

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 1776

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H. P. 1420

House of Representatives, April 7, 1975

Referred to Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Mitchell of Vassalboro.

Cosponsors: Mrs. Post of Owls Head, Mrs. Snowe of Auburn, Mr. Faucher of Solon.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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AN ACT to Provide Rural Health Services in Maine through a Loan Program for Needy Maine Citizens and Needy Citizens of Other States who Desire to Attend Medical or Dentistry School.

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Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 22 MRSA c. 415 is enacted to read:

CHAPTER 415

RURAL HEALTH SERVICES

§ 2101. Purpose

The purpose of this chapter is to provide educational loans to qualifying Maine citizens and other qualifying persons who desire to practice medicine or dentistry in a rural area of the State of Maine. There are many persons who are eager to live and practice medicine or dentistry in a nonurban community yet who lack the financial resources to complete a medical or dentistry program. Not only will this chapter provide these financial resources, but it will also aid Maine rural communities in their search for health services and promote comprehensive health planning for Maine's rural areas.

§ 2102. State Rural Health Service Loan Fund

There is created a State Rural Health Services Loan Fund which shall be used by the Commissioner of Health and Welfare as a nonlapsing, revolving fund for carrying out this chapter.

Moneys in the fund, not currently needed to meet obligations of the Commissioner of Health and Welfare under this chapter, shall be deposited with

the Treasurer of State to the credit of the fund and may be invested in such manner as is provided for by statute.

§ 2103. Awarding of loans to qualified applicants

Each year the moneys of the loan fund shall be distributed to qualified applicants in order of greatest need in the following manner:

First, the Commissioner of Health and Welfare shall:

1. Attendance at accredited school or participation in internship or residency program. Determine that the applicant is attending or will within 12 months attend an accredited school of medicine or dentistry or is engaged in a medical or dentistry internship or residency program;

2. Financial need; willingness to practice in rural area. Determine either that the applicant's financial resources are such that, in the absence of a loan or scholarship, he or she will be prevented by financial considerations from beginning or completing his or her medical or dentistry training; or that the applicant could be induced to practice in a rural area in Maine by receiving a loan under this chapter;

3. Amount of loan. Determine the amount of loan needed by the applicant for that school year's cost of attendance, including but not limited to tuition, school and living expenses; or

4. Listings. Compile listings of qualified applicants ranked as to precedence in accordance with reasonable standards established by regulation prior to receipt of formal applications. Precedence shall be given to applicants who are citizens of Maine.

Second, the Commissioner of Health and Welfare shall enter into a loan contract with those applicants selected for loans to the extent of available moneys in order of precedence.

§ 2104. Loan renewals

Each loan contract shall be for one year only. Each recipient shall re-establish his or her qualifications for a loan as prescribed in section 2103 annually. To the extent of available moneys, prior recipients who have re-established eligibility shall receive new loans consistent with their educational requirements. No new applicants shall receive loans in any year until all prior recipients eligible for loans renewals shall have been scheduled to receive loan renewals. If a prior recipient is eligible for a new annual loan but funds are not available, then the recipient shall be relieved of all duties under his loan contracts for previous years.

§ 2105. Terms of loan

Each loan contract with the Department of Health and Welfare shall state that upon graduation from or completion of the medical or dentistry course of study, internship or residency, the recipient shall enter upon the practice of medicine or dentistry in a rural community of this State. The loan recipient shall continue in practice in an approved rural location for 3 months for every \$1,000 received in loans. For each 3-month period of

practice by the recipient, the State shall consider \$1,000 of the money loaned to have been paid in full and the loan recipient shall receive a receipt to that effect. Regardless of the total amount loaned to a person, no recipient shall have to practice longer than 4 years in an approved rural area in order to have the State consider the loan to have been paid in full. Upon completion of 4 years of approved practice, any loan recipient shall receive a receipt from the State indicating that the loan has been completely repaid.

Such loans shall be granted to the applicants with no interest or principal payments for the years he or she attends medical or dentistry school or internship or residency training.

§ 2106. Placement according to a comprehensive health services plan

Recipients of loans shall select their area and conditions of rural practice from a state plan for delivery of health services to Maine's rural areas, hereinafter referred to as the rural health services plan. The rural health services plan shall be prepared in a manner satisfactory to the Commissioner of Health and Welfare and updated according to changing health services conditions in Maine's rural areas and shall seek to implement, as conditions make practicable, the recommendations and conclusions of Maine's Health Plan, if any, as developed by the Department of Health and Welfare's Comprehensive Health Planning Agency, or its legal successor. Any restrictions on a recipient's freedom of choice as to rural areas and conditions of practice shall be stated in the recipient's loan contract.

At a minimum, the rural health plan shall provide a list of medical scarcity areas from which loan recipients may choose a place of practice.

If conditions so justify, the Commissioner of Health and Welfare shall allow a recipient who has commenced rural practice to change his area and conditions of practice.

§ 2107. Failure to practice

Each loan contract shall recite the following restrictions. If a doctor or dentist who was a recipient of a loan fails, without justifiable cause, to practice medicine or dentistry in accordance with the terms of his or her contract, he or she shall become liable to the State for all loan payments he or she shall have received plus interest on each payment at the rate of 12% per year compounded semi-annually from the date of receipt of loan proceeds.

However, where the commissioner determines there is justifiable cause which the recipient could not have foreseen for the failure to practice pursuant to the terms of the contract, the commissioner may relieve the recipient of the obligation to practice according to the terms of the contract and either forgive the debt in its entirety or make more lenient the amount and terms of repayment a recipient would be obligated to meet if he or she failed to perform loan contract duties.

If a recipient of a loan provided for in this chapter practices medicine or dentistry in an approved rural community of Maine for only a part of the total compensatory practice time necessary to satisfy the loan, he or she shall be liable to the State only for the amount still owed the State plus interest at a

rate of 12% per year compounded semiannually from the date of receipt of loan proceeds.

Upon recommendation and request of the Commissioner of Health and Welfare, the Attorney General may institute proceedings for the purpose of recovering any amount due the State under any loan contract.

§ 2109. Powers and duties

The Commissioner of Health and Welfare shall:

- 1. Make and enforce such rules, regulations and loan contract provisions as may be necessary to carry out the purposes of this chapter; and
- 2. Establish procedures whereby applicants for loans or renewal of loans shall be determined eligible to enter a loan contract with the Department of Health and Welfare.

Sec. 2. Appropriation. There is appropriated from the General Fund the sum of \$50,000 for the fiscal year ending June 30, 1976, and the sum of \$50,000 for the fiscal year ending June 30, 1977. The breakdown shall be as follows:

	1975-76	1976-77
RURAL HEALTH SERVICES LOAN FUND		
All Other	\$50,000	\$50,000

FISCAL NOTE

The appropriation could be deducted from the normal approximate \$350,000 annual appropriation for subsidizing the approximately 45 Maine citizens enrolled at the University of Vermont College of Medicine and the approximately 25 Maine citizens at the Tufts School of Dentistry under the New England Higher Education Compact's New England Regional Student Program.

STATEMENT OF FACT

The purpose of this Act is to provide health services to rural Maine communities. The Act would create a loan fund administered by the Department of Health and Welfare which would subsidize the education of medical or dentistry students. Qualified Maine applicants would receive priority. Loans would be forgiven if a recipient practiced in a rural community of Maine. Community assignments would be made in accordance with a state comprehensive plan for delivery of health services to rural Maine.