

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-1291)  
FIRST SPECIAL SESSION  
107TH LEGISLATURE

HOUSE AMENDMENT "B" to S.P. 760, L.D. 2310, Bill,  
"AN ACT to Provide Grants and Loans for Health Education."

Amend said Bill by striking out everything after the  
enacting clause and inserting in place thereof the following:

Sec. 1. 20 MRSA c. 304 is enacted to read:

CHAPTER 304

PROFESSIONAL HEALTH FUND

§2271. Intent

It is the intent of the Legislature to provide financial assistance through grants and loans to Maine residents enrolled in any graduate health education program, including veterinary programs, for which the State has contracted.

It is further the intent of the Legislature that the loans provided under this chapter may be forgiven by means of a period of professional practice in certain designated areas of the State.

§2272. Professional Health Fund

There shall be established within the Department of Educational and Cultural Services a Professional Health Fund which shall be a revolving, nonlapsing fund to carry out the purposes of this chapter. The fund shall be administered by the Commissioner of Educational and Cultural Services, as provided in this chapter, to provide financial assistance through grants and loans to Maine residents enrolled in any graduate health education programs, including veterinary programs, for which the State has contracted.

Fifty percent of the State's cost of the space provided by a contract shall be passed on to the student who is

selected to occupy a space. The student shall pay this cost by entering into a loan agreement with the department.

All state contracts for spaces in out-of-state graduate health education programs shall be funded through the mechanism established in this chapter.

§2273. Rules

The department, after due notice and public hearing, shall be authorized to make rules reasonable and necessary for the administration of this chapter, and, after due notice and public hearing, to rescind or modify such rules, insofar as such action shall not be in conflict with any of the provisions of this chapter.

§2274. Legislative appropriation

The Legislature shall annually appropriate to the Professional Health Fund an amount which it considers sufficient to provide for contracts for spaces in graduate health education programs.

§2275. Authority to make grants and loans

The Commissioner of Educational and Cultural Services shall be authorized to make grants and to enter into loan contracts with any individual eligible to fill a space contracted for with funds from the Professional Health Fund.

§2276. Limits on grants and loans

Any grant or contract for a loan shall be for one year. Applications from individuals who have previously received a grant or loan shall be considered each year before any other application.

§2277. Eligibility for grants and loans

Any Maine resident who is currently enrolled or will

within 12 months be enrolled in any graduate program of health education for which the State has contracted shall be eligible for a space paid for with funds authorized by this chapter.

§2278. Terms of loan

Any loan contract shall be drawn between the recipient and the Department of Educational and Cultural Services on behalf of the State.

Each loan contract with the department shall state that upon graduation or completion of 5 years of internship or residency, the recipient shall practice in an approved community of this State. The loan recipient shall continue in practice in an approved 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 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 attends graduate school or internship or residency training.

§2279. Placement according to a comprehensive health services plan

Recipients of loans shall select their area and conditions of practice from a state plan for delivery of health services to Maine, hereinafter referred to as the health services plan. The health services plan shall be prepared, utilizing available funds, in a manner satisfactory to the Department of Educational and Cultural Services, by the Maine Health Systems Agency. Any restrictions on a recipient's freedom of choice as to areas and conditions of practice shall be stated in the recipient's loan contract.

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

If conditions so justify, the department, after consultation with the Health Systems Agency, shall allow a recipient who has commenced practice to change his area and conditions of practice.

§2280. Failure to practice

Each loan contract shall recite the following restrictions. If a recipient of a loan fails, without justifiable cause, to practice in accordance with the terms of his contract, he shall become liable to the State for all loan payments he shall have received plus interest on each payment at the rate of 6% per year compounded semi-annually from the date of receipt of loan proceeds.

However, where the Department of Educational and Cultural

Services 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 department 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 failed to perform loan contract duties.

If a recipient of a loan provided for in this chapter practices in an approved community of Maine for only a part of the total compensatory practice time necessary to satisfy the loan, he shall be liable to the State only for the amount still owed the State plus interest at a rate of 6% per year compounded semiannually from the date of receipt of loan proceeds.

§2281. Repayment

All funds received through the repayment of loans shall be deposited in the Professional Health Fund. Upon request of the Commissioner of Educational and Cultural Services, the Attorney General may institute proceedings for the purpose of recovering any amount due the State under any loan contract drawn under the provisions of this chapter.

§2282. Students in present programs

Any students presently enrolled in any graduate health education program for which the State has contracted through the New England Board of Higher Education may continue under the provisions of the present contract program or apply for grants or loans under this chapter.

§2283. Effective date

Loans shall not be made under this chapter prior to September 1, 1977.

Sec. 2. Purchase of student positions at University of Vermont Medical School and Tufts University Medical School.

The Department of Educational and Cultural Services is authorized to expend such amounts of money as are necessary to purchase additional student positions at the University of Vermont Medical School, not to exceed 15 new positions, and at Tufts University Medical School, not to exceed 20 positions, in order to increase the number of Maine residents receiving medical education during fiscal year 1976-77.

Funds to provide the amounts necessary to secure these student positions may be drawn only from accounts within any department in which cost savings can be made which were not identified as of April 14, 1976 or from unused funds currently appropriated for this purpose.'

Statement of Fact

This amendment makes the following major changes in L.D. 2310:

1. Establishes in section 2278 a new mechanism for paying back the loan (\$1,000 forgiven for each 3 months of service but never more than 4 years' service);
2. Establishes in section 2279 a health services plan by which recipients will choose the area of Maine in which they will practice; this plan will be drawn up by the Maine Health Systems Agency; and

3. Establishes an effective date on loans under this chapter of September 1, 1977.

Filed by Mrs. Mitchell of Vassalboro.

Reproduced and distributed under the direction of the Clerk of the House.

4/14/76

(Filing No. H-1291)