

**CS FOR HOUSE BILL NO. 442 (HES)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE**

**Offered: 2/28/92**

**Referred: Finance**

**Sponsor(s): REPRESENTATIVES ELLIS, Koponen, Lincoln, Bruckman, Ivan, Gruenberg, Ulmer, Donley, B.Davis, Jacko**

**A BILL****FOR AN ACT ENTITLED**

**1 "An Act relating to forgiveness of student loans of certain health care professionals and  
2 to student financial assistance; and providing for an effective date."**

**3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**4 \* Section 1. AS 14.43.120 is amended by adding new subsections to read:**

**5 (u) A borrower who meets the conditions provided in this section and is employed as a  
6 health care professional in a geographical area of the state determined to have a health care  
7 professional shortage for the borrower's profession by the Department of Health and Social  
8 Services under AS 44.29.020(b), shall, subject to appropriation by the legislature, have a portion  
9 of the loan paid by the state equal to the following percentages of the total loan received plus  
10 interest up to a total of 70 percent of the total loan: (1) one year employment, 10 percent; (2)  
11 two years employment, an additional 12 percent; (3) three years employment, an additional 14  
12 percent; (4) four years employment, an additional 16 percent; (5) five years employment, an  
13 additional 18 percent. In this subsection, "health care professional" means a person who is  
14 licensed as a physician or osteopath under AS 08.64.230, as a physical therapist or occupational**

1 therapist under AS 08.84, as a registered nurse under AS 08.68.190 or 08.68.200, or a person  
2 practicing medicine as a physician's assistant.

3 (v) Notwithstanding any other provision of law, while a person's loan is being paid by  
4 the state under (u) of this section, that person may not receive forgiveness of a loan under any  
5 other provision of this chapter.

6 \* Sec. 2. AS 14.43 is amended by adding a new section to read:

7 Sec. 14.43.950. EMPLOYMENT CONDITION FOR PARTICIPANTS IN CERTAIN  
8 EDUCATION PROGRAMS. As a condition of eligibility for receiving a tuition differential  
9 subsidy under a program offered by the Western Interstate Commission for Higher Education or  
10 the Alaska Commission on Postsecondary Education under AS 14.42.030(d), a program  
11 participant shall agree to be employed in the state for a period of at least six months for each  
12 school year of participation in the program for which there is a tuition differential subsidy.  
13 Except for a person who is completing a medical residency program, a person who does not meet  
14 the employment requirements of this section within four years after completing the person's  
15 subsidized education shall pay to the state 50 percent of the tuition differential subsidy received  
16 by the person plus interest at the rate provided for scholarship loans under AS 14.43.120(f).  
17 Interest under this section begins to accrue one year after the person completes the subsidized  
18 education program.

19 \* Sec. 3. AS 44.29.020 is amended by adding a new subsection to read:

20 (b) The department shall, by September 30 of each year, prepare a report that (1) lists  
21 by profession those geographic areas of the state that have a health care professional shortage;  
22 (2) identifies the number of health care professionals employed in each area of shortage; and (3)  
23 recommends changes to the health care professional loan forgiveness program under  
24 AS 14.43.120(u). The report prepared under this subsection shall be provided to the Alaska  
25 Commission on Postsecondary Education. The commissioner of health and social services shall  
26 adopt regulations regarding the determination of geographic areas with a health care professional  
27 shortage. In this subsection, "health care professional" has the meaning given in  
28 AS 14.43.120(u).

29 \* Sec. 4. APPLICABILITY. (a) AS 14.43.120(u), added by sec. 1 of this Act, and AS 44.29.020(b),  
30 added by sec. 3 of this Act, apply to a person's employment as a health care professional that occurs  
31 after July 1, 1992.

1 (b) AS 14.43.950, added by sec. 2 of this Act, applies to a person who begins an education  
2 program and who receives a tuition differential subsidy on or after January 1, 1993.

3 (c) AS 14.43.120(u), enacted in sec. 1 of this Act, does not apply to a loan received before  
4 July 1, 1991.

5 \* Sec. 5. This Act takes effect July 1, 1992.