

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Loan Repayment Assistance for Physicians
- 2) Code Citation: 77 Ill. Adm. Code 581
- 3)

<u>Section Numbers</u> :	<u>Adopted Action</u> :
581.100	Amend
581.110	Amend
581.120	New
581.200	Amend
581.210	Amend
581.220	Amend
581.230	Amend
581.240	Amend
581.250	New
- 4) Statutory Authority: Loan Repayment Assistance for Physicians Act [110 ILCS 949]
- 5) Effective Date of Rulemaking: January 27, 2012
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposed Amendments Published in Illinois Register: October 14, 2011; 35 Ill. Reg. 16399
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between proposal and final version:

The following change was made in response to comments and suggestions of JCAR:

In Section 581.100, for the definition of "Lawful permanent resident", added the following before the period "with the U.S. Department of Homeland Security".

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In addition, various typographical, grammatical, and form changes were made in response to the comments from JCAR.

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rulemaking: The adopted amendments to this Part added several definitions. New clarifying language was added regarding the terms of performance required and the process for repayment of funds. Also, new Sections were added for administrative hearings and the applicable provisions of the Illinois Grant Funds Recovery Act.
- 16) Information and questions regarding these adopted amendments shall be directed to:

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217/782-2043

The full text of the Adopted Amendments begins on the next page:

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TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER g: GRANTS TO DENTAL AND MEDICAL STUDENTSPART 581
LOAN REPAYMENT ASSISTANCE FOR PHYSICIANS

SUBPART A: GENERAL PROVISIONS

Section	
581.100	Definitions
581.110	Referenced Materials
581.120	Administrative Hearings

SUBPART B: EDUCATIONAL LOAN REPAYMENT FOR PHYSICIANS

Section	
581.200	Application
581.210	Eligibility
581.220	Grant Awards
581.230	Grant Terms and Obligations
581.240	Penalty for Failure to Fulfill Obligation
581.250	Grant Funds Recovery

AUTHORITY: Implementing and authorized by the Loan Repayment Assistance for Physicians Act [110 ILCS 949].

SOURCE: Adopted at 33 Ill. Reg. 12263, effective August 17, 2009; amended at 36 Ill. Reg. 2331, effective January 27, 2012.

SUBPART A: GENERAL PROVISIONS

Section 581.100 Definitions

"Act" means the Loan Repayment Assistance for Physicians Act [110 ILCS 949].

["Administrative law judge" shall have the meaning ascribed in the Department's Practice and Procedure in Administrative Hearings.](#)

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"Applicant" means a person who submits an application to the Department to receive a physician loan repayment assistance grant.

"Business day" means Monday through Friday. It does not include a federal or State government declared holiday, Saturday or Sunday.

"Calendar day" means all days in a month or prescribed time frame. It includes weekends and federal or State government declared holidays.

"Commercial lending institution" means a bank, credit union or financial company that makes loans.

"Department" means the Department of Public Health. (Section 10 of the Act)

"Educational ~~loans~~Loans" means higher education student loans that a person has incurred in attending a registered professional physician education program. (Section 10 of the Act)

"Full-~~time practice~~~~Time-Practice~~" means maintaining office hours for patient care that equal or exceed the mean number of office hours and face to face patient visits per week reported by physicians, by specialty, and published in the American Medical Association's "Socioeconomic Characteristics of Medical Practice, 2002", incorporated by reference in Section 581.110.

"Grant" means funds awarded under the Act.

"Grant agreement" means the agreement entered into between the Department and any person or entity for obligation, capital expenditure or use for a specific purpose.

"Grantee" means a person or entity which may use grant funds (Section 2(c) of the Illinois Grant Funds Recovery Act). ~~refers to a person who is the recipient of a grant for educational loan repayment assistance under the Act and this Part.~~

"Grant funds" means public funds dispensed by the Department to any person or entity for obligation, expenditure or use for a specific purpose. (Section 2(b) of the Illinois Grant Funds Recovery Act)

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"Grant ~~period~~Period" means the duration of the loan repayment benefit, which is one year.

"Illinois resident" means a person who has been a resident of Illinois for at least one year prior to applying for loan repayment assistance and is a citizen or lawful permanent resident of the United States.

"Lawful permanent resident" means a person who is not a citizen of the United States but who resides in the United States under legally recognized requirements and lawfully records his/her permanent residence with the U.S. Department of Homeland Security.

"Metropolitan statistical area" or "MSA" means one or more adjacent counties that have at least one urban core area of at least 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties.

"Physician" means a person licensed under the Medical Practice Act of 1987 [225 ILCS 60] to practice medicine in all of its branches. (Section 10 of the Act)

"Program" means the educational loan repayment assistance program for physicians established by the Department under the Act. (Section 10 of the Act)

"Registered professional physician education program" means any accredited private or public nonprofit school that provides education leading to a doctor of medicine or doctor of osteopathy degree.

"Rural" means any geographic area not located in a U.S. Census Bureau Metropolitan Statistical Area; or a county located within a Metropolitan Statistical Area but having a population of 60,000 or less; or a geographic area located within a Metropolitan Statistical Area but having a population of 2,500 or less.

"Service ~~term~~Term" ~~means~~refers to the length of time that the physician is obligated to serve as a physician in Illinois as the result of receiving loan repayment funds from the Department.

"Urban" means any geographic area that does not meet the definition of "rural" in this Section~~rural geographic area definition in this Part.~~

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(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.110 Referenced Materials

The following materials are incorporated or referenced in this Part:

- a) Illinois Statutes:
 - 1) Medical Practice Act of 1987 [225 ILCS 60]
 - 2) Loan Repayment Assistance for Physicians Act [110 ILCS 949]
 - 3) [Illinois Grant Funds Recovery Act \[30 ILCS 705\]](#)
 - 4) [Illinois Administrative Procedure Act \[5 ILCS 100\]](#)
 - 5) [Department of Public Health Powers and Duties Law \[20 ILCS 2310/2310-200\]](#)
- b) [Illinois Administrative Rule: Practice and Procedure in Administrative Hearings \(77 Ill. Adm. Code 100\)](#)
- c)b) Other Guidelines
"Socioeconomic Characteristics of Medical Practice, 2002" prepared by the American Medical Association's Center for Health Policy Research (515 N. State St., #16, Chicago IL 60654, [312-434-5000\(312\)464-5000](#))
- d)e) All incorporations by reference of standards of nationally recognized organizations refer to the standards on the date specified and do not include any ~~amendments or editions~~[additions or deletions](#) subsequent to the date specified.

(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.120 Administrative Hearings

Administrative hearings conducted concerning the provisions of this Part shall be governed by the Department's Practice and Procedure in Administrative Hearings.

(Source: Added at 36 Ill. Reg. 2331, effective January 27, 2012)

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SUBPART B: EDUCATIONAL LOAN REPAYMENT FOR PHYSICIANS

Section 581.200 Application

- a) The Department will prepare and make available applications to eligible applicants. The form of the application and the information required shall be determined by the Department. (Section 20 of the Act)~~Applicants shall complete an application on forms available from the Department.~~
- b) Applicants shall document currently existing educational loan indebtedness to a governmental or commercial lending institution incurred for educational expenses in pursuit of the applicant's medical degree ~~in Illinois~~. The documentation of indebtedness shall include a photocopy or original copy of promissory notes or other evidence of indebtedness with disclosure of lending institution or agency, loan amount, loan period, interest rate, and any amounts repaid prior to the date of submission of the application.
- c) An applicant shall demonstrate that he or she meets all of the eligibility criteria in Section 581.210.
- d) Applicants shall provide their practice location and their medical specialty in the application.
- e) *The total amount of grants that a person may be awarded under the program shall not exceed \$25,000. (Section 30 of the Act)*

(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.210 Eligibility

- a) *To be eligible for assistance under the program, an applicant must meet all of the following qualifications:*
- 1a) *He or she must be a citizen or lawful permanent resident of the United States.*
- 2b) *He or she must be a resident of Illinois.*
- 3e) *He or she must be practicing full time in Illinois as a physician.*

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- ~~4d)~~ *He or she must currently be repaying educational loans: and-*
- ~~5e)~~ *He or she must agree to continue full-time practice in Illinois for 3 years.
(Section 25 of the Act)*

~~b)~~ Individuals who receive educational loan repayment assistance from other programs that require service commitments that would prevent the grantee from meeting the requirements of the Act and this Part are ineligible for assistance from this program.

(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.220 Grant Awards

- a) ~~For~~Under the program, for each year that a qualified applicant who is selected as a recipient practices full-time in Illinois as a physician, the Department shall, subject to appropriation, award a grant to that person in an amount equal to the amount in educational loans that the person must repay that year. However, the total amount in grants that a person may be awarded under the program shall not exceed \$25,000. The Department shall require recipients to use the grants to pay off their educational loans. (Section 30 of the Act)
- ~~b)~~ Payments received from the Department shall be used to repay educational loans (including principal, interest and related expenses) received by the grantee from federal, State or local governments or from commercial lending institutions and used for tuition expenses while attending a registered professional physician education program.
- ~~b)~~ Payments received must be used for the repayment of education loans, including principal, interest and related expenses of government and commercial loans received by the individual and used for tuition expenses while attending a registered professional physician education program in the State.
- c) When ~~qualified~~ applications are available to support a geographical separation into urban and rural groupings, an equal number of applicants will be selected from each ~~group~~of the groups.

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- d) When appropriations are insufficient to provide loan repayment to all qualified applicants, awards will be prorated.
- e) Applications shall be accepted between July 1 and September 30 of each [calendar](#) year. If all funds are not expended, subsequent applications will be evaluated individually as received.

(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.230 Grant Terms and Obligations

- a) Each physician selected for educational loan repayment [assistance](#) shall enter into a written grant agreement with the Department [prior to receiving loan repayment funds](#). [The agreement shall contain terms and conditions that ensure compliance with this Part and the laws of the State of Illinois, and enforcement of the agreement.](#)
 - 1) [The grant agreement shall contain, at a minimum, the following:](#)
 - A) [Identifying information of the grantee, including name, mailing address, phone number and e-mail address;](#)
 - B) [A description of the grant's purpose;](#)
 - C) [Specific information on how payments to the grantee will be made;](#)
 - D) [Details on what constitutes permissible expenditure of grant funds;](#)
 - E) [Financial controls applicable to the grant; and](#)
 - F) [The time frame within which the grant is valid, including the time frame during which grant funds can be expended.](#)
 - 2) [Grants are effective on the date that a grant agreement is executed between the Department and the grantee.](#)
 - A) [A grant is valid for the time frame outlined in the grant agreement.](#)

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- B) The Department will deem a grant agreement null and void if the grantee does not fulfill the requirements stipulated in the agreement.
- C) Grants are not assignable or transferable. Any assignment or transfer shall render the grant agreement null and void.
- b) Grantees shall complete three years of service in Illinois. Grantees who were awarded a grant based on geographical preference and who wish to move their practice from the location described in the ~~grantee's~~ original application and retain status as a grantee shall receive approval from the Department prior to relocating ~~to another~~ ~~and shall relocate to an~~ area in Illinois. Without prior approval from the Department, time in a practice location will not count toward the grantee's service obligation.
- c) Every ~~threesix~~ months, the grantee shall provide documentation to the Department that the amount of money paid for educational loan debt is greater than or equal to the amount of money paid by the Department under this program. Cancelled checks or documentation from the lending institution will be accepted for this purpose.
- d) The grant program administered under this Part will allow for initial three year grants and subsequent one year grants. ~~Grantees~~ Grant recipients will be given priority for additional year funding ~~provided that so long as~~ they continue to meet the eligibility requirements described in Section 25 of the Act and Section 581.210.
- e) If the grantee is disabled or is otherwise unable for reasons beyond the grantee's control to perform the loan repayment obligations, these obligations shall be suspended until the grantee is able to resume the loan repayment obligations. However, the suspension shall not exceed two years.
- 1) To request a suspension of the loan repayment obligation, a grantee shall submit a suspension request in writing to the Department. This request shall detail the reason for the suspension and, if temporary, the duration of the suspension and shall be supported by clear and convincing documentation.

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- 2) The Department shall approve a request for suspension if the request is supported by a letter from the grantee's licensed physician fully explaining and attesting to the grantee's inability (either temporarily or permanently) to continue the loan repayment obligation.
- 3) If the Department denies the suspension request, the grantee shall fulfill the loan repayment obligation.
- 4) Based on the information contained in the suspension request, the Department's acceptance or denial of the request will be provided in writing, under the Director's signature.
- 5) If the grantee suffers total and permanent disability, is adjudicated as incompetent or dies, the grantee shall be discharged from all obligations to the Department in connection with this Part and the Act.

(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.240 Penalty for Failure to Fulfill Obligation

- a) Upon execution of the grant agreement with the Department, the grantee shall provide full-time medical services in Illinois. The term of this service shall be for three years.
- b)a) If the ~~Upon breach of~~ grant agreement is breached, the grantee shall repay the Department a sum equal to 3 times the amount of funds ~~loan repayment recipients who fail to practice full-time in Illinois for three years shall repay the Department a sum equal to three times the amount~~ received under the program. (Section 35 of the Act)
- c)b) A breach of the grant agreement shall include, but not be limited to, the following situations:
 - 1) Failure to practice full-time at the location specified in the grant agreement;
 - 2) Relocation to an area ~~that is~~ outside ~~of the State of~~ Illinois;
 - 3) Material misstatement in furnishing information to the Department;

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- 4) Making any misrepresentation for the purpose of obtaining a loan repayment assistance grant; ~~or~~
 - 5) ~~Failure~~Failure to practice full-time in Illinois for three years; (Section 25 of the Act); or
 - 6) A determination made by the Department that the grantee has two or more concurrent loan repayment obligations from the federal, State or local government or other entity.
- d) When the Department determines that the grant agreement has not been fulfilled and all applicable requirements of Section 581.250 have been met, the Department and grantee shall enter into a contract for the repayment of the obligation.
- 1) To fulfill the repayment requirements of the Act and this Section, the grantee shall have 30 calendar days after the conclusion of all applicable requirements of Section 581.250 to enter into a contract with the Department. This contract shall contain terms of the repayment and provisions for enforcement of the contract.
 - 2) Payment shall be made in equal monthly installments in amounts so that all sums due shall be paid within a period of time equal to the grantee's service term, or remaining portion thereof, or as otherwise approved by the Department.
- e) ~~Loan repayment recipients who fail to practice full-time in Illinois for three years shall repay the Department a sum equal to three times the amount received under the program. (Section 35 of the Act).~~
- d) ~~The grantee shall repay all funds provided by the Department under this Part within a period of time equal to the recipient's service term.~~
- e) If the grantee ~~fails to pay monies~~does not repay all funds owed to the Department within the required time period, the Department ~~shall~~will refer the matter to the Illinois Attorney General, a collection agency or a licensed attorney for resolution.

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- f) The amounts paid to the Department shall be deposited into the Community Health Center Care Fund and shall be used by the Department to improve access to primary health care services as authorized under Section 2310-200(a) of the Department of Public Health Powers and Duties Law.

(Source: Amended at 36 Ill. Reg. 2331, effective January 27, 2012)

Section 581.250 Grant Funds Recovery

- a) If a grantee fails to comply with this Part or any terms of the grant agreement, the Department, after notice and opportunity for hearing, shall suspend or revoke the grant and recover any grant funds previously disbursed to the grantee.
- b) If the Department believes that a grant should be suspended, revoked or recovered because of a grantee's failure to comply with this Part or the terms of the grant agreement, the grantee shall have the opportunity for at least one informal hearing before the Department or the Department's designee to determine the facts and issues and to resolve any conflicts as amicably as possible before any formal recovery action is taken.
- c) If, based on the outcome of the informal hearing, the Department believes that a grant should be suspended, revoked or recovered because of a grantee's failure to comply with this Part or the terms of the grant agreement, written notice of the proposed action will be given to the grantee identifying the action to be taken and specific facts that permit the action. The grantee shall have 35 calendar days after the receipt of the notice to request a formal hearing (see 77 Ill. Adm. Code 100) to show why recovery is not justified or proper.
- d) If a grantee requests a hearing pursuant to subsection (c), the Department will hold a hearing at which the grantee or the grantee's attorney is permitted to present evidence and witnesses to show why the recovery action should not be taken.
- e) After the conclusion of the hearing, the Department will issue a written final order setting forth its findings of fact and decision. A copy of the order will be sent to the grantee.
- f) In addition to the terms of the grant agreement regarding suspension or termination, the Department may suspend or terminate the grant agreement if the

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grantee breaches the grant agreement, fails to comply with the Act or this Part, makes any material misrepresentation to the Department or creates any situation that constitutes a threat to the public's health, safety or welfare. Notice of opportunity for hearing will be provided with the notice of suspension. If a grantee requests a hearing pursuant to subsection (c), the Department may not take any action of recovery until at least 35 calendar days after the Department has issued a final recovery order pursuant to subsection (e). If a grantee does not request a hearing, the Department may proceed with recovery of the grant funds identified in the notice at any time after the expiration of the 35 calendar day request period established in subsection (c).

- g) Any notice or mailing required or permitted by this Part shall be deemed received five business days after the notice or mailing is deposited in the United States mail, properly addressed with the grantee's current or last known business address and with sufficient U.S. postage affixed.

(Source: Added at 36 Ill. Reg. 2331, effective January 27, 2012)