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SENATE BILL 93: MEDICAL PROVIDER INCENTIVES/LOAN REPAYMENT

"An Act relating to a workforce enhancement program for health care professionals employed in the state; and providing for an effective date."

SECTIONAL ANALYSIS for Version A

Sec. 1. Adds a new Article 2, *Health Care Professionals Workforce Enhancement Program*, to AS 18.29, *Health Care Professions Loan Repayment and Incentive Program*, in which health care professionals agree to work for three years at underserved sites with health professional shortages in exchange for repayment of student loans or direct incentives. Employers fully fund the program. An advisory council provides oversight and evaluation of the program.

Sec. 18.29.100. The *legislation's intent* is to ensure that communities and individuals have equal access to health care by providing health care services in underserved or health care professional shortage areas.

Sec. 18.29.105(a). The *program's purpose* is to address the increasing shortage of health care professionals in the state by expanding the distribution of health care professionals.

Sec. 18.29.105(b). The *program must include* (1) employer payments, (2) direct incentives, (3) student loan repayment, (4) procedures for designation and prioritization of eligible sites, (5) an application process for eligible sites and health care professionals in Tier I, II, and III occupations, (6) public information and notices relating to the program, and (7) a 12-year lifetime maximum for participation by a health care professional.

Sec. 18.29.105(c). An *advisory council* appointed by the commissioner will provide program oversight and evaluation, and make recommendations to the department on (1) identification and monitoring of underserved and shortage areas, (2) eligible sites, (3) employer's ability to pay, (4) prioritization of sites and professionals for participation,

(5) contract award priorities, (6) program capacity, (7) strategic plans, and (8) program data management. The council consists of members with health care expertise, including expertise in economic issues affecting the hiring and retention of health care professionals, but may not include an employee of the department. Members are uncompensated but entitled to per diem and travel allowances.

Sec. 18.29.105(d). The *commissioner* shall, in consultation with the advisory council, (1) administer and implement the program, (2) classify eligible sites as regular or very-hard-to-fill, (3) set annual maximum program payment amounts, (4) establish procedures for allowable leaves of absence, civil penalties, and priorities for participation.

Sec. 18.29.105(d)(4)(B). *Civil penalties* are not to exceed \$1,000 per violation of this chapter, regulations, or contracts.

Sec. 18.29.105(e). The department must submit an *annual report* to the advisory council on or before July 1, describing the participation rates, costs, and effect on health care shortage areas for the prior calendar year.

Sec. 18.29.105(f). The department may (1) contract for *services* and (2) adopt *regulations*.

Sec. 18.29.110. *Employers* will make nonrefundable quarterly payments to the department which (1) fully cover the cost of the professional's program payment, (2) may be adjusted based on the employer's ability to pay, and (3) must include an administrative fee. Employers may use funding for their payments from any available source, including philanthropy, government, community organizations, or individuals.

AS 18.29.115. *Payments* are initially three years with up to three renewal periods for a maximum of 12 years. Health care professional applicants must (1) submit an application, (2) be otherwise eligible, and (3) not exceed the 12-year lifetime limit. The combined amount of loan repayment and direct incentive per professional may not exceed the annual maximum program payment amount. Payments are made after the professional completes a calendar quarter of qualified employment. Payments are prorated based on number of qualified employment hours the professional worked. The total number of program participants is limited by available funding appropriated by the legislature.

AS 18.29.120. Eligible professionals may receive *direct incentive* quarterly cash payments. Employers provide the payment amount.

AS 18.29.125. Eligible professionals may receive *student loan repayments*. Employers provide the payment amount. Student loans are eligible if the loan was issued by a

government or commercial entity for qualified student loan debt and resulted in a certificate, license or degree required for employment as a Tier I, II, or III professional. No more than 33.3% of the loan balance at the beginning of the professional's participation will be paid in any one year. Student loans are not eligible if they are to be repaid by another source, consolidated with an ineligible loan, or refinanced as an ineligible loan.

AS 18.29.130. *Health care professionals* must (1) submit an application, (2) be engaged in qualified employment at a participating eligible site, (3) be licensed or exempt from licensure, (4) meet program participation priorities, and (5) satisfy other criteria. In addition, professionals with student loan repayment must also have an unpaid balance on one or more eligible student loans verified by the Alaska Commission on Postsecondary Education.

AS 18.29.199. *Definitions.*

(1) and (2) "*Commissioner*" and "*department*" mean the department of health and social services.

(3) "*Eligible site*" means a service area or health care facility that provides health care services in underserved or health care professional shortage areas.

(4) "*Employer payment*" means the payment an employer makes to the department for participation in the program.

(5) "*Program*" means the health care professionals workforce enhancement program.

(6) "*Qualified employment*" means employment of a health care professional for a three-year term at an eligible site at which the professional is hired or contracted and paid to work in a full-time or not less than half-time position.

(7) "*Tier I health care professional*" means a licensed or exempt from licensure dentist, pharmacist, physician who spends at least 50% of his or her time on direct patient health care services.

(8) "*Tier II health care professional*" means a licensed or exempt from licensure dental hygienist, registered nurse, advanced practice registered nurse, physician assistant, physical therapist, clinical psychologist, counseling psychologist, professional counselor, board certified behavior analyst, marital and family therapist, or clinical social worker.

(9) "*Tier III health care professional*" means a person who is employed at an eligible sited who is not otherwise eligible under tier I or tier II.

Sec. 2, 3, 7, 9 and 10. Moves *advanced practice registered nurses* from the list of eligible occupations in Tier II to Tier I if the Board of Nursing requires completion of a doctor of nursing degree to practice on or before July 1, 2024. Moving advanced practice registered nurses to Tier 1 takes effect 30 days after the Board of Nursing notifies the revisor of statues that the

board adopted regulations requiring a doctorate per Sections 2, 3, and 7, but only if the board gives notification on or before July 1, 2024.

Sec. 4. *Repeals* the existing health care loan repayment and incentive program in AS 18.29.010 – 18.29.099, which is scheduled to sunset July 1, 2019.

Sec. 5. This act is *applicable* to applications or contracts on or after July 1, 2019.

Sec. 6. The existing advisory council will act as a *transition council* until a new advisory council is appointed by the commissioner.

Sec. 8 and 11. This act is effective *retroactive* to July 1, 2019, if Section 1 takes effect after July 1, 2019.

Sec. 12. Except for Sections 10 and 11, the *effective* date is July 1, 2019.