

PROVISIONS FOR LOAN FORGIVENESS/SCHOLARSHIPS AND GRANTS

Information derived from state statutes, regulations and various reports about programs that provide loan benefits and scholarship assistance in return for serving defined low-access communities or populations

More than half of the states have some kind of loan forgiveness / scholarship assistance programs in place.

States vary on the delivery and amount of the incentives. Some states provide scholarships while other state incentive programs pay off the loan *after* graduation. Either way, it is the equivalent of students not having to pay for some or all of dental school with the agreement that they will practice for a set amount of time in a manner that is intended to reduce access problems.

Overview of States:

The framework of each state law is basically the same—a contract with a limited number of dentists to perform dental services in an area designated underserved for a period of time (2-5 years). The amounts allocated per provider range from about \$20,000 total to \$125,000. The laws are pretty broad with respect to practice location and patients served—but are consistent in that they require that underserved patients be the focus of care delivery.

For instance, **Arizona** requires the dentists to serve full-time providing primary care services at eligible service sites. Many states use the federal designation Dental Health Professional Shortage Area (i.e. **California, Indiana, Oklahoma** and **Washington D.C.**) to determine where a dentist must locate. **Minnesota** dentists must agree to deliver at least 25 percent of the annual patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule.

Presented here is a state-by-state summary of their loan forgiveness / scholarship grant programs. While the information contained in this document is of general interest the information presented here is a snapshot at a particular point in time. One cannot rely solely on this document as being a comprehensive and up-to-date list of states that have such provisions. For specific details on a particular state please contact the state dental society.

Alabama

The Board of Dental Scholarship Awards was established to provide scholarships and scholarship loans for the education of qualified applicants for admission to dental schools in Alabama who agreed to practice in

underserved areas. Repayment could be based on service alone, or on a combination of service and payments, depending on the location of the practice, rural verses urban, and the duration of time in that practice. The terms of various types of repayment are set out in the law. The law was amended in 2007

to create the "Rural Dental Health Scholars Program" to provide for loans and scholarships to both high school and dental students who are interested in practicing in rural areas of the state.

Arizona

Requires primary care provider to contract with the Department to provide full-time continuous services at a specific eligible service site for a minimum of 24 months. Requires: a signed contract for current or prospective employment at an eligible service site or a letter of intent of employment at an eligible service site; A contract with the Department to serve full-time providing primary care services at the eligible service site for a minimum of 24 months, with 12-or 24-month contract extensions available upon mutual agreement with the individual in the senior leadership position at the service site; Agreement to work at least 32 of the minimum 40 hours per week; provider to charge for services at the usual and customary rates in the primary care area, except that patients unable to pay are to be charged a reduced rate according to the service site's sliding-fee scale or not charged; Agreement not to discriminate on the basis of a patient's ability to pay for care or the payment source, including Medicare or AHCCCS, and; Agreement to accept assignment for payment under Medicare and to participate in AHCCCS.

Arkansas

The state provides a forgivable loan program to assist Arkansas dental students attending specified out-of-state health and medical professional schools. The loans may be forgiven at the rate of one (1) year's loan for one (1) year's practice in Arkansas.

California

Provides loan repayment to recent dental school graduates who practice for three years in a community clinic or office in an underserved area. A "Dentally underserved area" is eligible for designation via the federal shortage designation criteria defined Title 42, Chapter I, Part, Appendix B (Criteria for Designation of Areas Having Shortages of Dental Professionals) or an area where unmet needs exist as determined by the state. Loan repayments are limited to (\$105,000) per individual. After completing one year of service, \$25,000 is awarded. After two

consecutive years, \$35,000 is awarded, for a total loan repayment of up to \$60,000. After three consecutive years, \$45,000 is awarded, for a total loan repayment of up to \$105,000. Program extended until July 1, 2012 in 2009 S 599.

Colorado

The state dental loan repayment program pays all or part of the principal, interest, and related expenses of the educational loans of each eligible dental professional who agrees to provide care to underserved populations for at least 2 years. Funding includes moneys credited to the tobacco litigation settlement fund to the extent available, appropriations from state general fund, as well as other public and private donations. Section 25-23-104 (1), C.R.S.

Connecticut

Connecticut pays for part or all of qualifying educational loans (principal, interest and related expenses for dentists and hygienists). \$15,000 per year, for minimum of 2 years and up to four (4) years with an extension in Community Health Centers and other eligible primary care sites in the state, designated by the federal government as Medically Underserved Areas (MUA) and as Health Professional Shortage Areas (HPSA). Work time requirements under the Connecticut SLRP program are for a minimum of 40 hours/wk, (max of 8 hrs may be practice-related administrative activities).

Delaware

The State Loan Repayment Program for Dentists and Physicians is designed to recruit physicians and dentists to underserved areas of the state by repaying a portion of their educational debt in exchange for their commitment to practice in underserved area. The dental component was launched in 2001.

Georgia

Provides loan assistance to dentists who agree to practice full time (minimum 40 hours / week) in rural areas of the state. The dentist must maintain a Georgia Medicaid number and actively treat Medicaid patients.

The contracts with the "Dentists for Rural Areas Assistance Program" will be for one

year, renewable up to three times for a total of 4 years. The amount of the award shall be determined by the State Medical Education Board (SMEB) annually.

If the dentist defaults the penalty shall be immediate liability for two times the original principal amount of the loan award.

Hawaii

A Hawaii law enacted in 2008 establishes the Hawaii Health Corps Program working group; provides for the development of a plan to establish a program for tuition loan repayments and stipends for physician and dentist participants serving in underserved areas; provides that priority placement in the program will be for graduates of the John A. Burns School of Medicine; requires participants to commit and serve as first responders in the event of a declared emergency.

Idaho

The Rural Health Care Access Fund provides grants to improve access to primary care medical services in areas designated as primary care health professional shortage areas and medically underserved areas. Individual grant awards are limited to \$35,000, direct and indirect costs, per year. Applicants may propose projects for funding for up to three years. Title 39, Chapter 59, Idaho Code.

Illinois

Provides grants to Illinois students enrolled or accepted in Illinois dental schools, and who contract to practice dentistry in a designated shortage area in the State. Student must be certified by the school as being eligible to receive financial aid. Upon the Illinois licensure of the student to practice dentistry, the student shall serve as a general practice dentist in a designated shortage area in the State. The term of this service shall be as provided in the Dental Student Grant Act.

2007 S 387 was enacted. Creates the Loan Repayment Assistance for Dentists Act (110 ILCS 948). Requires the Department of Public Health to establish an educational loan repayment assistance program for dentists who practice in designated shortage areas in this State for 2 years. There law enumerates

requirements of participation and the penalty is to repay the amount of the benefit received if the dentist does not fulfill the terms agreed upon. The law was amended in 2009 by adding eligibility of dental hygienists for loan repayment assistance and by adding up to two subsequent one-year grants for dentists. Dentists currently are eligible for a two year grant. 2009 S 275.

Indiana

The Indiana health care professional recruitment and retention fund provides loan repayment for student loans up to \$40,000 (\$20,000 per year) incurred by dentists agreeing to serve a two-year stint in federally designated shortage area or an area approved by the state as underserved.

In 2009 H 1573 was enacted:

The Indiana dental recruitment fund is established to provide grants to dentists and dental hygienists to encourage the full-time delivery of dental care in underserved areas and to increase the number of minority dentists and dental hygienists in Indiana. To qualify one must be licensed and have entered into an agreement with the recruitment committee to: (A) either: (i) commit to working five (5) years in a underserved area or as a minority dentist or dental hygienist in Indiana for a yearly grant of thirty-five thousand dollars (\$35,000); or (ii) commit to working two (2) years in a underserved area or as a minority dentist or dental hygienist in Indiana for a yearly grant of thirty thousand dollars (\$30,000) with the option by the dentist or dental hygienist to serve up to three (3) additional years for a yearly grant of thirty-five thousand dollars (\$35,000); (B) provide an average of at least forty (40) hours of dentistry per week in underserved areas or as a minority dentist or dental hygienist in Indiana; (C) maintain a patient base that includes at least thirty percent (30%) as Medicaid patients; and (D) provide a sliding fee scale, as approved by the committee, for low income patients.

The agreement shall include a clause that if the dentist or dental hygienist does not comply with the requirements they will pay back to the committee seven thousand five hundred dollars (\$7,500), plus interest, for each month that they do not serve or had left to serve under the terms of the agreement.

Maine

The Finance Authority of Maine awards up to 3 loans or loan repayment agreements annually up to an aggregate of 12. Under the program, loans may be awarded to Maine residents who have been accepted into dental 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 25% portion of the loan per year after executing a loan repayment agreement.

Maryland

Maryland's new law provides up to \$100,000 total loan assistance over a three-year period, during which a dentist accepts 30% of his/her caseload from the Medicaid-eligible population. Assistance is limited to 5 dentists per year for a total of 15 dentists over the three-year program.

Massachusetts

The Massachusetts Dental Society reports that as of 2009, there are two state programs that offer loan repayment or tuition reimbursement. However, that there is not enough funding in these programs to make a difference to many students. In fact, with one of these programs, dentists are forced to compete with physicians for limited financial resources.

The Massachusetts State Loan Repayment Program (MSLRP) offers loan repayment for dentists and hygienists who agree to practice in a community health center or a public licensed clinic for two years. The Commonwealth's \$250,000 is matched by the federal government, resulting in a \$500,000 program. The program is administered by the Massachusetts Department of Public Health (DPH) and is available to health professionals—including, but not limited to, dentists and hygienists—who work in designated Health Professional Shortage Areas (HPSAs).

The MDS reports that dental professionals are under-represented in the program because there are fewer community health centers in these shortage areas in Massachusetts, and rules that accompany federal matching funds preclude the DPH from structuring the program in a manner that would attract more dental professionals to more health centers.

Additionally, the state provides \$1 million,

administered by the University of Massachusetts, with 50 percent earmarked for loan repayment and tuition reimbursement. Of this amount, \$120,000 funds a scholarship at each of the state's three dental schools for students agreeing to work in a community health center for two years, \$380,000 goes to loan repayment for dentists already working in community health centers, and \$500,000 is designated for community health center infrastructure.

Minnesota

Students accepted into the program serve at least three years during which at least 25 percent of the patient encounters are state public program enrollees or patients receiving sliding fee schedule discounts. The state pays \$10,000 per year up to four years, not to exceed the lesser of \$40,000 or the balance of the qualifying loans.

Missouri

Dentists and dental school students enrolled in their final year of course study may participate in the Health Professional Student Loan Repayment Program. The maximum amount of repayment assistance is not to exceed the maximum allowed under the National Health Services Corps Repayment Program. Program participants must agree to see all patients regardless of their ability to pay. Students breaching contracts will be responsible for damages incurred by the Department of Health and legal costs incurred in the collection of damages.

Nebraska

Pays educational expenses and repay loans for dental students who agree to practice in a designated health profession shortage area, within 3 months of graduation. The amount of financial assistance is limited \$80,000 over the course of schooling. Each loan repayment recipient agrees to provide services for at least 3 years and accept Medicaid patients. Failure to complete the 3-year commitment, without good cause, results in repaying outstanding amount plus 25% of the amount of financial assistance received.

Nevada

Under the Western Regional Higher Education Compact (agreement among 13 western states & NV), a dentist receives a support fee,

25% of which is a loan to be repaid by the dental graduate. Practicing in a medically underserved area of this state for at least 2 years results in a forgiveness of the loan balance (25% of the support fee). If a person returns to this state under the compact, but does not practice in a medically underserved area of this state for at least 2 years, the state assesses a default charge and interest. (Chapter 397 of NRS)

New Jersey

N.J.S.18A:71C-33 Primary care practitioner (includes dentists) loan redemption program. To be eligible a dentist must serve at least an initial two-year period at an approved site in full-time clinical practice in designated underserved areas and allow a patient who is unable to pay the usual and customary charge to pay at a reduced rate or receive care at no charge. Part-time practice maybe allowed based on special circumstances after the initial two years. The qualifying dentist shall be permitted a total redemption of eligible qualifying loan expenses for four years of service up to, but not to exceed, \$120,000, or the maximum amount authorized by the federal government, whichever is greater, in State funds. A program participant who has previously entered into a contract for service and loan redemption may nullify the agreement by notifying the authority in writing and reassuming full responsibility for the remaining outstanding balance of the loan debt. A program participant seeking to nullify the contract before completing a second full year of service shall be required to pay 50% of the redeemed portion of indebtedness in not more than one year following nullification of the agreement. Enacted Nov. 20, 2009, SB 1220.

New Mexico (2 programs)

The HEALTH PROFESSIONALS LOAN REPAYMENT PROGRAM requires a two year service commitment in a health professional shortage area. Primary Care Physicians; Physician Assistants; Advanced Practice Nurses; **Dentists**, Podiatrists, Optometrists & Allied Health Care Providers may receive up to \$35,000 annually.

Eligibility for the NEW MEXICO HEALTH SERVICE CORPS: a New Mexico resident enrolled or accepted by an accredited or

approved educational program of study or be engaged in a residency training program or preceptorship that is within 24 months of completion of the program of study and becoming eligible to apply for a license or certificate in the profession of study. Primary Care Physicians, Family Nurse Practitioners, Physician Assistants, **Dentists**, Dental Hygienists, Emergency Medical Technician-Paramedics may earn up to a \$40,000 stipend (2 awards of \$20,000, less for non-physician). Requires a two year service commitment (1600 hours a year) in a designated health professional shortage area.

Western Interstate Commission on Higher Education (WICHE). Average \$21,300 per year up to 4 years and must return to New Mexico.

North Carolina

Loan repayment assistance is provided for General Dentists and Dental Hygienists who accept positions in approved public health/safety net dental clinics. The state Loan Repayment Program offers 2-4 year repayment schedules for general dentists and dental hygienists in exchange for working full time at approved safety net dental sites. Principle plus interest maximums for dentists are \$70,000 in exchange for a four year commitment; \$30,000 for dental hygienists in exchange for a 3 year commitment. In addition, a 39% tax stipend is added to help offset the provider's increased tax liability.

North Dakota

The state annually selects up to three dentists who enter a four-year nonrenewable contract where education loans are repaid in exchange for the dentist(s) agreeing to practice in underserved communities identified by the state health council. The council establishes a priority ranking for participation in the program for the selected communities. Dentists are eligible to receive funds for the repayment of their education loans, which may not exceed eighty thousand dollars per applicant over a four-year period.

2007 S 2152 was enacted. Enacts provisions for a dentist to receive school loan repayments as an incentive to practice: the practice cannot be within a 15 mile radius of Bismarck, Fargo or Grand Forks (the largest cities in ND), the

dentist must receive medical assistant reimbursement for dental care of at least \$20,000 or must practice at least 2 days a week at a public health clinic or at a nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental clinic's patients.

Ohio

The dentist loan repayment program provides loan repayment assistance in amounts of up to \$25,000 for each of the first two years of service and up to \$35,000 per year for the third and fourth years of service for new dentists who agree to practice at least 40 hours per week in a designated dental health professional shortage area and treat patients regardless of their ability to pay. The program will be funded with a \$20 increase in dentists' licensing fees, government funding and private contributions.

Oklahoma

In 2006, the Oklahoma Legislature passed the Oklahoma Dental Loan Repayment Act (S.B. 1737), authorizing an additional \$125,000 each year for five years to fund the Oklahoma Dental Loan Repayment Program. This program provides \$25,000 per year, per dentist, for four dentists to practice in counties determined by the Oklahoma State Department of Health to be dental health professional shortage areas and one dentist to practice and teach at the OU College of Dentistry. The state currently has 42 counties designated as shortage areas through 2009. As part of their agreement, participating dentists must treat a minimum of 30% Medicaid patients. All participating dentists also must commit to practice in a shortage area for two years, with an option to renew for up to five years total.

Pennsylvania

A physician or dentist who agrees to treat patients eligible for medical assistance and Medicare in a designated medically underserved area as a primary health care practitioner for not less than three years is eligible to receive up to \$64,000 in loan exonerations based on the following schedule: (i) Year one, 15%, (ii) Year two, 20%, (iii) Year three, 30%, (iv) Year four, 35%. Failure to begin or complete the obligations contracted for shall pay to the agency three times the amount of assistance received.

Rhode Island

Provides educational loan repayment for healthcare professionals committed to working in primary care health professional shortage areas or dental health professional shortage areas. Requires a two year commitment to provide full-time services at a site that has been approved for funding. Must charge for professional services at the usual and customary rates prevailing in the areas in which such services are provided. If a person is unable to pay such charge, they'll be charged a reduced rate or no fee. The professional also must serve full time (40 hours per week), with no more than 20% of the time devoted to administrative work and agree not to discriminate on the basis of the ability of the individual to pay for such care or on the basis that payment for such care will be made through Medicare or Medicaid. The professional must enter into an appropriate agreement with the State agency that administers Medicaid.

South Carolina

Each loan or scholarship lasts for a period of one year only. However, recipients who successfully complete the related year of study have first priority on unobligated funds for renewal of the loan or scholarship for the succeeding year. Each loan or scholarship has two parts: (1) Payment of tuition and other school related expenses up to a total of \$5000 per year, and (2) an allowance of \$100 per month for living expenses. Requires practice in a county with a dentist ratio of not more than one dentist for each four thousand people. For each year an applicant benefits from a loan or scholarship s/he is required to practice in the underserved county.

Applicants who receive a scholarship or loan for four years are only required to practice in a county for three years, at the end of which time the loan is considered paid in full.

South Dakota

Provides that up to 3 dentists are eligible to receive tuition reimbursement payments if the licensed to practice dentistry and (s)he agrees to practice general dentistry in an eligible community for a minimum period of three years. Section 1-16A-73.20

Texas

Texas makes annual repayment(s) within a time frame determined by the Board upon the dentist's completion of each twelve-month service period. Dentists must complete at least one year of dental practice in an area of the state that is underserved with respect to dental care. The commissioner of higher education may determine how much a dentist may receive in assistance grants for each of not more than five years. Amended in 2009.

Utah

Creates Utah Health Care Workforce offering loan repayment & scholarship grants for dentists, who locate or continue to practice in underserved areas. The Program will have an advisory committee one member of which will be a member of the Utah Dental Association.

Vermont

The loan repayment fund established under 18 V.S.A. Section 10a or for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program and the dental student incentive loan program.

Virginia

The dental loan repayment program provides incentives to dental students agreeing to practice in underserved areas designated by the State Board of Health through criteria derived by comparing population data, dentist population and dental health professional shortage areas determined by the federal HHS department. Preference will be given to graduates of Virginia Commonwealth University's School of Dentistry. Scholarship recipients may receive a max of five scholarships. The award(s) equal one-year in-state tuition at Virginia Commonwealth University School of Dentistry for the year in which the loan was acquired.

Wisconsin

To benefit from loan assistance, the dentist must agree to provide dental services to at least 50 unduplicated medical assistance or badger care recipients, not to fall below a minimum of \$8,000 in claims paid. In year two of the dentist's agreement, the dentist must see at least 70 unduplicated medical assistance or badger care recipients, not falling below \$11,000 in claims paid. Year

three, the dentist must provide dental services to at least 90 recipients, with a minimum claim amount of \$15,000.

Wyoming

Will pay the cost of dental education for up to 10 dental students per year in exchange for their agreeing to practice for up to 3 years on patients eligible for medical assistance or the child and parent health insurance program. If the student fails to fulfill the terms of the agreement then the costs of education are repayable to the state of Wyoming.

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