

ILLINOIS REGISTER

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Student Loan Repayment Program Code
- 2) Code Citation: 77 Ill. Adm. Code 582
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
582.10	New Section
582.20	New Section
582.30	New Section
582.40	New Section
582.100	New Section
582.105	New Section
582.110	New Section
582.115	New Section
582.120	New Section
582.125	New Section
582.130	New Section
582.135	New Section
582.140	New Section
582.145	New Section
582.150	New Section
582.155	New Section
582.160	New Section
582.165	New Section
582.170	New Section
- 4) Statutory Authority: Sections 338B and 331(i) of the Public Health Service Act (42 U.S.C. 254d(i) and 254L-1), 42 CFR 62, National Health Service Corps Scholarship and Loan Repayment Programs and Section 4.10 of the Family Practice Residency Act [110 ILCS 935].
- 5) A Complete Description of the Subjects and Issues Involved: A new Part is proposed to assist in the management and oversight of the federal government's Student Loan Repayment Program (SLRP). This program provides loan repayment for educational debt in exchange for the health professional working in a health shortage area. Illinois participates in SLRP and follows the federal guidelines for managing the program. The proposed administrative rules will maintain the federal stipulations and incorporate Illinois specific requirements regarding terms of performance for recipients.

The economic effect of this proposed rulemaking is unknown. Therefore, the Department requests any information that would assist in calculating this effect.

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The Department anticipates adoption of this rulemaking approximately six to nine months after publication of the Notice in the *Illinois Register*.

- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning this rulemaking within 45 days after the publication of this issue of the *Illinois Register* to:

Susan Meister
Division of Legal Services
Illinois Department of Public Health
535 W. Jefferson St., 5th floor
Springfield, Illinois 62761

217/782-2043

e-mail: dph.rules@illinois.gov

- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None

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- 14) Regulatory Agenda on which this rulemaking was summarized: July 2013, 37 Ill. Reg. 9035.

The full text of the Proposed Rules 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 STUDENTS

PART 582
STUDENT LOAN REPAYMENT PROGRAM CODE

SUBPART A: GENERAL PROVISIONS

Section	
582.10	Definitions
582.20	Incorporated and Referenced Materials
582.30	Administrative Hearings
582.40	Freedom of Information

SUBPART B: STATE LOAN REPAYMENT PROGRAM

Section	
582.100	Eligibility Requirements
582.105	Use of Funds
582.110	Application Procedure
582.115	Application Review Process
582.120	Loan Repayment Agreement
582.125	Service Obligation Fulfillment
582.130	Service Obligation Suspension
582.135	Service Obligation Waiver
582.140	Medical Facility Transfer
582.145	Reporting Requirements
582.150	Loan Repayment Award Monitoring
582.155	Cooperation with Investigations and Audits
582.160	Penalty for Failure to Fulfill Service Obligation
582.165	Suspension or Termination of Loan Repayment Funding
582.170	Loan Repayment Funds Recovery

AUTHORITY: Authorized and implementing Sections 338B and 331(i) of the Public Health Service Act (42 U.S.C. 254d(i) and 254L-1), 42 CFR 62, National Health Service Corps Scholarship and Loan Repayment Programs and Section 4.10 of the Family Practice Residency Act [110 ILCS 935].

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SOURCE: Adopted at 38 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 582.10 Definitions

"Accredited school" means a college or university in which a degree in allopathic medicine, osteopathic medicine, dentistry or an equivalent credential for a health program is earned and where the Council for Higher Education Accreditation (www.chea.org) or its affiliates has determined that the school meets specific standards for its programs, faculty and curriculum. A person who earns a degree from an unaccredited school is unable to participate in the State Loan Repayment Program.

"Administrative duties" means charting, research, attending meetings, and other non-treatment activities pertaining to the health care professional's practice.

"Administrative law judge" shall have the meaning ascribed in the Department's Practice and Procedure in Administrative Hearings.

"Advanced practice nurse" or "APN" means a person who has met the qualifications for a certified nurse midwife (CNM); certified nurse practitioner (CNP); certified registered nurse anesthetist (CRNA); or clinical nurse specialist (CNS) and has been licensed by the Department of Financial and Professional Regulation as a nurse. (Section 50-10 of the Nurse Practice Act)

"Allopathic medicine" means the use of pharmacological agents or physical interventions to treat or suppress symptoms or processes of diseases or conditions.

"Applicant" means a health care professional or medical facility that applies for loan repayment assistance funds.

"Approved graduate training" means training in medicine, dentistry or other health professions that leads to eligibility for board certification, provides evidence of completion, is approved by the appropriate health care professional's body, and is in a specialty needed by the National Health Service Corps.

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"Breach of service obligation" means failure for any reason to begin or complete a contractual service commitment.

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

"Certified local health department" means a county, multi-county, municipal or district public health agency recognized by the Department under the Certified Local Health Department Code.

"Commercial loans" means loans made by banks, credit unions, savings and loan associations, insurance companies, schools and other financial institutions.

"Community health center" or "CHC" means a migrant health center, community health center, health care program for the homeless or for residents of public housing supported under Section 330 of the Federal Public Health Service Act, or FQHC, including FQHC Look-Alikes, as designated by the U.S. Department of Health and Human Services, that operate at least one federally designated primary health care delivery site in Illinois.

"Default" means failure to meet the legal obligations or conditions of a loan.

"Department" means the Illinois Department of Public Health. (Section 3.01 of the Family Practice Residency Act)

"Dentist" means a person licensed to practice dentistry under the Illinois Dental Practice Act.

"Director" means the Director of the Illinois Department of Public Health. (Section 3.02 of the Family Practice Residency Act)

"Federally Qualified Health Center" or "FQHC" means a health center funded under Section 330 of the Public Health Service Act.

"Federally Qualified Health Center Look-Alike" or "FQHC Look-Alike" means a health center that meets the requirements for receiving a grant under section 330 of the Public Health Service Act but does not receive funding under that authority.

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"Forbearance" means a postponement of loan payments by a lender for a temporary period of time to give the borrower time to make up for overdue payments.

"Full-time clinical practice" means working a minimum of 40 hours per week, for a minimum of 45 weeks per service year, at a medical facility.

"Funding year" means the 12-month period beginning September 1 and ending on August 31 of the following year.

"Government loans" means loans made by federal, State, county or city agencies authorized to make such loans.

"Half-time clinical practice" means working a minimum of 20 hours per week but no more than 39 hours per week, for a minimum of 45 weeks per year, at a medical facility.

"Health care professional" means a physician, physician assistant, advanced practice nurse, or dentist who applies for loan repayment assistance.

"Health professional shortage area" or "HPSA" means a designation from the U.S. Department of Health and Human Services that indicates the shortage of primary medical care, dental or mental health providers. The designation may be geographic (a county or service area), demographic (low income population) or institutional (comprehensive health center, FQHC or other public facility).

"Health professional shortage area score" or "HPSA score" means a score calculated by the U.S. Department of Health and Human Services that is assigned to areas or facilities having a health professional shortage designation to determine priorities for assignment of clinicians.

"Lender" means the commercial or government entity that made the qualifying loan.

"Loan repayment award" or "award" means the amount of funding awarded to a recipient based upon his/her reasonable educational expenses up to a maximum established by the program.

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"Loan repayment agreement" or "agreement" means the written instrument defining a legal relationship entered into between the Department and a recipient.

"Medical facility" means a facility for the delivery of health services (Section 3.08 of the Family Practice Residency Act). A medical facility must be a non-profit or public facility and includes:

A Federally Qualified Health Center (FQHC);

A FQHC Look-Alike;

A rural health clinic;

A State or federal correctional facility;

A community mental health facility;

A community outpatient facility;

A critical access hospital;

A free clinic;

A mobile clinic;

A school-based health program, or

A State, county or local health department.

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

"National Health Service Corps" or "NHSC" means the program within the U.S. Department of Health and Human Services to address health professional shortages in HPSAs through the assignment of clinicians to provide primary health services.

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"On call" means a referring status in which a physician can be reached and arrive at a hospital within 30 minutes of being paged.

"Osteopathic medicine" means medical practice based on the theory that diseases are due to loss of structural integrity, which can be restored by manipulation of the parts supplemented by therapeutic measures.

"Physician" means a person licensed to practice medicine in all of its branches under the Medical Practice Act of 1987.

"Physician assistant" means an individual licensed under the Physician Assistant Practice Act of 1978.

"Primary care" means health care that encompasses prevention services, basic diagnostic and treatment services, and support services, including laboratory, radiology, transportation, and pharmacy.

"Primary care physician" means a person licensed to practice medicine in all its branches in Illinois under the Medical Practice Act of 1987 with a specialty in Family Practice, Internal Medicine, Obstetrics and Gynecology, or pediatrics, or geriatrics as defined by recognized standards for professional medical practice. (Section 3.05 of the Family Practice Residency Act)

"Primary health services" means health services regarding family medicine, internal medicine, pediatrics, obstetrics/gynecology, dentistry, or mental health that are provided by physicians or other health care professionals.

"Psychiatrist" means a physician licensed to practice medicine in Illinois under the Medical Practice Act of 1987 who has successfully completed an accredited residency program in psychiatry.

"Qualifying loan" means government or commercial loans used for tuition and reasonable educational and living expenses related to undergraduate or graduate education that were obtained by the recipient prior to his/her application for loan repayment. These loans shall be contemporaneous with the education received.

"Reasonable educational expenses" means costs for education, exclusive of tuition. These costs include, but are not limited to, fees, books, supplies, clinical

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travel, educational equipment, materials, board certification or licensing examinations. These costs shall not exceed the estimated standard budget for expenses for the degree program and for the years of enrollment.

"Reasonable living expenses" means room and board, transportation and commuting costs. These expenses shall not exceed the estimated standard budget for the recipient's degree program and for the years of enrollment.

"Recipient" means a health care professional or medical facility that may use loan repayment funds.

"Rural" means any geographic area not located in an MSA or a county located in an MSA and having a population of 60,000 or less.

"Rural health clinic" means a facility certified by the U.S. Department of Health and Human Services that receives special Medicare or Medicaid reimbursement.

"State" means the State of Illinois.

"Suspension" means an action by the Department to suspend a recipient's participation in Department grant and loan repayment programs for a specified period of time.

"Teaching" means providing clinical education to students or residents in their area of expertise at a medical facility.

"U.S. citizen" means an individual born in the United States, Puerto Rico, Guam, Northern Mariana Islands, U.S. Virgin Islands, American Samoa, or Swain's Island; foreign-born children, under the age of 18, residing in the U.S. with their birth or adoptive parents, at least one of whom is a U.S. citizen by birth or naturalization; and individuals granted citizenship status by the U.S. Customs and Immigration Service.

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

Section 582.20 Incorporated and Referenced Materials

- a) The following materials are referenced in this Part:

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- 1) Illinois Statutes:
 - A) Illinois Grant Funds Recovery Act [30 ILCS 705]
 - B) Medical Practice Act of 1987 [225 ILCS 60]
 - C) Freedom of Information Act [5 ILCS 140]
 - D) Physician Assistant Practice Act of 1987 [225 ILCS 65]
 - E) Illinois Dental Practice Act [225 ILCS 25]
 - F) Nurse Practice Act [225 ILCS 65]
 - G) State Comptroller Act [15 ILCS 405]
 - H) Family Practice Residency Act [110 ILCS 935]
 - 2) Illinois Administrative Rules:
 - A) Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100)
 - B) Certified Local Health Department Code (77 Ill. Adm. Code 600)
 - 3) Federal Statute: Sections 331(i) and 338B of the Public Health Service Act (42 USC 254d(i) and 254L-1)
- b) The following materials are incorporated by reference in this Part:
- Federal Regulation: National Health Service Crops Scholarship and Loan Repayment Program (42 CFR 62) (August 30, 2013)
- c) Federal regulations incorporated by reference in this Part are incorporated on the date specified and do not include any subsequent amendments or editions.

Section 582.30 Administrative Hearings

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

Section 582.40 Freedom of Information

The provisions of the Freedom of Information Act shall apply to this Part.

SUBPART B: STATE LOAN REPAYMENT PROGRAM

Section 582.100 Eligibility Requirements

A medical facility or a health care professional may apply for loan repayment assistance to the Department.

- a) If the medical facility is the applicant, the medical facility shall forward the loan repayment funds to the health care professional employed by the medical facility to pay educational debt.
- b) To be eligible for this program, the medical facility shall:
 - 1) Be located in a HPSA in Illinois;
 - 2) Be a non-profit or public facility;
 - 3) Participate as a provider in the Medicare, Medicaid and Children's Health Insurance programs, as appropriate; and
 - 4) See and treat all patients regardless of the patient's ability to pay for services.
 - 5) Provide discounts for individuals with limited incomes.
- c) If the health care professional is the applicant, the individual shall:
 - 1) Be working at a medical facility in a HPSA in Illinois; or

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- 2) Have accepted an offer of employment at a medical facility in a HPSA in Illinois and will begin employment at that site within 60 calendar days after the submission of the application; and
 - 3) Have a degree in allopathic or osteopathic medicine or dentistry or other eligible health profession from an accredited school; have completed an approved graduate training program; and have a current, valid and unencumbered license to practice the health profession in Illinois;
 - 4) Participate, or be eligible to participate, as a provider in the Medicare, Medicaid and Children's Health Insurance Programs, as appropriate;
 - 5) Agree to see and treat all patients at the medical facility regardless of the patient's ability to pay for services;
 - 6) Submit an application to participate in the loan repayment program;
 - 7) Not be in breach of a health professional service obligation to the federal, State or local government;
 - 8) Not have any judgment liens arising from federal debt;
 - 9) Not be excluded, suspended, or disqualified by a federal agency;
 - 10) Sign a written agreement attesting to accepting repayment of health professional educational loans and to serve for the applicable period of obligated service in a HPSA; and
 - 11) Be a U.S. citizen.
- d) Individuals who owe an obligation for health professional service to the federal government or to the State or other entity under an agreement with the federal, State or other entity are ineligible for this program unless the obligation will be completely satisfied prior to the beginning of service obligation under this Part.
- e) Individuals who are in a reserve component of the U.S. Armed Forces are eligible to participate in the program. These individuals shall note the following:

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- 1) Military training or service performed by a health care professional will not satisfy the obligation commitment. If a health care professional's military training or service, in combination with the health care professional's absence from the medical facility, will exceed seven weeks per service year, the health care professional shall request a suspension of his/her obligation (see Section 582.130(a)(3)). Once the suspension is complete and the health care professional returns to the medical facility, the service obligation end date will be extended to compensate for the break in service.
 - 2) If deployed, the health care professional shall return to the medical facility where he/she served prior to deployment. If unable to return to the original medical facility, the health care professional shall request a transfer to another medical facility (see Section 582.140). If the health care professional does not obtain a transfer, he/she shall resume work at the original medical facility. If the health care professional does not obtain a transfer and refuses to return to the medical facility or accept assignment to another medical facility, he/she will be in breach of the service obligation (see Section 582.160).
- f) Health care professionals will not be accepted if one or more of the following exist:
- 1) Breach on a prior service obligation to the federal, State or local government, or other entity, even if the health care professional has satisfied the obligation through service, monetary payment or other means; or
 - 2) Failure to apply previously awarded loan repayment funds to the health care professional's qualifying educational loans; or
 - 3) Default on any federal payment obligation, federal income tax liability, federally guaranteed/insured loans or non-federal payment obligation; or
 - 4) Default on any State payment obligation or State income tax liability; or
 - 5) Write off of any federal or non-federal debt as uncollectible, or waiver of any federal service or payment obligation.

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- g) Health care professionals shall demonstrate satisfactory professional competence and meet discipline and specialty-specific education, training and licensure requirements.
- 1) Physicians shall:
 - A) Have certification in a primary care specialty from a specialty board approved by the American Board of Medical Specialties or the American Osteopathic Association; or
 - B) Have completed a residency program in a primary care specialty, approved by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association; and
 - C) Be licensed in Illinois as a physician under the Medical Practice Act of 1987.
 - 2) Physician Assistants shall:
 - A) Have a degree (associate's, bachelor's or master's) from a physician assistant educational program accredited by the Accreditation Review Commission on Education for the Physician Assistant at a college, university or educational institution that is accredited by the U.S. Department of Education and a nationally recognized accrediting body or organization; and
 - B) Be licensed in Illinois as a physician assistant under the Physician Assistant Practice Act of 1987.
 - 3) Advanced Practice Nurse shall:
 - A) For certified nurse practitioners:
 - i) Have a master's degree, post-master's certificate, or doctoral degree from a school accredited by the National League for Nursing Accrediting Commission or the Commission on Collegiate Nursing Education; and

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- ii) Be licensed in Illinois as a nurse under the Nurse Practice Act.
 - B) For certified nurse midwives:
 - i) Have a master's degree or post-baccalaureate certificate from a school accredited by the American College of Nurse Midwives; and
 - ii) Be licensed in Illinois as a nurse under the Nurse Practice Act.
- 4) Dentists shall:
 - A) Have a Doctor of Dental Surgery or Doctor of Dental Medicine degree from a program accredited by the American Dental Association;
 - B) Be licensed in Illinois as a dentist under the Illinois Dental Practice Act; and
 - C) Work at a medical facility that is located in a Dental HPSA.
 - D) A dentist whose practice is limited to pediatric patients shall meet the requirements of this subsection and also document completion of a two-year training program in pediatric dentistry accredited by the American Dental Association.
- 5) Psychiatrists shall:
 - A) Have a certification in psychiatry from a specialty board approved by the American Board of Medical Specialties or the American Osteopathic Association; or
 - B) Have completed a residency program in psychiatry, approved by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association; or

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- C) Be licensed in Illinois as a physician under the Medical Practice Act of 1987; and
- D) Work at a medical facility that is located in a Mental Health HPSA.

Section 582.105 Use of Funds

- a) Loan repayment funds shall be used:
 - 1) To repay qualifying educational loans of health care professionals who agree to serve in HPSAs for a specified period of time;
 - 2) For educational loans that were obtained prior to the date the recipient submits an application for loan repayment assistance;
 - 3) To retire qualifying educational loans if the loans are the result of consolidated or refinanced debt. To qualify, the consolidated or refinanced loans shall:
 - A) Be from a government (federal, State, or local) or commercial lender; and
 - B) Include only qualifying educational loans of the health care professional.
- b) Loan repayment funds shall not be used:
 - 1) To repay a practice obligation resulting from educational loans or scholarships, whether from Illinois-based institutions or governments or those in other states;
 - 2) To fulfill practice obligations to the federal government or the State or other entity under an agreement with the federal, State or other entity;
 - 3) To retire qualifying educational loans if the consolidated or refinanced debt is:

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- A) Commingled with non-qualifying debt; or
 - B) Consolidated with loans owed by another person, such as a spouse or child.
- c) The following types of debt are ineligible for loan repayment assistance through this Part:
- 1) Loans for which the associated documentation does not identify the loan as applicable to undergraduate or graduate education;
 - 2) Loans not obtained from a government entity or commercial lending institution;
 - 3) Parent PLUS loans;
 - 4) Co-signed loans;
 - 5) Loans currently in default;
 - 6) Loans currently in forbearance;
 - 7) Personal lines of credit;
 - 8) Residency relocation loans; and
 - 9) Credit card debt.
- d) Loan repayment funds cannot be used by the recipient to reimburse himself or herself for loans that have been repaid.
- e) Under the provisions of the United States Treasury Offset Program and the State Comptroller Act, recipients will have their loan repayment assistance funds offset to fulfill a delinquent federal or State debt. The offset of loan repayment assistance funds will not reduce, waive or suspend a recipient's service obligation under this Part.

Section 582.110 Application Procedure

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- a) *Any person or organization, public or private, desiring to receive loan repayment funds, must submit an application to the Department. Applications for loan funds shall be made on prescribed forms developed by the Department. (Section 4(a) of the Illinois Grant Funds Recovery Act)*
- b) The following are eligible to apply for loan repayment assistance:
 - 1) A health care professional or one who can be expected to be licensed in Illinois and who intends to practice in a HPSA in Illinois; or
 - 2) A medical facility that is located in a HPSA in Illinois. If loan repayment funds are awarded to the medical facility, it shall forward those funds to the health care professional employed at the medical facility to pay educational debt.
- c) Applicants shall request applications from the Department. The name “State Loan Repayment Program” shall be included in the request.
- d) The Department will provide application instructions and forms to applicants. The application can be obtained from the Department's web site at http://www.idph.state.il.us/about/rural_health/rural_home.htm
- e) Completed applications shall be returned to the Department at the address indicated on the application form. All applications shall be submitted on the forms provided by the Department and *shall include, without being limited to, the following provisions:*
 - 1) *The name and address of the applicant.* (Section 4(a)(1) of the Illinois Grant Funds Recovery Act);
 - 2) The Legislative House District, Legislative Senate District, and Congressional District of the applicant (based on the applicant's legal address in Illinois);
 - 3) Social Security number of the applicant;

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- 4) *A general description of the program, project or use for which loan repayment funding is requested; (Section 4(a)(2) of the Illinois Grant Funds Recovery Act)*
 - 5) *Such plans, equipments lists, and other documents as may be required to show the type, structure, and general character of the program, project, or use for which loan repayment funding is requested; (Section 4(a)(3) of the Illinois Grant Funds Recovery Act)*
 - 6) *Cost estimates of developing, constructing, operating, or completing the program, project, or use for which loan repayment funding is requested (Section 4(a)(4) of the Illinois Grant Funds Recovery Act);*
 - 7) *A program of proposed expenditures for the loan repayment funds. (Section 4(a)(5) of the Illinois Grant Funds Recovery Act). This shall be in the form of documentation required in subpart (f) of this section; and*
 - 8) Proof of citizenship, including a copy of the applicant's notarized birth certificate or a copy of the applicant's documents demonstrating that he or she is a naturalized citizen.
- f) As an appendix to the application, health care professionals shall document current educational loan debt to a governmental or commercial lending institution incurred for expenses in pursuit of the applicant's medical, dental or other health care professional degree. For each loan that is being submitted for consideration, the applicant shall provide two types of documentation: an account statement and a disbursement report.
- 1) The account statement is used to provide current information on a qualifying educational loan. This document must:
 - A) Be on official letterhead or other clear verification that it came from the lender;
 - B) Include the name of the borrower;
 - C) Contain the loan's account number;

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- D) Include the date of the statement (date cannot be more than 30 calendar days from the date of application submission);
 - E) Include the current outstanding balance (principal and interest) or the current payoff balance; and
 - F) Include the current interest rate.
- 2) The disbursement report is used to verify the originating loan information. This document must:
- A) Be on official letterhead or other clear verification that it comes from the lender;
 - B) Include the name of the borrower;
 - C) Contain the loan's account number;
 - D) Include the type of loan;
 - E) Include the original loan date (date must be prior to the date of the application submission);
 - F) Include the original loan amount; and
 - G) Include the purpose of the loan.
- g) Health care professionals not yet in practice, or not yet in practice in a HPSA in Illinois, shall document intent to practice in a HPSA by written confirmation from the medical facility within the HPSA.
- h) If an applicant intends to work at more than one medical facility (e.g., several satellite clinics), each location shall be in a HPSA in Illinois.
- i) If an applicant intends to work for more than one employer, each employers' medical facility shall be in a HPSA in Illinois.

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- j) The medical facility shall agree to employ the health care professional for a minimum of two years and shall document a willingness to pay up to 50% of the health care professional's loan repayment award.
- k) The medical facility shall provide a written statement that the salary offered to the health care professional is at a level equivalent to that offered to other health care professionals with equivalent skills and experience recruited by the medical facility.
- l) The medical facility shall provide a written statement attesting that loan repayment funds will not be used as a salary offset to the health care professional.

Section 582.115 Application Review Process

- a) The Department will perform a technical review to ensure that all required materials are submitted and comply with submission requirements. The review will include whether the application form includes all required information and the applicant's signature and date of signature. During the course of the review, the Department may contact the applicant for additional information.
- b) The Department will perform a qualitative review to assess the quality of the application in relation to the program, federal requirements, or any other corresponding prerequisites. Past performance of the applicant will be considered if the applicant has received loan repayment funds or other Department grants in the past.
- c) In determining which applications will be accepted, the Department will apply the following criteria (if the applicant is a medical facility, it shall provide this information on behalf of the health care professional):
 - 1) Applicant criteria:
 - A) The extent to which an individual's training is in a health profession or specialty determined by the Department to be needed in Illinois;
 - B) The individual's commitment to serve in a HPSA;

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- C) The availability of the individual for service, with highest consideration given to individuals who will be available for service at the earliest date; and
 - D) The length of the individual's proposed service obligation, with greatest consideration given to persons who agree to serve for longer periods of time.
- 2) When all other selection criteria are essentially equal among a group of applicants, preference will be given to the applicant with the greater educational indebtedness.
- 3) Geographic and provider criteria:
- A) One-third of the available funds will be used for educational loan repayment of physician assistants and advanced practice nurses, if the number of applications is sufficient to warrant the amount.
 - B) When the number of applications is sufficient to support a geographical separation into urban and rural groupings, an equal number of applicants will be selected from each group.
 - C) When the number of applications is sufficient, an equal number of applicants will be selected from Chicago and from the remaining urban areas of the State.
 - D) Within the geographical considerations, preference will be given to applications from health care professionals who will work at sites in rural areas with ongoing problems recruiting providers and community health centers.
- d) The Department will not accept more than two complete applications from a medical facility in a funding year.
- e) A current recipient of loan repayment assistance will receive priority for a new award if the recipient continues to meet all of the applicable criteria in Sections 582.100, 582.110, 582.125, 582.145 and 582.150.

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- f) Applicants will be notified as to whether the application is approved or denied. The notice will be made by regular mail or other communication.
- g) If the amount of funds available is insufficient to award the maximum amount of loan repayment funds requested to each approved applicant, the Department may divide the funds equally among the qualified applicants; rank order the applicants and prorate the award of funds based on the rank order; or choose another method of allocating funds. In determining how to award funds, the Department will consider, but is not limited to, the amount of funds available, the number of approved applicants, the requirements of the program; and statutory requirements.
- h) No more than 50% of a SLRP award may come from federal sources. The remainder of funds for a SLRP award may come from the Department, the medical facility or other non-federal sources.

Section 582.120 Loan Repayment Agreement

- a) The loan repayment award to an applicant will not be final until the applicant and the Department have executed a loan repayment agreement setting forth the terms and conditions of the agreement, using the form prescribed by the Department. The Department will retract the loan repayment award if a consensus cannot be reached on the terms of the agreement.
- b) Pursuant to the Illinois Grant Funds Recovery Act, the agreement shall, at a minimum:
 - 1) *Describe the purpose of the award and be signed by the Department and the recipient;*
 - 2) *Specify how payments shall be made, what constitutes permissible expenditure of award funds, and the financial controls applicable to the award, including, for those awards in excess of \$25,000, the filing of quarterly reports describing the recipient's progress in the program, project, or use and the expenditure of the award funds related to the program, project or use;*
 - 3) *Specify the period of time for which the award is valid and the period of time during which award funds may be expended by the recipient;*

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- 4) *Contain a provision that any recipients receiving award funds are required to permit the Department, the Auditor General or the Attorney General to inspect and audit any books, records or papers related to the program, project, or use for which award funds are provided;*
 - 5) *Contain a provision in which the recipient certifies under oath that all information in the loan repayment agreement is true and correct to the best of the recipient's knowledge, information and belief; that all funds shall be used only for the purposes described in the loan repayment agreement; and that the award of loan repayment funds is conditioned upon the certification. (Section 4(b) of the Illinois Grant Funds Recovery Act)*
- c) The amount of a loan repayment award shall be based on the following:
- 1) If the health care professional works full-time at a medical facility for an initial two-year period, the health care professional can receive up to \$50,000 if the health care professional has that amount in educational debt;
 - 2) If the health care professional works the initial four-year half-time option at a medical facility, the health care professional can receive up to \$50,000 if the health care professional has that amount in educational debt;
 - 3) If the health care professional works full-time for one year at a FQHC, FQHC Look-Alike or Rural Health Clinic, the health care professional can receive up to \$20,000 if the health care professional has that amount of educational debt.
- d) Awards may be issued for an additional period of time based upon successful completion of the initial agreement.

Section 582.125 Service Obligation Fulfillment

In exchange for loan repayment assistance, health care professionals shall fulfill a service obligation at a medical facility in a HPSA in Illinois.

- a) Full-time service obligation option:

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- 1) Health care professionals shall provide two years of full-time service. The 40 hours per week requirement can be compressed into no fewer than four days per week, with no more than 12 hours of work performed in a 24-hour period. Health care professionals will not receive service credit for hours worked over the required 40 hours per week, and excess hours cannot be applied to any other work week. Time spent on call will not count toward the service requirement. Service obligation is fulfilled through the following:
 - A) For all health care professionals except those noted in subsection (a)(2):
 - i) At least 32 hours per week shall be spent providing direct patient care, during normal scheduled office hours.
 - ii) The remaining eight hours shall be spent providing clinical services for patients, teaching, providing clinical services in alternative settings (e.g., hospitals, nursing homes, shelters), or performing administrative duties.
 - B) For physicians practicing obstetrics/gynecology, family medicine physicians who practice obstetrics on a regular basis, and pediatric dentists:
 - i) At least 21 hours per week shall be spent providing direct patient care, during normal scheduled office hours.
 - ii) The remaining 19 hours per week shall be spent providing clinical services for patients, teaching, providing clinical services in alternative settings (e.g., hospitals, nursing homes, shelters), or performing administrative duties.
 - iii) Administrative duties shall not exceed eight hours per week.
- b) Half-time service obligation option:

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- 1) Half-time clinical practice means that a health care professional works a minimum of 20 hours per week (not to exceed 39 hours per week), for a minimum of 45 weeks per year. Health care professionals shall provide four years of part-time service. The 20 hours per week requirement can be compressed into no fewer than two work days per week, with no more than 12 hours of work performed in any 24-hour period. Health care professionals shall not receive service credit for hours worked over the required 20 hours per week, and excess hours shall not be applied to any other week. Full-time work performed shall not change the health care professional's half-time status and shall not entitle the health care professional to full-time service credit. Time spent on call shall not count toward the service requirement. Service obligation is fulfilled through the following:
 - A) For all health care professionals except those noted in subsection (b)(2):
 - i) At least 16 hours per week shall be spent providing direct patient care, during normal scheduled office hours.
 - ii) The remaining four hours per week shall be spent providing clinical services for patients, providing clinical services in alternative settings (e.g., hospitals, nursing homes, shelters), or performing administrative duties.
 - B) For physicians practicing obstetrics/gynecology, family medicine physicians who practice obstetrics on a regular basis, certified nurse midwives and pediatric dentists:
 - i) At least 11 hours per week shall be spent providing direct patient care, during normal scheduled office hours.
 - ii) The remaining nine hours per week shall be spent providing clinical services for patients, providing clinical services in alternative settings (e.g., hospitals, nursing homes, shelters), or performing administrative duties.
 - iii) Administrative duties shall not exceed four hours per week.

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- c) Conversion of clinical practice status
 - 1) A health care professional may convert from full-time to half-time status if the following are met:
 - A) The health care professional notifies the Department in writing of the request;
 - B) The medical facility agrees in writing that the health care professional may change to half-time clinical practice; and
 - C) The health care professional agrees in writing (by signing an amendment to the agreement) to complete the remaining service obligation through half-time practice for twice as long as the remaining full-time commitment.
 - 2) A health care professional shall not convert from half-time to full-time status. However, a health care professional may enter into a new full-time agreement if the following are met:
 - A) The health care professional has completed the initial two-year full-time or four-year half-time service agreement and any continuation contract;
 - B) The medical facility agrees in writing that the health care professional will work a full-time clinical practice; and
 - C) The recipient signs a new contract, agreeing to perform one year of full-time clinical practice at the medical facility.
 - 3) A health care professional will not be allowed to enter into a new full-time agreement within a contract period.
- d) To initiate the service obligation, the recipient and Department will enter into a loan repayment agreement. Service credit begins upon the beginning date of the agreement term or the date service starts, whichever is later. Health care

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professionals will not receive service credit for any employment at a medical facility prior to the beginning date of the terms in the agreement.

- e) A health care professional may be eligible to receive loan repayment assistance beyond the initial agreement, one year at a time, and pay off all qualifying educational loans. To remain eligible, the health care professional shall:
 - 1) Have unpaid qualifying educational loans;
 - 2) Have applied all previously received loan repayment assistance funds to reduce his/her qualifying educational loans;
 - 3) Continue to serve at a medical facility in a HPSA in Illinois; and
 - 4) Continue to meet all applicable program eligibility criteria in effect at the time the health care professional is being considered for continuation.

Section 582.130 Service Obligation Suspension

A suspension temporarily relieves the health care professional of the service commitment but shall not permanently alleviate the health care professional's obligation.

- a) Suspension requests shall be submitted in writing to the Department. The request shall detail the reasons for and duration of the suspension. Suspension requests shall be accompanied and supported by documentation as described in this subsection (a).
 - 1) A suspension may be granted for up to one year, if the health care professional provides independent medical documentation of a physical or mental health disability, or personal circumstance, that results in the health care professional's temporary inability to fulfill his/her service obligation. Independent medical documentation shall include a letter from the health care professional's licensed physician fully explaining and attesting to the health care professional's temporary inability to fulfill the service obligation.

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- 2) A suspension may be granted for up to 12 weeks for maternity, paternity or adoption leave. If the health care professional's leave will exceed 12 weeks, a suspension may be granted based on documented medical need.
 - 3) Health care professionals who are military reservists and are called to active duty will be granted a suspension beginning on the activation date in the active duty order. The health care professional shall submit a copy of the order to active duty with the written request for suspension. The duration of the suspension shall equal the health care professional's period of active military duty. The period of active military duty will not be credited toward the health care professional's service obligation.
- b) An approved suspension will extend the health care professional's service commitment end date.
 - c) The agreement will be amended accordingly to incorporate the new extended service commitment end date.
 - d) If the suspension request is denied, the health care professional shall fulfill the service obligation as stipulated in the agreement and in this Part.

Section 582.135 Service Obligation Waiver

Waiver of the obligation requirement permanently relieves the health care professional of all or part of the service obligation. Waiver requests shall be submitted in writing to the Department. The request shall detail the reasons for the waiver request and shall be accompanied and supported by documentation as described in this Section.

- a) Reasons for waiver requests can include the health care professional's:
 - 1) Total and permanent disability;
 - 2) Incompetency; or
 - 3) Death.
- b) If a waiver is requested because of total and permanent disability, the request shall be supported by a letter from the health care professional's physician fully

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explaining and attesting to the health care professional's inability to continue with the service obligation.

- 1) If the request is approved, the Department will notify the health care professional in writing that the service obligation is waived, that the health care professional is discharged from all obligations to the Department in connection with this Part and that the health care professional is ineligible to participate in the program in the future (see Section 582.100(f)(1)).
 - 2) If the request is denied, the health care professional shall fulfill the service obligation as stipulated in the agreement and in this Part.
- c) If the waiver is requested because the health care professional has been adjudicated as incompetent, the request shall be supported by documentation by a court of law explaining and attesting to the health care professional's inability to continue with the service obligation.
- 1) If the request is approved, the Department will notify the health care professional's legal guardian in writing that the service obligation is waived, that the health care professional is discharged from all obligations to the Department in connection with this Part and that the health care professional is ineligible to participate in the program in the future (see Section 582.100(f)(1)).
 - 2) If the request is denied, the health care professional shall fulfill the service obligation as stipulated in the agreement and in this Part.
- d) If the waiver is requested because of the health care professional's death, the request shall be supported by a copy of the health care professional's death certificate, obituary or documentation from the medical facility.

Section 582.140 Medical Facility Transfer

A health care professional may transfer from the medical facility stipulated in the agreement to a new medical facility, provided that the requirements in this Section are met.

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- a) The health care professional shall request a transfer in writing to the Department. The request must be approved before the health care professional transfers to the new site.
- b) If a health care professional transfers sites prior to Department approval, the health care professional will not receive service credit for the time period between the transfer and the approval.
- c) The new medical facility shall be in a HPSA in Illinois.
- d) The new medical facility's HPSA score shall be equal to or higher than the HPSA score from the original site.
- e) If the transfer request is denied, the health care professional shall continue to work at the original medical facility.
- f) If the transfer request is denied and the health care professional refuses assignment to his/her current medical facility or to another approved medical facility, the health care professional will be placed into breach.
- g) A health care professional who resigns from his/her current medical facility without prior approval from the Department or is terminated by the medical facility for cause shall not receive a transfer to another medical facility and shall be placed into breach.

Section 582.145 Reporting Requirements

Failure of the health care professional to comply with the requirements of this Section shall result in the Department's withholding or suspending loan repayment funds and recovery of previously disbursed loan repayment funds (see Section 4.1 of the Illinois Grant Funds Recovery Act).

- a) The health care professional shall submit a written progress report (at a minimum) to the Department every three months for the duration of the agreement.
- b) For the progress report, the health care professional shall document that:

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- 1) Funds were used to pay off educational debt (documentation shall consist of copies of payments made to the lending institution where the qualifying educational loans were obtained or copies of account statements that document payments made during the reporting period); and
 - 2) The health care professional is still working (full-time or half-time as applicable) at the medical facility, by reporting the hours worked at the medical facility.
- c) The payment history shall document that all loan repayment funds received were paid toward the qualifying educational loan.
 - d) Non-compliance by the provider of reporting requirements to the Department will be shared with the medical facility. The medical facility is required to withhold the non-federal share of the loan repayment until the reporting requirements to the Department have been satisfied.
 - e) If the Department determines that all loan repayment funds were not paid toward the qualifying educational loan, the Department may either place the recipient on a corrective action plan and hold the processing of vouchers until the issue is resolved, or terminate the agreement and take any appropriate or necessary action to recover loan repayment funds.

Section 582.150 Loan Repayment Award Monitoring

- a) Agreements will be monitored throughout the agreement period. Components in the monitoring process include, but are not limited to, the agreement; the health care professional's financial reports; the health care professional's or medical facility's progress reports; correspondence, e-mails and telephone calls concerning the agreement; and site visits.
- b) The health care professional and medical facility shall cooperate with the Department's efforts to monitor and verify compliance with the agreement, including providing supporting documentation. The health care professional and medical facility shall retain all records relating to the agreement until after all final reports have been submitted to the Department and have been reviewed.

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- c) Health care professionals and medical facilities shall maintain the processes necessary to monitor their compliance, take appropriate action to meet the stated objectives, and notify the Department of any breaches of the agreement or of problems or concerns.
- d) Health care professionals and medical facilities shall be subject to on-site visits by the Department during normal business hours. Health care professionals and medical facilities shall provide, upon request, copies of all documents concerning the expenditure of loan repayment funds.
- e) The Department will relay any questions and concerns regarding management of loan repayment funds to the health care professional or medical facility in writing. The health care professional or medical facility will be requested to respond in writing addressing the concerns. If the Department's concerns are not satisfied, a financial review or audit will be conducted.
- f) If the Department finds evidence of financial mismanagement, depending on the severity of the situation, the amount of money involved, and the recipient's ability to clarify the situation, the Department may either place the recipient on a corrective action plan and hold the processing of vouchers until the issue is resolved, or terminate the agreement and take any appropriate or necessary action to recover loan repayment funds.

Section 582.155 Cooperation with Investigations and Audits

Recipients shall cooperate with all investigations and audits of the use of loan repayment funds. Recipients shall provide the Department with unrestricted access to the recipient's records, files, and activities during normal business hours. A failure to cooperate shall create a presumption that loan repayment funds have not been spent in accordance with the agreement and the grounds for immediate suspension or termination of any agreement and the recovery of loan repayment funds.

Section 582.160 Penalty for Failure to Fulfill Service Obligation

- a) If the health care professional fails to fulfill his/her obligation to provide service at the medical facility for the duration specified in the agreement, the health care professional shall be in breach of the loan repayment agreement.

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- b) Breach shall include, but not be limited to, the following:
 - 1) Failure to practice at the location specified in the agreement; or
 - 2) Resignation from the health care professional's current site without prior approval from the Department or termination by the medical facility for cause (see Section 582.140(f) and (g)); or
 - 3) Material misstatement in furnishing information to the Department; or
 - 4) Any misrepresentation for the purpose of obtaining loan repayment assistance; or
 - 5) Failure to provide care because of an individual's inability to pay; or
 - 6) Failure to retire educational loan balances by the amount of educational loan repayment assistance received during the agreement term.
- c) When the Department has determined that a breach of the agreement has occurred, it shall notify the recipient and schedule an administrative hearing. The administrative hearing will identify the item or items breached in the agreement, propose a resolution to address the agreement's breach and propose a repayment process to the Department.
- d) Any dispute about the terms of performance or repayment will be governed by the administrative hearing process. The administrative law judge will make the final decision and will send it to all parties.
- e) When the administrative hearing process determines that the agreement has not been fulfilled, the Department and recipient shall enter into a contract for the repayment of the obligation.
 - 1) A health care professional who breaches a commitment to serve full-time shall be liable to the Department for an amount equal to the sum of the following:

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- A) The amount of loan repayment assistance paid to the health care professional representing any period of obligated service not completed;
 - B) The amount of \$7,500 multiplied by the number of months of obligated service not completed; and
 - C) Interest on the amounts in subsections (1) and (2) at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach of the loan repayment agreement.
- 2) A health care professional who breaches on a commitment to serve half-time shall be liable to the Department for an amount equal to the sum of the following:
- A) The amount of loan repayment assistance paid to the health care professional representing any period of obligated service not completed;
 - B) The amount of \$3,750 multiplied by the number of months of obligated service not completed; and
 - C) Interest on the amounts in subsections (1) and (2) at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach of the loan repayment agreement.
- 3) The minimum amount the Department is entitled to recover from a health care professional who breaches on a commitment to serve full-time or half-time will not be less than \$31,000.
- 4) To fulfill the repayment requirements of this Section, the recipient shall have 30 calendar days after the conclusion of the administrative hearing to enter into a repayment contract with the Department. This contract shall contain terms of the repayment and provisions for the enforcement of the agreement.

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- 5) Any dispute about the terms of performance or repayment shall be governed by the administrative hearing process. The administrative law judge makes the final decision and will send it to all parties.
- 6) If the recipient does not repay all funds owed to the Department within the required time period, the Department may use all collection methods available, including referral to the Illinois Attorney General or a collection agency for resolution.
- 7) The amounts paid to the Department shall be deposited into the fund where the payment originated.

Section 582.165 Suspension or Termination of Loan Repayment Funding

- a) Availability of Appropriation or Sufficiency of Funds
 - 1) The agreement is contingent upon and subject to the availability of funds. The Department may terminate or suspend the agreement, in whole or in part, without penalty or further payment being required, if:
 - A) The Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay the obligation, or if funds needed are insufficient for any reason;
 - B) The Governor decreases the Department's funding by reserving some or all of the Department's appropriation or appropriations pursuant to power delegated to the Governor by the Illinois General Assembly; or
 - C) The Department or the Governor determines that a reduction is necessary or advisable based upon actual or projected budgetary considerations.
 - 2) The recipient will be notified in writing of the failure of appropriation or a reduction or decrease.
- b) Termination for Cause
 - 1) The Department may immediately terminate the agreement, in whole or in

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part, upon notice to the recipient if:

- A) The recipient is convicted of committing any illegal act;
 - B) The Department determines that the actions or inactions of the recipient have caused, or reasonably could cause, jeopardy to health, safety, or property;
 - C) The Department has notified the recipient that the Department is unable or unwilling to perform the agreement; or
 - D) The Department has reasonable cause to believe that the recipient cannot lawfully perform the agreement.
- 2) If the recipient breaches any material term, condition, or provision of the agreement or violates a material provision of the agreement, the Department may cancel the agreement, upon 15 days prior written notice to the recipient. For termination for any of the causes contained in this Section, the Department retains its right to seek any available legal or equitable remedies and damages.

Section 582.170 Loan Repayment Funds Recovery

- a) Loan repayment awards made under this Part are subject to the Illinois Grant Funds Recovery Act. If a provision of this Part conflicts with a provision of the Illinois Grant Funds Recovery Act, the provision of the Illinois Grant Funds Recovery Act will control.
- b) The Department shall have the authority to issue subpoenas as part of an official investigation into the use of loan repayment funds. Subpoenas shall be issued and enforced according to Illinois Supreme Court Rules and the Code of Civil Procedure.
- c) Every recipient shall keep complete and accurate records of all loan repayment funds that the recipient receives. A recipient's failure to create and maintain records that demonstrate the recipient's receipt and use of all loan repayment funds shall create a presumption in favor of recovery by the Department.

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- d) *Whenever the Department believes that loan repayment funds are subject to recovery, the Department shall provide the recipient the opportunity for at least one informal hearing to determine the facts and issues and to resolve any conflicts as amicably as possible before taking any formal recovery actions.* (Section 7 of the Illinois Grant Funds Recovery Act)
- e) The offer of an informal hearing will be in writing and will provide the recipient with no fewer than 10 calendar days in which to request an informal hearing. A recipient's failure to deliver a timely request for an informal hearing shall constitute the recipient's waiver of the informal hearing. During any informal hearing, the recipient may be represented by a licensed attorney.
- f) If, after an informal hearing or if no timely request for an informal hearing is received, the Department determines that any loan repayment funds are to be recovered, the Department will provide the recipient with formal written notice of its intent to recover loan repayment funds. The notice will identify the funds and the amount to be recovered and the specific facts that permit recovery.
- g) A recipient shall have 35 days from the receipt of the notice required in subsection (f) of this Section to request a hearing to show why recovery is not proper.
- h) If a recipient timely requests a hearing, then the Department will hold a formal hearing in accordance with Practice and Procedure in Administrative Hearings, at which the recipient may present evidence and witnesses to show why recovery should not occur. After the conclusion of the hearing, if recovery is warranted, the Department will issue a written final recovery order and send a copy of the order to the recipient by Certified U.S. Mail.
- i) A recipient may seek judicial review in the circuit court of any Department final recovery order, pursuant to the Administrative Review Law.
- j) If a recipient timely requests a formal hearing, the Department will not take any action of recovery until at least 35 days after a final recovery order has been issued.
- k) If a recipient does not timely request a hearing, the Department may proceed with recovery of the loan repayment funds identified in the notice issued pursuant to this Section, at any time after the expiration of the 35-day request period.

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- l) Any notice or mailing required or permitted by this Section shall be deemed received five days after the notice or mailing is deposited in the US mail, with the recipient's current address and with sufficient U.S. postage affixed, or the date of actual delivery, whichever is sooner.
- m) During any formal hearing, the recipient may be represented by a licensed attorney.