

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1965

H.P. 1367

House of Representatives, March 23, 1999

An Act to Establish the Maine Dental Education Loan Program.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative PEAVEY of Woolwich.
Cosponsored by Senator MICHAUD of Penobscot and
Representatives: BELANGER of Caribou, NASS of Acton, RICHARD of Madison, ROWE
of Portland, SAXL of Portland, STEDMAN of Hartland, TOWNSEND of Portland, WINSOR
of Norway.

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

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Sec. 1. 5 MRSA §12004-I, sub-§7-C is enacted to read:

<u>7-C.</u>	<u>Advisory</u>	<u>Not</u>	<u>20-A MRSA</u>
<u>Education</u>	<u>Committee on</u>	<u>Authorized</u>	<u>§12304</u>
	<u>Dental</u>		
	<u>Education</u>		

Sec. 2. 20-A c. 426 is enacted to read:

CHAPTER 426

MAINE DENTAL EDUCATION AND RECRUITMENT

§12301. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Authority. "Authority" means the Finance Authority of Maine.

2. Chief executive officer. "Chief executive officer" means the Chief Executive Officer of the Finance Authority of Maine.

3. Maine resident. "Maine resident" means a person who has been a resident of the State for a minimum of 2 years at the time of the person's entry to dental school for purposes other than education, as determined by rule of the authority. In determining residency, the authority shall consider:

A. Length of residence in the State for other than tuition purposes;

B. Secondary school attended;

C. Legal residence of parents;

D. Place of voting registration, if registered to vote;

E. Place where taxes are paid; and

F. Other indicators established by the authority.

4. Underserved population area. "Underserved population area" means a population group or area in the State receiving insufficient oral health care, as determined by the Commissioner

2 of Human Services and as defined in rules adopted by the
3 Department of Human Services.

4 **§12302. Maine Dental Education Loan Program**

6 **1. Establishment; positions.** The Maine Dental Education
7 Loan Program, referred to in this chapter as the "program" is
8 established. The authority shall administer the program. Under
9 this program, the chief executive officer shall award up to 3
10 loans annually for Maine students at schools of dental education
11 up to an aggregate of 8 loans.

12 **2. Application process.** Students shall apply directly to
13 the authority.

14 **3. Eligibility.** Loans are available to state residents
15 pursuing dental education who meet eligibility criteria
16 established by rule of the authority, which at a minimum must
17 require:

18 **A. That the student be a state resident;**

19 **B. That the student has been accepted into dental school;**
20 **and**

21 **C. That priority be given to students:**

22 **(1) Who previously received a loan pursuant to this**
23 **section;**

24 **(2) Who exhibit financial need; and**

25 **(3) Who demonstrate an interest in serving an**
26 **underserved population or in an underserved area.**

27 **4. Maximum loan amount.** The maximum loan amount available
28 to each recipient is \$20,000 per year for a period of up to 4
29 years.

30 **5. Loan agreement; forgiveness.** The student shall enter
31 into a loan agreement as set out in this subsection.

32 **A. Upon completion of professional education, the student**
33 **shall repay the loan in accordance with this paragraph.**

34 **(1) A loan recipient who does not obtain loan**
35 **forgiveness pursuant to subparagraph (2) shall repay**
36 **the entire principal of the loan plus simple interest**
37 **at a rate to be determined by rule of the authority.**

2 Interest does not begin to accrue until the loan
recipient completes dental education.

4 (2) A loan recipient who, upon conclusion of the
recipient's professional education, including any
6 fellowships, elects to serve as a practitioner of
dental medicine in an underserved area is forgiven 25%
8 of the original outstanding indebtedness for each year
of that practice.

10 B. Loans must be repaid over a term no longer than 10
12 years, except that the chief executive officer may extend an
individual's term as necessary to ensure repayment of the
14 loan. Repayment must commence when the loan recipient
completes, withdraws from or otherwise fails to continue
16 dental education.

18 C. A loan recipient serving an underserved population or
area pursuant to paragraph A, subparagraph (2) must serve
20 all patients regardless of ability to pay insurance or
payment source.

22 **6. Default. A loan recipient who agrees to practice:**

24 A. For 2 years in an underserved area and for any reason
26 fails to complete the period of obligated service is liable
to the authority for an amount equal to the sum of the total
28 amount paid by or on behalf of the authority to or on behalf
of the recipient under the contract and an amount equal to
30 the unserved obligation penalty;

32 B. For more than 2 years in an underserved area and for any
reason fails to complete at least 2 years of the period of
34 obligated service is liable to the authority for an amount
equal to the unserved obligation penalty; and

36 C. For more than 2 years in an underserved area and for any
38 reason fails to complete the period of obligated service
after completing at least 2 years of obligated service is
40 liable to the authority for an amount equal to the sum of
the total amounts paid by the authority to or on behalf of
42 the loan recipient under the contract for any period of
obligated service not served and \$10,000, if the loan
44 recipient fails to give the authority at least one year's
prior notice of intention to breach the contract.

46 For purposes of this subsection, the unserved obligation penalty
48 is an amount equal to the number of months of obligated service
that were not completed by the loan recipient multiplied by
50 \$1,000, except that if the loan recipient fails to complete one

2 year of service, the unserved obligation penalty is equal to the
3 number of months in the full period of obligated service
4 multiplied by \$1,000.

5 Any amount the authority is entitled to recover must be paid
6 within one year of the date the authority determines that the
7 loan recipient is in breach of the written contract.

8
9 7. Deferments. Deferments may be granted for causes
10 established by rule of the authority. Interest at a rate to be
11 determined by rule of the authority must be assessed during the
12 deferment. The student's total debt to the authority, including
13 principal and interest, must be repaid either through return
14 service or cash payments. The chief executive officer shall make
15 determinations of deferment on a case-by-case basis. The
16 decision of the chief executive officer is final.

17 **§12303. Nonlapsing fund**

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19 1. Fund created. A nonlapsing, interest-earning, revolving
20 fund under the jurisdiction of the authority is created to carry
21 out the purposes of this chapter. Any unexpended balance in the
22 fund carries over for continued use under this chapter. The
23 authority may receive, invest and expend, on behalf of the fund,
24 money from gifts, grants, bequests and donations in addition to
25 money appropriated or allocated by the State. Loan repayments
26 under this chapter or other repayments to the authority must be
27 invested by the authority, as provided by law, with the earned
28 income to be added to the fund. Money received by the authority
29 on behalf of the fund, except interest income, must be used for
30 the designated purpose; interest income may be used for the
31 designated purpose or to pay student financial assistance
32 administrative costs incurred by the authority for the operation
33 of the program.

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35 2. Allocation of repayments. The authority may reallocate
36 a portion of the annual loan repayments for the purpose of
37 recruiting dentists for underserved areas. That portion may be
38 used:

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40 A. To generate additional matching funds for recruitment of
41 dentists for underserved areas;

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43 B. In accordance with criteria established by the
44 authority, to encourage dentists to practice in underserved
45 areas; or

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47 C. To repay education loans for the dental education of
48 licensed dentists to enable the dentists to practice in
49 underserved areas.
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2 **§12304. Advisory Committee on Dental Education**

4 **1. Committee.** The Advisory Committee on Dental
6 Education, established pursuant to Title 5, section 12004-I,
 subsection 7-C, shall assist the chief executive officer in
 evaluating and improving the program.

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10 **2. Members.** The Advisory Committee on Dental Education
 consists of:

12 **A. Seven voting members appointed by the chief executive**
14 officer and subject to approval by the joint standing
 committee of the Legislature having jurisdiction over
 education matters. Of these members:

16 **(1) One must be a representative of a major statewide**
18 organization representing dentists;

20 **(2) One must be a representative of a major statewide**
22 coalition dedicated to issues concerning ambulatory
 care;

24 **(3) One must be a representative of a major statewide**
26 alliance dedicated to children's issues;

28 **(4) One must be a representative of a major statewide**
30 organization of consumers dedicated to the cause of
 affordable health care;

32 **(5) One must be a representative of a major statewide**
 organization dedicated to ensuring equal justice;

34 **(6) One must be a representative of the Department of**
36 Human Services, Bureau of Health, Oral Health Program;
 and

38 **(7) One must be representative of the Department of**
40 Human Services, Bureau of Medical Services.

42 **B. Three voting members who are Legislators, one appointed**
44 by the Speaker of the House of Representatives, one
 appointed by the President of the Senate and one appointed
 by the Governor; and

46 **C. Two nonvoting members appointed by the chief executive**
48 officer and subject to approval by the joint standing
 committee of the Legislature having jurisdiction over
50 education matters. These members must include:

- 2 (1) A representative of the authority; and
- 4 (2) A representative of an office of primary health
care.
- 6 3. Vacancies. In the case of a vacancy or resignation, an
appointment must be made as for a new member to fill the vacancy
8 until the expiration of the term.
- 10 4. Terms. The term of office for all appointees is 2 years.

12 **§12107. Rules**

14 The authority shall establish rules necessary to implement
16 this chapter. The Commissioner of Human Services shall develop
18 rules for determining underserved populations, underserved areas
and underserved specialties. These rules must include a process
20 for ensuring guaranteed access to dental care through technical
assistance and site visits to participating providers. The rules
22 authorized by this section must be adopted in accordance with
Title 5, chapter 375, subchapter II. Rules adopted pursuant to
this section are routine technical rules as defined in Title 5,
24 chapter 375, subchapter II-A.

26 **SUMMARY**

28 This bill establishes the Maine Dental Education Loan
30 Program. Under the program, the Finance Authority of Maine will
award loans to Maine residents who have been accepted into dental
32 school. If, upon completing dental education, the loan recipient
elects to practice dentistry in an area determined to be
underserved, the loan recipient may be forgiven a portion of the
34 loan.

36 This bill also establishes a nonlapsing fund that may be
used to recruit licensed dentists to serve in underserved areas
38 by repaying portions of the dentists' education loans.