

**2016 MINNESOTA STATE LOAN REPAYMENT PROGRAM  
INFORMATION NOTICE (PIN)**

Section 388I of the Public Health Services act, as amended by  
Public Law 101-597 and Public Law 111-148

**Loan Repayment for Primary Care Providers Practicing in  
Rural and Urban Health Professional Shortage Areas in Minnesota**

**Program Purpose**

The purpose of Minnesota's State Loan Repayment Program (MN SLRP) is to improve population access to outpatient clinic-based primary health care by assisting underserved communities with recruitment and retention of primary care providers.

**Program Administration and Funding**

This program is administered by the Office of Rural Health and Primary Care, Minnesota Department of Health. Program eligibility requirements and benefits are established by federal law authorizing the State Loan Repayment Program (Section 388I of the Public Health Service Act, as amended by Public Law 101-597 and Public Law 111-148).

This project is supported by the State of Minnesota and the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under grant HRSA-14-033, Affordable Care Act – State Loan Repayment Program, CFDA 93.165. The program is funded fifty percent by the federal grant and fifty percent by the state appropriation. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government.

**Program Benefits**

The MN SLRP provides funds for repayment of qualifying educational loans of up to \$20,000 annually for full-time primary care providers and up to \$10,000 annually for half-time primary care providers. In return for the loan repayment award, participants must complete a two-year service obligation in nonprofit private or public sites located in federally designated Health Professional Shortage Areas (HPSAs).

Qualifying educational loans are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses relating to the graduate or undergraduate education of a primary care provider. Awards are paid by the State of Minnesota directly to the participant, who must then apply the award immediately to the eligible outstanding debt. Loan repayment awards under this program have been exempted as taxable income under federal and Minnesota state law.

## Awards

For 2016, approximately five (5) to ten (10) loan repayment awards will be available contingent upon continued funding from the Health Resources and Services Administration and the State of Minnesota. Awards will be made in October, after federal and state funding has been secured.

## Eligible Clinicians

Eligibility includes the following health professionals who have a current *permanent and unrestricted* license to practice *independently and unsupervised* in the state of Minnesota:

MDs/DOs	Primary Care Doctors of Allopathic or Osteopathic Medicine
DDs	General Practice Dentists (D.D.S. or D.M.D.)
NPs	Primary Care Certified Nurse Practitioners
CNMs	Certified Nurse-Midwives
PAs	Primary Care Physician Assistants
DHs	Registered Clinical Dental Hygienists
CPs	Clinical or Counseling Psychologists (Ph.D. or equivalent)
LICSWs	Licensed Independent Clinical Social Workers (master's or doctoral degree in social work)
PNSs	Psychiatric Nurse Specialists
LPCCs	Licensed Professional Clinical Counselors (master's or doctoral degree with a major study in counseling, licensed to practice independently and unsupervised)
LMFTs	Licensed Marriage and Family Therapists (master's or doctoral degree with a major study in marriage and family therapy, LAMFT not eligible)

Additionally, all applicants **must**:

1. Be a U.S. citizen (either U.S. born or naturalized) or U.S. national;
2. Have a current permanent and unrestricted Minnesota state license to practice *independently and unsupervised*;
3. Be practicing or ready to begin practicing at a program-approved site once the loan repayment contract has been signed;
4. Provide primary care services (see Primary Care Practice below) during the required service obligation hours;
5. Participate or be eligible to participate as a provider in Medicare, Medicaid and MinnesotaCare, as appropriate;
6. Not have any outstanding obligation for health professional service or other service to the Federal government (e.g., an active military obligation, NHSC Loan Repayment Program obligation, NHSC Scholarship Program obligation or Nursing Education Loan Repayment Program obligation) or to a State or other entity (e.g., a recruitment bonus that obligates you to remain employed at a certain site), unless the obligation would be completed prior to receipt of the MN SLRP award. See below for an **exception** for members of a Reserve component of the Armed Forces or National Guard;
7. Not be in breach of a health professional service obligation to the Federal, State or local government;
8. Not be in default on any Federal payment obligations (e.g., Health Education Assistance Loans, Nursing Student Loans, Federal income tax liabilities, Federal

- Housing Authority loans, etc.) even if the creditor now considers them to be in good standing;
9. Not had any Federal or non-Federal debt written off as uncollectible or received a waiver of any Federal service or payment obligation;
  10. Not have any judgment liens arising from Federal debt; and,
  11. Not be excluded, debarred, suspended or disqualified by a Federal agency.

**Only one application per site** will be accepted. Currently practicing clinicians are eligible, but no credit will be given for service prior to signing a contract with the state. No credit will be given for any practice while the provider is in a professional school or graduate training program.

**Military Reserve Exception:** Individuals in a Reserve component of the Armed Forces, including the National Guard, are eligible to participate in the MN SLRP. Reservists should understand the following:

1. Military training or service performed by reservists will not satisfy the MN SLRP service commitment. If a participant's military training and/or service, in combination with the participant's other absences from the service site, will exceed approximately seven (7) weeks per service year, the participant should request a suspension of his/her MN SLRP service obligation. The MN SLRP service obligation end date will be extended to compensate for the break in MN SLRP service.
2. If the reservist is deployed, following deployment he/she is expected to return to the MN SLRP service site where he/she was serving prior to deployment. If unable to do so, the reservist must complete his/her service obligation at another MN SLRP-approved site.

### **Primary Care Practice**

All participants are expected to practice within the scope of practice for their eligible primary care discipline.

The approvable primary care specialties for physicians include family medicine, general internal medicine, general pediatrics, obstetrics/gynecology, geriatrics and psychiatry. General practice physicians (physicians who have not completed residency training programs) are not eligible for funding under the MN SLRP.

The approvable primary care specialties for nurse practitioners and physician assistants include adult, family, pediatrics, psychiatry/mental health, geriatrics and women's health.

The approvable primary care specialties for dentists include family general dentistry, geriatric dentistry and pediatric dentistry.

General mental and behavioral health services are considered primary care for mental health clinicians. Services that target specific populations and/or specific diagnosis' (e.g. SPMI, addiction counseling) are considered specialty services and are not eligible unless they are provided as an extension to general mental health services.

## **Clinical Service Obligation**

In order to receive loan repayment, a clinician must agree to practice either full-time or part-time as a primary care clinician (see Eligible Clinicians) for a minimum of two years at a program-approved site located within a federally designated Health Professional Shortage Area (HPSA). During the second year of service obligation, participants may request extensions for a third and fourth year of loan repayment. Extensions will be granted depending on the availability of state and federal funds and program priorities. *Severe financial penalties* apply to participants who fail to complete their service obligation as specified in their contractual agreement (see Financial Penalties for Default.)

## **Full-time Service**

Full-time clinical practice in the Minnesota SLRP is defined as a minimum of 40 hours per week, for a minimum of 45 weeks each service year. The 40 hours per week may be compressed into no less than four (4) days per week, with no more than 12 hours of work to be performed in any 24-hour period. Time spent “on call” or in an Emergency Department will not be counted towards the service requirement.

- A. For all health professionals, except as noted in (B):
  - 1. At least 32 of the minimum 40 hours per week must be spent providing patient care in the outpatient ambulatory care setting(s) at the approved service site(s) specified in the Application, during normally scheduled office hours.
  - 2. The remaining eight (8) hours of the minimum 40 hours per week may be spent as follows: providing clinical services for patients; teaching in the approved service site(s); providing patient care in alternative settings (e.g., hospitals, nursing homes, shelters) as directed by the approved service site(s); or performing practice-related administrative activities.
  
- B. For OB/GYN physicians, family medicine physicians who practice obstetrics on a regular basis, certified nurse midwives and providers of geriatric services:
  - 1. At least 21 of the minimum 40 hours per week must be spent providing patient care in the outpatient ambulatory care setting(s) at the approved service site(s) specified in the Application, during normally scheduled office hours.
  - 2. Up to 19 hours of the minimum 40 hours per week may be spent providing patient care in alternative settings (e.g., hospitals, nursing homes, shelters) as directed by the approved service site(s).
  - 3. Total administrative activities **and** teaching activities shall not exceed 8 hours of the minimum 40 hours per week.

## **Part-time Service**

Part-time clinical practice in the Minnesota SLRP is defined as a minimum of 20 hours per week, for a minimum of 45 weeks each service year. The 20 hours per week may be compressed into no less than two (2) days per week, with no more than 12 hours of work to be performed in any 24-hour period. Full-time work done by a half-time participant will not change the participant’s half-time status (and will not entitle the clinician to full-time service credit). Time spent “on call” will not be counted towards the service requirement.

- A. For all health professionals, except as noted in (B):

1. At least 16 of the minimum 20 hours per week must be spent providing patient care in the outpatient ambulatory care setting(s) at the approved service site(s) specified in the Application, during normally scheduled office hours.
  2. The remaining four (4) hours of the minimum 20 hours per week may be spent as follows: providing clinical services for patients; teaching in the approved service site(s); providing patient care in alternative settings (e.g., hospitals, nursing homes, shelters) as directed by the approved service site(s); or performing practice-related administrative activities.
- B. For OB/GYN physicians, family medicine physicians who practice obstetrics on a regular basis, certified nurse midwives and providers of geriatric services:
1. At least 11 of the minimum 20 hours per week must be spent providing patient care in the outpatient ambulatory care setting(s) at the approved service site(s) specified in the Application, during normally scheduled office hours.
  2. Up to 9 hours of the minimum 20 hours per week may be spent providing patient care in alternative settings (e.g., hospitals, nursing homes, shelters) as directed by the approved service site(s).
  3. Total administrative activities **and** teaching activities shall not exceed 4 hours of the minimum 20 hours per week.

### **Financial Penalties for Default**

Participants who fail to complete the period of obligated service or fulfill the terms of the Minnesota SLRP award contract will be placed in default. In addition, he/she will be liable to the State of Minnesota for an amount equal to the total award amount paid to the participant **plus** an unserved-obligation penalty (see below), or \$31,000, whichever is greater.

The unserved-obligation penalty is an amount equal to the number of months of obligated service that were not completed by the participant multiplied by \$7,500. Total financial penalties should be paid to the State within one (1) year of the date of default. If the participant fails to repay the full amount owed within one (1) year, the State will add interest accruing from the date of the default.

The State may also release participant information to a consumer credit reporting agency until the amount owed to the State is paid in full. It may also report a defaulted provider to the appropriate health-related licensing board, which may suspend or revoke the participant's license to practice.

### **Site Eligibility**

To be eligible to participate in the MN SLRP, all sites must:

1. Be nonprofit private or public entities ("Nonprofit private entity" is defined in the federal grant guidance as "an entity which may not lawfully hold or use any part of its net earnings to the benefit of any private shareholder or individual and which does not hold or use its net earnings for that purpose." Since a provider in a solo or group practice presumably uses some or all of the net earnings from that private practice for his/her benefit, such practices do not qualify as a "nonprofit private entity," and therefore are not eligible to participate in the loan repayment program);

2. Be located in a federally designated Health Professional Shortage Area (HPSA) appropriate to the discipline of the candidate applicant (e.g. dental HPSA for a dentist or dental hygienist candidate applicant);
3. Have implemented a sliding-fee discount schedule for uninsured patients based ONLY on family size and income status. Policies may not include assets for determining patient eligibility for sliding-fee discounts. Discounts must be available to patients at 200 percent Federal Poverty Guidelines and below with a nominal rate (or free) available to patients at 100 percent Federal Poverty Guidelines and below;
4. Have a written and posted policy that patients will not be denied services due to inability to pay,
5. Have a written and posted policy that patients will be not be denied services due to an individual's race, color, sex, national origin, disability, religion, age\*, or sexual orientation; and,
6. Accept Medicare assignment and have entered into the appropriate agreement with Minnesota Public Insurance Programs.

Types of sites eligible to participate may include:

1. Federally Qualified Health Centers (FQHCs)
2. FQHC Look-Alikes
3. Rural Health Clinics (with the required policies)
4. State and County Mental Health Hospitals
5. Community Health Centers
6. Mobile Clinical Units
7. Indian Health Service Clinics
8. Tribal Health Clinics
9. State or Federal Correctional Facilities
10. Other Community Outpatient Clinics that provide a full range of primary and preventative health services (medical, dental and/or mental health)

\*EXCEPTION: "Age" is not an applicable discriminatory factor for pediatric or geriatric sites.

### **Required Application Components**

- A. Candidate Application
- B. Candidate Application Supporting Documents
  1. Certificate of Naturalization (if born outside of the United States)
  2. Minnesota Health Profession License (current, permanent, unrestricted)
  3. Resume or Curriculum Vitae (CV)
  4. Certification of Residency Completion (required for physicians)
  5. Board Certification (if relevant and available)
  6. Reference Letters
  7. Essay Response
- C. Clinic Site Application
- D. Clinic Site Supporting Documents
  1. Proof of Nonprofit status (does not apply to Public entities)
  2. Patient Non-Discrimination Policy or Policies
  3. Sliding Fee Discount Policy

4. Schedule of Discounts for Sliding Fee Policy
5. Patient Sliding Fee Application

### **Application Deadline**

The application deadline is **August 19, 2016**. Applications must be faxed or postmarked by this date. Applications must include both the site and candidate forms as well as all required supporting documentation. Late and/or incomplete applications will not be considered. Awards will be made in October, after federal and state funding has been secured. Applications are available on the Minnesota Department of Health website at [www.health.state.mn.us/divs/orhpc/funding/loans/state.html](http://www.health.state.mn.us/divs/orhpc/funding/loans/state.html).

### **Technical Assistance**

Approved sites are responsible for recruiting their own providers within these guidelines. The Office of Rural Health and Primary Care can provide a limited amount of technical assistance through its state-funded recruitment and retention program. For technical assistance, site eligibility or a site application contact Debra Jahnke of the Office of Rural Health and Primary Care at (651) 201-3845 or (800) 366-5424 (Minnesota only) or [debra.jahnke@state.mn.us](mailto:debra.jahnke@state.mn.us).