



Representative Ivy Spohnholz

House Health & Social Services Committee Co-Chair

Serving House District 16: College Gate, Russian Jack, Nunaka Valley, & Reflection Lake

Committee Member: Resources, Energy, & Legislative Budget & Audit

Sectional Analysis

House Bill 114

Medical Provider Incentives/Loan Repayment (SHARP-3)

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

Section 1

Section 1 is amended to add new sections to Article 2, which establishes the Health Care Professionals Workforce Enhancement Program.

Sec. 18.29.100. Legislative intent.

Establishes the intent of the program; to ensure that individuals and communities have equal access to health care by providing health care services to underserved areas and areas in which there is a shortage of professional health care providers.

Sec. 18.29.105. Health care professionals workforce enhancement program; purpose; advisory council.

- (a) Establishes the program to be managed by the Department of Health & Social Services (DHSS) to address the increasing shortage of certain health care professionals by expanding the distribution of health care professionals.
- (b) The program will include employer payments, direct incentives, student loan repayments, procedures for the commissioner of DHSS to designate and prioritize eligible sites for participation, an application process for the program, a provision of public information and notices relating to the program, and a 12-year cutoff for participating health care professionals.
- (c) The DHSS commissioner will appoint an advisory council to advise the department on the program. The council will consist of individuals with expertise in health care and economic issues relating to the hiring and retention of health care professionals in the state. The council may not include an employee DHSS. The members will serve at the pleasure of the DHSS commissioner and are entitled to per diem and travel costs. The council will provide oversight and evaluation of the program and make recommendations.
- (d) The DHSS commissioner, in consultation with the advisory council, will administer and implement the program, classify the eligible sites, set the annual maximum program payment amounts, and establish procedures for allowable leaves of absence,



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civil penalties, and priority participation based on the availability of funding.

- (e) DHSS will prepare and submit a report to the advisory council on or before July 1 of each year. The report will describe the participation rates, costs, and effect on the availability of health care services and health care professionals in underserved areas from the previous calendar year.
- (f) DHSS may contract for payments and services of a consultant, expert, financial advisor, or other person the department thinks necessary to exercise its powers and functions and perform duties listed in this chapter. DHSS will also adopt regulations necessary to implement the program.

Sec. 18.29.110. Employer payments.

The approved employer participating in the program will make nonrefundable quarterly payments to DHSS. The employer payment can come from any available source (philanthropic institution, health foundation, government agency, community organization, or private individual), payment amounts must be equal to the program payment amount established by the DHSS commissioner in consultation with the advisory council. The payment amount can be adjusted based on the employer's ability to pay, as determined by the DHSS commissioner, and must include a fee for services established in this chapter.

Sec. 18.29.115. Initial and renewal payments.

- (a) DHSS may approve student loan repayment and direct incentive payments for qualified applicants for an initial period of three years and a maximum of three renewal periods of three years (12 years total) if:

The applicant submits a form approved by DHSS for a student loan repayment, direct incentive payments, or both, qualifies to participate in the program, and does not exceed the 12-year maximum period to participate in the program.

- (b) DHSS will pay the eligible health care professional's direct incentive amount in one quarterly cash payment to the health care professional. DHSS will pay an eligible health care professional's student loan repayment in one quarterly payment to the lending institution or to the health care professional.
- (c) The combined total amount of the health care professional's direct incentives and student loan repayments may not exceed the annual maximum program payment



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amount established by the DHSS commissioner.

- (d) DHSS will prorate student loan repayments and direct incentives payments based on the number of qualified employment hours worked by the health care professional in a calendar quarter. DHSS may not pay a student loan repayment or direct incentive before the end of a calendar quarter in which the loan or incentive payment was earned.
- (e) DHSS will deposit the received employer payments and collected civil penalties to the general fund.
- (f) DHSS will pay student loan repayments and direct incentives with funds appropriated by the legislature. DHSS can limit the number of program participants based on available funding. If insufficient money is appropriated to fully fund the program in a fiscal year, DHSS will prorate payments based on the number of approved participants in the program.

Sec. 18.29.120. Direct incentives.

DHSS will provide a direct incentive in the form of quarterly cash payments to an eligible health care professional (tier I, II, or III) working at a qualified site of employment. The employer will provide the quarterly cash payment in the amount established by the DHSS commissioner.

Sec. 18.29.125. Student loan repayment.

- (a) DHSS will repay a portion of eligible student loans held by or made to an eligible tier I, tier II, tier III health care professional.
- (b) The student loan is eligible if the loan was issued by a government or commercial entity for a student loan debt and resulted in a certificate, license, or degree required for employment as a health care professional.
- (c) The student loan repayment may not exceed 33.3 percent of the unpaid student loan balance existing in the first year of participating in the program multiplied by the percentage of full-time equivalent employment for each year of qualified employment, not to exceed three years.
- (d) A student loan or interest on a student loan does not qualify for repayment if the student loan or interest is to be repaid by another source, including another loan repayment or forgiveness program or an employer-sponsored loan repayment



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program, consolidated with a loan that is not eligible for repayment, or refinanced as a loan that is not eligible for repayment.

Sec. 18.29.130. Eligibility.

- (a) To qualify for a direct incentive payment, an individual must submit an application that is approved by the DHSS commissioner, engage in a qualified employment at an eligible site with a participating employer, be licensed or exempt from licensure as a tier I, tier II, or tier III health care professional in the state, meet a participation priority established by the DHSS commissioner, and satisfy other criteria established by the commissioner.
- (b) To be eligible for student loan repayment, a participant must satisfy the requirements of subsection (a) and have an unpaid balance on one or more eligible student loans verified by the Alaska Commission on Postsecondary Education.

Sec. 18.29.190. Definitions.

Commissioner, department, eligible site, employer payment, program, qualified employment, tier I, tier II, and tier III health care professionals have been defined.

Section 2

Amends the definitions listed in AS 18.29.190(7) to add advanced practice registered nurse to the tier I health care professional category.

Section 3

Amends the definitions listed in AS 18.29.190(8) by deleting advanced practice registered nurse from the tier II health care professional category.

Section 4

All SHARP II statutes will be repealed.

Section 5

This bill applies to the SHARP-3 application or contract that has been submitted or entered on or after July 1, 2019.

Section 6

The SHARP II advisory council will act as a transition council until the health care professionals workforce enhancement program (SHARP III) advisory council members are appointed by the commissioner of DHSS.



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Section 7

Before July 1, 2024, the Board of Nursing will notify the revisor of statutes of a regulation that requires the completion of a doctoral degree of nursing practice to work as an advanced practice registered nurse in the state.

Section 8

Retroactive to July 1, 2019 if Section 1 of this bill takes effect after July 1, 2019.

Section 9

Section 2 and 3 will take effect only if the Board of Nursing notifies the revisor of statutes under Section 7 on or before July 1, 2024 of the adoption of regulations to require completion of a doctoral degree of nursing practice to work as an advanced practice registered nurse in the state.

Section 10

When Sections 2 and 3 take effect, they will take effect 30 days after the Board of Nursing notifies the revisor of statutes under Section 7 of the adoption of the regulations by the Board of Nursing that requires completion of a doctoral degree of nursing practice to practice as an advanced practice registered nurse in the state.

Section 11

Section 8 will take effect immediately.

Section 12

All sections, except for 10 and 11, will take effect July 1, 2019.