



MINNESOTA STATE LOAN REPAYMENT PROGRAM
2011-2012 INFORMATION NOTICE
M.S. 144.1487 to 144.1491

**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 is to improve access to 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. It is funded by the State of Minnesota and the National Health Service Corps. 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 Minnesota Statutes, 144.1487 to 144.1491.

Program Benefits

The State Loan Repayment Program provides funds for repayment of qualifying educational loans of up to \$20,000 annually for primary care providers practicing full time in nonprofit private or public sites 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. Loan repayment awards under this program have been exempted as taxable income under recent changes in federal and state law.

Candidate Applications and Selections

For fiscal year 2011-2012, approximately five (5) loan repayment awards will be available contingent upon continued funding from the National Health Service Corps and the State of Minnesota. **The application deadline is August 12, 2011.** Applications must be faxed or postmarked by this date. Candidate applications must be submitted in conjunction with a Site application for full consideration. Awards will be made in late September/early October, after federal and state funding has been secured. If all awards are not made at that time, applications will be accepted until funds are exhausted. Applications are available on the Minnesota Department of Health Web site at www.health.state.mn.us/divs/orhpc/funding/loans/state.html or by contacting Debra Jahnke at 651-201-3845 or 800-366-5424 (Minnesota only), or by email at debra.jahnke@state.mn.us

Service Requirement

In order to receive loan repayment, a provider must agree to practice 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 third and fourth year loan repayment. Extensions will be granted depending on the availability of state and federal funds and program priorities. **Severe financial penalties** apply to providers who fail to complete their service obligation as specified in their contractual agreement.

Provider Eligibility

Providers must be U.S. citizens, must not have any unserved obligations for service to another governmental or non-governmental agency, and must be licensed and ready to begin full-time clinical practice at the approved site once a loan repayment contract has been signed. Currently practicing providers are eligible, but no credit can be given for service prior to signing a contract with the state. No credit may be given for any practice while the provider is in a professional school or graduate training program. Providers are not eligible to participate if they have any unsatisfied obligations for health professional service to the federal, state or local government or any other entity.

Eligibility includes the following health professionals that have a 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
NMs	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
LPCs	Licensed Professional Counselors (master's or doctoral degree with a major study in counseling)
MFTs	Marriage and Family Therapists (master's or doctoral degree with a major study in marriage and family therapy)

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

Site Application and Eligibility

Sites must apply **annually** to be approved for participation. Federal grant guidance for this program requires that loan repayment sites must be nonprofit private or public entities located in federally designated HPSAs. "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.

Appropriate sites include community health centers, migrant health centers, health care entities that provide primary health care services to underserved populations, federally qualified health centers and other systems of care that provide a full range of primary and preventive health and social services.

Sites requesting loan repayment for a provider must agree that they implement a sliding fee scale for low-income patients and will accept all patients regardless of their ability to pay. They must agree to accept assignment for Medicare beneficiaries and have entered into an appropriate agreement with the applicable state agency for Medicaid and State Children’s Health Insurance Program beneficiaries. Only one provider application per site will be accepted each year for consideration.

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 their 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) debra.jahnke@state.mn.us.