

29 (I) A COPY OF THE PHYSICIAN'S NEW REPAYMENT OR SERVICE  
30 REQUIREMENTS AGREEMENT WITH THE APPROPRIATE LOAN OR SERVICE  
31 CONDITIONAL SCHOLARSHIP PROGRAM SERVICING AGENCY; AND

32 (II) A WRITTEN RELEASE ISSUED BY THE APPROPRIATE LOAN OR  
33 SERVICE CONDITIONAL SCHOLARSHIP PROGRAM SERVICING AGENCY CERTIFYING  
34 THAT THE PHYSICIAN IS MAKING PAYMENTS ON THE LOAN OR SATISFYING THE  
35 SERVICE REQUIREMENTS OF THE AGREEMENT PROVIDED IN ITEM (I) OF THIS  
36 PARAGRAPH.

37 (2) IF THE PHYSICIAN MEETS ALL OTHER QUALIFICATIONS FOR  
38 LICENSURE, THE BOARD SHALL AUTOMATICALLY REINSTATE THE PHYSICIAN'S

1 LICENSE UPON RECEIPT OF THE WRITTEN RELEASE PROVIDED IN PARAGRAPH (1) OF  
2 THIS SUBSECTION AND PAYMENT OF ANY REINSTATEMENT FEE REQUIRED BY THE  
3 BOARD.

4 (G) THE SUSPENSION OF A LICENSE UNDER THIS SECTION IS NOT A  
5 CONTESTED CASE UNDER THE ADMINISTRATIVE PROCEDURE ACT OF TITLE 10 OF  
6 THE STATE GOVERNMENT ARTICLE.

7 (H) EACH NONPAYMENT, DEFAULT, OR BREACH OF A REPAYMENT OR SERVICE  
8 OBLIGATION IS A SEPARATE VIOLATION OF THIS SECTION.

9 (I) THE BOARD MAY CHARGE A FEE OF UP TO 10% OF THE DEFAULTED LOAN  
10 FOR THE COSTS OF ADMINISTERING THE PROGRAM.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2002.