# Rules of

**Department of Health**

Division 10—Office of the Director

Chapter 3—General and Family Physician Loan and Training Programs

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Title 19—DEPARTMENT OF

Division 10—Office of the Director

Chapter 3—General and Family

Physician Loan and Training Programs

19 CSR 10-3.010 Loan Program for Medical Students

PURPOSE: This rule establishes guidelines for implementing the medical student loan program authorized by section 191.505, RSMo 1986.

Editor's Note: The forms mentioned in this rule follow 19 CSR 50-2.000

(1) The Missouri Department of Health may appoint a committee(s) to interview applicants and to make recommendations concerning the administration of the program.

(2) To qualify for a student loan, the applicant must have no conflicting service obligation that would prevent the state from benefiting from his/her professional services after graduation. To qualify as a student from a rural area, the applicant should have lived most of his/her life in a rural area; in particular cases, the Missouri Department of Health may determine that a student who is a resident of a rural area at the time of application qualifies even though s/he has not lived most of his/her life in a rural area. When there are more applicants than available loans, financial need may be considered in selecting loan recipients.

(3) Using data provided by the statistical section of the Missouri Department of Health, each year the Missouri Department of Health will designate areas of defined need. A community or section of an urban area will be designated as an area of defined need if the area has a population to primary-care-physician ratio of at least three thousand five hundred to one (3500:1); or if the area has a population to primary-care-physician ratio of less than three thousand five hundred to one (3500:1); but greater than two thousand five hundred to one (2500:1) and has an unusually high need for primary health care services or is underserved by specialized hospital care. An area of defined need must be a community or city of six thousand (6000) or more population—plus the surrounding area up to a radius of approximately fifteen (15) miles—that serves generally as the central community of that area for a variety of services; or an urban or metropolitan neighborhood—generally located within the central city(ies) of a Standard Metropolitan Statistical Area—that has limited interaction with contiguous areas, a minimum population of approximately twenty thousand (20,000) and consisting of census tracts whenever possible. Any other area with unusual circumstances—such as impending retirement or failing health of physicians in the area or refusal of physicians to accept certain types of patients such as persons eligible for Medicaid or Medicare—can be evaluated on a case-by-case basis for designation as an area of defined need.

(4) Loan applications should be sent to the Missouri Department of Health, Division of Injury Prevention, Head Injury Rehabilitation and Local Health Services, P.O. Box 570, Jefferson City, MO 65102. Except for the first academic year that the program is in effect, completed applications must be received prior to April 1 for loans to be made for the next academic year. Except for the first academic year that the program is in effect, applicants must be notified by letter on or before July 1, indicating that a loan will or will not be made available if funds are appropriated for the particular fiscal year.

(5) The form for the loan contract will be approved by the office of the attorney general. Loan recipients must sign new contracts for each year’s loan they receive.

(6) Each loan recipient must notify the Department of Health of any change in his/her address or educational enrollment eligibility status. The full amount of the principal and accumulated interest on the loan will be due immediately for repayment when the loan recipient loses educational enrollment eligibility status. A loan recipient loses educational enrollment eligibility status when s/he is no longer a medical student in good standing, quits school or takes a leave of absence which has not been approved by the Department of Health or fails to notify the department of changes in his/her address.

(7) If the loan recipient does not qualify for deferment of payment of the loan and interest as set forth in section 191.505, RSMo (1986), the entire loan and interest must be repaid within one (1) year. Loan recipients who do not qualify for this deferral include, but are not limited to:

(A) Recipients who are in an internship or residency program for any specialty other than primary care;

(B) Recipients who are in an internship or residency training status extending beyond the limit of three (3) years; and

(C) Recipients who enter a practice in an area not defined as rural or as an area of defined need as designated by the Department of Health.

(8) Repayment of Loans.

(A) Interest will accrue from the date the check is issued.

(B) Once a loan recipient has started a practice in a rural area or in an area of defined need, the loan and interest will continue to be forgiven even if the defined need designation of the area is withdrawn.

(C) The Department of Health may grant an extension, not to exceed forty-eight (48) consecutive months, for repayment of a loan if the director of the Department of Health decides that circumstances explained in a written request from the loan recipient warrant an extension.

(D) Forgiveness and cash repayment periods are limited to forty-eight (48) consecutive months. Forgiveness and cash repayment periods are calculated beginning the first day of the calendar year following completion of internship or residency training. Forgiveness of the loan and the accrued interest may be authorized for monthly periods of less than one (1) year. No repayment period shall extend beyond the forty-eight (48)-month time period.
19 CSR 10-3.020 Funding of the Programs to Increase General and Family Physician Training Opportunities

PURPOSE: This rule establishes criteria for funding family physician training opportunities authorized by section 191.585, RSMo (1986).

Editor’s Note: The forms mentioned in this rule follow 19 CSR 50-2.010

19 CSR 10-3.030 Medical School Loan Repayment Program

PURPOSE: This rule establishes guidelines for implementing the Medical School Loan Repayment Program that will provide health professionals with a means of reducing their educational debt by providing professional clinical services in areas of defined need.

(1) Definitions. The following definitions shall be used in interpreting this rule:

(A) Areas of defined need mean areas designated by the Missouri Department of Health under section 191.605, RSMo (Supp. 1988), when services of a physician are needed to improve the patient-doctor ratio in an area, to contribute professional physician services to an area of economic impact or to contribute professional physician services to an area suffering from a natural disaster;

(B) Commercial loans means loans made by banks, credit unions, savings and loan associations, insurance companies, schools and other financial or credit institutions subject to examination and supervision as lenders by an agency of the United States or of the state in which the lender’s principal place of business is located;

(C) Contract means the agreement, which is signed by an applicant and the Missouri Department of Health director or an official delegated by the director, for the Loan Repayment Program where the applicant agrees to accept responsibility for repayment of health professional educational loans and to serve in an area of defined need;

(D) Department means the Missouri Department of Health;

(E) Director means the director of the Missouri Department of Health;

(F) Government loans means loans made by federal, state, county or city agencies authorized by law to make program loans;

(G) Primary care physician means a physician licensed and registered under Chapter 334, RSMo (1986), who is engaged in general or family practice, internal medicine, pediatrics or obstetrics and gynecology as his/her primary specialty; and who is providing primary care services to the general population;

(H) Qualifying loans means government and commercial loans for actual costs paid

E. A portion of the loan and accrued interest may be forgiven for primary care physician services provided on a full-time basis in an area of defined need or a rural area. Forgiveness shall be calculated in increments of no less than one (1) month. The physician shall provide services qualifying for forgiveness for a minimum of fifteen (15) days during a calendar month for forgiveness credit to apply. Partial year forgiveness periods may be authorized by the director of the Department of Health.

F. When, during the forty-eight (48)-month repayment period, a physician in non- compliant cash repayment status desires to return to a forgiveness status, s/he shall submit to the director of the Department of Health a written request stating the conditions that caused the original breach of contract, reasons for desiring to return to a forgiveness status and a detailed primary care practice plan. The director may request any additional information needed to evaluate the situation. Failure to provide complete information shall nullify the reconsideration. The director may reinstate a physician’s forgiveness status if the physician demonstrates that s/he has complied with the cash repayment schedule and that s/he is meeting the criteria for forgiveness.

G. Interest accrued during the deferral period by a loan recipient who is pursuing an internship or residency in primary care shall be forgiven on the same basis as the original loan and interest.


19 CSR 10-3.030 Medical School Loan Repayment Program

for tuition and reasonable educational costs and associated reasonable living expenses for the health professional;

(I) Reasonable educational costs means, in addition to tuition, the educational costs of the health professional which are required by the degree program of the school in which the program recipient was or is enrolled to obtain a health profession degree. These costs include fees, books, supplies, educational equipment and materials determined by the department director to be reasonable; and

(J) Reasonable living expenses means the cost of room and board and transportation and miscellaneous costs as may be estimated annually by the department director.

(2) Selection Priorities. As need is evidenced, the director may determine that priorities in selecting program participants will be given to physicians who are certified or eligible for the certifying examination of certain primary care specialty boards, to certain primary care specialties, to physicians who will serve in specified areas of the state, to physicians who will serve special populations or to other circumstances as they occur.

(3) Selection Criteria. The director shall select applicants in the Medical School Loan Repayment Program according to the following priority considerations:

(A) Individuals with training in health professions or specialties determined by the director to be needed in the state;

(B) Individuals determined by the director to be committed to serve in an area of defined need;

(C) Individuals according to the length of time which will be required before they will be available for service. That is, highest consideration will be given to individuals who have completed a degree, have completed specialty training, have a current and unrestricted valid license to practice their profession in the state and are immediately available to serve;

(D) Greater consideration will be given to Missouri residents and to persons who agree to serve longer than the two (2)-year minimum; and

(E) Applicants may be considered according to academic standing, prior professional experience in a primary health care area of defined need, board certification, internship/residency achievements, peer recommendations, depth of past internship/residency practice experience, other criteria related to competence or conduct and affinity for permanent practice in an area of defined need.

(4) Eligible Applicants. To be eligible for the Medical School Loan Repayment Program, an applicant shall—

(A) Be a citizen or permanent resident of the United States;

(B) Be enrolled as a full-time student at an accredited school in the state and be in the final year of a course of study or program leading to a degree in allopathic or osteopathic medicine, be enrolled in an approved graduate training program in allopathic or osteopathic medicine, or have a degree and have completed an approved graduate training program in allopathic or osteopathic medicine;

(C) Have a valid license to practice medicine or osteopathy in Missouri under Chapter 334, RSMo 1986;

(D) Submit an application to participate in the Medical School Loan Repayment Program;

(E) Sign and submit to the director, when the application is submitted, a written contract agreeing to repay educational loans and to serve for the applicable period of obligated service in an area of defined need as determined by the director; and

(F) Agree to reside in the assigned practice location or near enough not to reduce accessibility or availability to the patient load the individual has agreed to serve as determined by the director.

(5) Ineligible Applicants. The director shall not consider applications from applicants included in the following disqualification criteria:

(A) Individuals who, under an agreement, are obligated for health professional services to the federal government, a state government or other entity unless that obligation will be completely satisfied prior to the beginning of service under this program;

(B) Individuals who have breached an obligation for health professional services to the federal government, a state government or other entity; and

(C) Individuals who are unable to secure a license to practice their profession in Missouri under Chapter 334, RSMo 1986 or whose license is under suspension.

(6) Contracts. Subject to the availability of federal, state or community funds for the Medical School Loan Repayment Program, the department shall enter into a contract with each individual qualifying for repayment of educational loans. No loan repayment shall be made for any professional practice performed prior to the effective date of the health professional’s Medical School Loan Repayment Program contract. No credit shall be given for any practice done while the provider is in a professional school or graduate training program.

(A) For each year of service the individual agrees to serve, with a minimum of two (2) years of obligated service, the director may repay up to twenty thousand dollars ($20,000) of a participant’s qualifying government and commercial health professional educational loans up to a maximum of four (4) years of obligated service. At the discretion of the director and the agreement of the provider, an original contract may be extended for one (1) or two (2) years, up to a maximum of four (4) years. A one (1)-year extension is exempt from the statutory minimum requirement of two (2) years’ service.

(B) Participants shall serve in a priority area of defined need as determined by the director.

(C) Participants shall agree to serve for at least two (2) years in a designated area of defined need in the full-time clinical practice of their profession.

(D) Participants shall agree to charge for professional services at the usual and customary rate prevailing in the area in which these services are provided with one (1) exception: if a person is unable to pay the usual charge, that person shall be charged at a reduced rate or not charged any fee.

(E) In providing health services, participants shall agree not to discriminate against any person on the basis of ability to pay for those services or because payment for the health services provided will be made under the insurance program established under part A or B of Title XVIII (Medicare) of the Social Security Act or under a state plan for medical assistance approved under Title XIX (Medicaid) of the Act.

(F) Participants shall agree to enter into an appropriate plan for medical assistance under Title XIX (Medicaid) of the Social Security Act to provide services to individuals entitled to medical assistance under the plan. If the federal funding for the Medical School Loan Repayment Program is contingent upon awardees accepting an assignment for which payment may be made under Part B of Title XVIII (Medicare) of the Social Security Act, then it is required. If it is not a specific federal requirement of the awardees, the acceptance of Medicare assignment is strongly recommended by the Department of Health.

(G) Participants shall agree to enter into appropriate service agreements with local health departments for provision of medical services within or for those entities.

(H) Final approval of the loan repayment is contingent upon approval by the director of a signed service agreement from an approved
site, agreed upon by the site authority and the applicant.

(7) Default. Participants who default on their written contracts under the Medical School Loan Repayment Program shall be subject to the monetary repayment and penalties described in section 191.614, RSMo Supp. 1988.

(8) Cancellation. Participants in the Medical School Loan Repayment Program may receive a cancellation, waiver, suspension or extension of their service or repayment obligation due to personal or financial circumstances when the director deems hardship warrants the action by the department.

(9) Assuming Federal Requirements. When the Medical School Loan Repayment Program uses funds from the National Health Service Corps State Loan Repayment Program, the director is authorized to act for the state and to assume on behalf of the state the obligations imposed by federal and state statutes, the applicable regulations and any additional conditions of the grant.

(10) Community Contribution. The director shall receive requests from community entities to participate in the Medical School Loan Repayment Program for recruiting physicians. Before accepting a community contribution under section 191.611, RSMo Supp. 1988, the director shall determine the financial viability of the proposed practice site, whether the site is on the department priority placement and specialty listing, and availability of federal and state funds to match the community contribution.