



MARYLAND STATE LOAN REPAYMENT PROGRAMS (MLRP)

PART VI - Understanding Breach of Contract

Application Deadline: April 15, 2024

The applicant and employer should read this document carefully

The Maryland Department of Health (MDH) wants to inform you and your employer of the consequences of breaching the Maryland Loan Repayment Programs contract. Breaching an MLRP contract is *extremely costly*. Please review this document carefully. If you receive and accept an award, you need to be aware of the following:

All individuals who accept a service obligation must be fully aware of the consequences of failing to begin or complete service, that is, breaching the MLRP contract, and the damages that will be owed to the State of Maryland. Cancellation, suspension, waiver, and transfer are other provisions detailed below.

Maryland follows the U.S. Department of Health and Human Services' Health Resources and Services Administration Program Guidance for the National Health Service Corps (NHSC) loan repayment program breach provision and **will use this formula for breach of a MLRP contract. Breach is defined as failure to begin or complete service. Non-compliance with program requirements is considered as a failure to complete service.**

Financial Consequences

A recipient who breaches an MLRP service obligation must pay the following amount **within one year** of the breach:

The total of the amount paid by MDH to or on behalf of the participant for loan repayment for any period of obligated service not served

PLUS

An amount equal to the number of months of obligated service not completed multiplied by **\$7,500**

PLUS

Interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of the breach.

Exception: the amount the State is entitled to recover **shall not be less than \$31,000.**

Cancellation Policy

Maryland will cancel an MLRP contract in the case of the participant's death, but will not cancel a contract in order to allow an individual to participate in the NHSC Loan Repayment Program or for any other reason.

Suspension

Maryland may grant a suspension of the participant's MLRP obligation for up to one year. In order to qualify for a suspension, the participant must request a suspension and send documentation of a medical condition or personal situation that makes compliance with the obligation temporarily "impossible" or an "extreme hardship" such that enforcement of the contract would be against equity and good conscience.

Waiver

Maryland will waive the contract if a participant can document a medical condition or a personal situation that makes compliance with the obligation permanently “impossible” or an “extreme hardship” such that enforcement would be against equity and good conscience. An example would be an illness so debilitating that the participant can no longer practice his/her profession.

Transfer

MLRP participants are approved to serve the duration of the service obligation at the practice site approved during the application cycle. If, after serving at the practice site for one year, a participant and their practice site determine that a separation is in order, MDH may consider reassignment of the participant to another eligible practice site. The new transfer site must be MLRP-eligible and be similar enough to the original site that the participant would receive the same or higher technical scoring upon application to the program. The participant must submit a transfer request to MDH for approval prior to separation from the approved practice site. Upon approval of a transfer request, the participant will need a new site application, and the participating physician will need to sign a new Promissory Note.

Change of Contact Information

Participants must inform MDH regarding all changes in contact information such as resident address, phone number, and e-mail address.

Acceptance of Additional Loan Repayment Award

When an applicant receives an MLRP award, they may not be in receipt of any other award for loan repayment (such as the National Health Services Corp Scholar program or the Janet L. Hoffman Loan Assistance Repayment Program) at the same time as the MLRP service obligation. Doing so would constitute a breach of contract.