

HOUSE BILL 687

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8lr2403

By: **Delegate Rosenberg**

Introduced and read first time: February 1, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Janet L. Hoffman Loan Assistance Repayment Program – Physicians**
3 **Practicing in Shortage Areas**

4 FOR the purpose of making certain physicians who agree to practice in certain
5 physician shortage areas in the State eligible for loan repayment assistance
6 under the Janet L. Hoffman Loan Assistance Repayment Program; altering the
7 definition of a certain term; giving priority for participation in the loan
8 assistance repayment program to certain physicians who agree to practice in
9 certain physician shortage areas; and generally relating to loan assistance
10 repayment for physicians who agree to practice in certain physician shortage
11 areas in the State.

12 BY repealing and reenacting, with amendments,
13 Article – Education
14 Section 18–1501 through 18–1503
15 Annotated Code of Maryland
16 (2006 Replacement Volume and 2007 Supplement)

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

19 **Article – Education**

20 18–1501.

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

22 (b) (1) [“Eligible field of employment”] **EXCEPT AS PROVIDED IN**
23 **PARAGRAPH (2)(II) OF THIS SUBSECTION, “ELIGIBLE FIELD OF EMPLOYMENT”**
24 means employment in the State by an organization, institution, association, society, or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 corporation that is exempt from taxation under § 501(c)(3) or (4) of the Internal
2 Revenue Code of 1986.

3 (2) “Eligible field of employment” includes:

4 (I) [employment] **EMPLOYMENT** by the State or any local
5 government in the State[, but]; **AND**

6 (II) **EMPLOYMENT AS A PHYSICIAN BY ANY ORGANIZATION,**
7 **INSTITUTION, ASSOCIATION, SOCIETY, OR CORPORATION, REGARDLESS OF THE**
8 **TAX STATUS OF THE EMPLOYER.**

9 (3) **“ELIGIBLE FIELD OF EMPLOYMENT”** does not include being
10 employed as a judicial clerk in any court.

11 (c) “Higher education loan” means any loan for undergraduate or graduate
12 study that is obtained for tuition, educational expenses, or living expenses from:

13 (1) A college or university, government, or commercial source; or

14 (2) An organization, institution, association, society, or corporation
15 that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of
16 1986.

17 (d) “Program” means the Janet L. Hoffman Loan Assistance Repayment
18 Program.

19 18–1502.

20 (a) There is a program of loan assistance repayment known as the Janet L.
21 Hoffman Loan Assistance Repayment Program in the State.

22 (b) Subject to the provisions of subsection (c) of this section, the Office of
23 Student Financial Assistance shall assist in the repayment of the amount of any
24 higher education loan owed by an individual who:

25 (1) (i) Receives a graduate, professional, or undergraduate degree
26 from:

27 1. A college or university in the State of Maryland;

28 2. A school of medicine; or

29 3. A school of law; or

1 (ii) Receives a Resident Teacher Certificate (RTC) from the
2 Department after completing an alternative teaching preparation program approved
3 by the State Superintendent;

4 (2) Obtains eligible employment;

5 (3) (I) Receives an income that is less than the maximum eligible
6 total income levels established by the Office, including any additional sources of
7 income; **OR**

8 (II) **AGREES, IF THE INDIVIDUAL IS A PHYSICIAN, TO**
9 **PRACTICE FOR 10 YEARS IN AN AREA DETERMINED BY THE SECRETARY OF**
10 **HEALTH AND MENTAL HYGIENE TO HAVE A SHORTAGE OF PHYSICIANS IN THE**
11 **SPECIALTY IN WHICH THE INDIVIDUAL IS TRAINED;** and

12 (4) Satisfies any other criteria established by the Office.

13 (c) (1) Notwithstanding the provisions of subsection (b) of this section, the
14 Office shall assist in the repayment of the amount of any higher education loan owed
15 by a physician who engages in primary care in the State or by a medical resident
16 specializing in primary care who agrees to practice for at least 2 years as a primary
17 care physician in a geographic area of the State that has been designated by the
18 Secretary of Health and Mental Hygiene as being medically underserved with the
19 funds transferred to the Office by the Comptroller under § 14–207(c)(2)(i) of the Health
20 Occupations Article.

21 (2) A physician who engages in primary care is not precluded from
22 receiving assistance from the Office under subsection (b) of this section.

23 (3) Any unspent portions of the money that is transferred to the Office
24 for use under this section from the Board of Physicians Fund may not be transferred to
25 or revert to the General Fund of the State, but shall remain in the Fund maintained
26 by the Office to administer these programs to assist physicians engaged in primary
27 care as specified in paragraph (1) of this subsection.

28 (d) An applicant for assistance in the repayment of a commercial loan shall
29 demonstrate to the Office that the commercial loan was used for tuition, educational
30 expenses, or living expenses for graduate or undergraduate study.

31 (e) Assistance in the repayment of a loan from an entity set forth in
32 § 18–1501(c)(2) of this subtitle shall require the approval of the Office.

33 (f) The Department shall employ not more than one staff member to
34 administer the Department's portion of the Program established under this section.

35 18–1503.

1 (a) The Office of Student Financial Assistance shall adopt regulations to
2 establish:

3 (1) The maximum starting income for eligibility in the Janet L.
4 Hoffman Loan Assistance Repayment Program;

5 (2) The maximum total income for eligibility in the Janet L. Hoffman
6 Loan Assistance Repayment Program, including any additional sources of income;

7 (3) That priority for participation in the Program shall be given to an
8 individual who:

9 (i) Graduated from an institution of higher education in the
10 last 3 years;

11 (ii) Is a resident of the State;

12 (iii) Is employed on a full-time basis; and

13 (iv) Provides, as the principal part of the individual's
14 employment[,];

15 **1. HEALTH CARE SERVICES IN AN AREA OF THE**
16 **STATE THAT THE SECRETARY OF HEALTH AND MENTAL HYGIENE HAS**
17 **DETERMINED TO HAVE A SHORTAGE OF PHYSICIANS IN THE SPECIALTY IN**
18 **WHICH THE INDIVIDUAL IS TRAINED;**

19 **2. [legal] LEGAL** services to low income residents in the
20 State who cannot afford legal services[,];

21 **3. [nursing] NURSING** services in nursing shortage
22 areas in the State as defined in § 18-802 of this title[,]; or

23 **4. [other] OTHER** services in an eligible field of
24 employment in which there is a shortage of qualified practitioners to low income or
25 underserved residents or areas of the State;

26 (4) A limit on the total amount of assistance provided by the Office of
27 Student Financial Assistance in repaying the loan of an eligible individual, based on
28 the individual's total income and outstanding higher education loan balance;

29 (5) A procedure and schedule for the payment of the amount of loan
30 assistance provided by the Office of Student Financial Assistance to the eligible
31 individual; and

1 (6) An annual review of the eligibility of each individual participating
2 in the Program.

3 (b) The Office of Student Financial Assistance shall adopt any other
4 regulations necessary to implement this subtitle.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2008.