



Maryland Loan Repayment Programs

Program Guidelines

Effective Date: July 1, 2024

Maryland Loan Repayment Programs (MLRP)

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**Maryland Loan Repayment Programs
PROGRAM GUIDELINES**

I. Purpose and Background of Program Guidelines

Purpose

The purpose of this document is to provide information regarding the Maryland Loan Repayment Programs (MLRP) to potential applicants, program participants, and their employers. The guidelines provide details regarding the processes and procedures utilized by the Maryland Department of Health (“the Department”) to administer, applicants to apply for, and program participants to participate in the Maryland Loan Repayment Programs. This guiding document details current MLRP eligibility criteria, the application submission and review process, as well as processes and expectations related to program awards and service obligation requirements for program participants.

Background

Throughout Maryland, healthcare professionals work diligently every day to meet the varied healthcare needs of all Marylanders, however, workforce shortages persist and create challenges to supporting healthcare access across the state. To address these challenges, MLRP aims to improve the recruitment and retention of the health professional workforce, especially in areas of Maryland experiencing health professional shortages. In exchange for educational loan repayment assistance, eligible and awarded health professionals practice in approved practice sites for a designated number of years (based on licensure/certification).

This document provides further detail regarding eligibility criteria for MLRP. Currently, the program is able to support the following:

Credential	Maximum Award Up To: Full Time	Maximum Award Up To: Part Time	Length of Service Obligation
Physician (MD, DO)	\$100,000	\$50,000	2 years
Final Year Medical Resident (MD, DO)	\$100,000	\$50,000	3 years (1 year + 2 years post residency)
Physician Assistant	\$100,000	\$50,000	2 years

Credential	Maximum Award Up To: Full Time	Maximum Award Up To: Part Time	Length of Service Obligation
APRN (CRNP, CNM, CRNA, CNS)	\$100,000	\$50,000	2 years
RN, LPN	\$50,000	\$25,000	2 years
Nursing Support Staff (CMT, CMA, CAN, GNA)	\$5,000	\$2,500	1 year

- Full time: ≥40 hours per week worked
- Part time: 20-39 hours per week worked

Both Federal and State funding sources set policies and priorities under which MLRP is able to issue educational loan repayment awards to program participants. The application review process is competitive with a technical scoring process that scores and ranks each application within the MLRP program priorities. MLRP funding levels, eligibility criteria, and technical scoring priorities are susceptible to change. Educational loan repayment assistance awards are not automatic nor guaranteed to all applicants. Parties interested in MLRP are encouraged to sign up to receive Workforce Listserv updates, including those about the Maryland Loan Repayment Programs: <https://www.surveymonkey.com/r/RVYR59X>.

The Maryland Loan Repayment Programs are inclusive of the State Loan Repayment Program (SLRP, with funding from the U.S. Health Resources and Services Administration), the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants (MLARP PPA, with state-level funding resources), and the Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff (MLARP NNS, with state-level funding resources). Authority to administer the MLARP PPA and MLARP NNS Funds is provided via the following Federal and State laws:

- **State Loan Repayment Program**
 - American Rescue Plan Act of 2021 (P.L. 117-2), Section 2602
 - Public Health Service Act, Title III, Section 338I(a)-(i) (42 U.S.C. 254q-1(a)-(i))
- **Physicians and Physician Assistants:**
[Article – Health – General §§24–1701 through 1708, Annotated Code of Maryland](#)
 - Most Recent Bills: [Senate Bill 626 \(2022\)](#), [House Bill 1464 \(2022\)](#)
- **Nurses & Nursing Support Staff:**
[Article – Health - General §§24–1901 through 1906, Annotated Code of Maryland](#)
 - Originating Bill: [Senate Bill 696 \(2022\)](#)

Additional history of the programs can be found in Appendix I.

II. MLRP Eligibility Criteria

Eligibility Criteria: Physicians and Physician Assistants



A. Physicians and Physician Assistants

There are three vital areas of eligibility described below: Discipline, Participant, and Practice Site eligibility. Successful MLRP applicants must ensure verification of these critical elements during the application process and demonstrate compliance with these critical elements and meet all monitoring requirements throughout any awarded service obligation. Eligibility criteria can change from year-to-year based on authorizing legislation and funding availability.

1. Discipline Eligibility

MLRP participants must have:

- a. Completed training in an accredited training program; and
- b. Possess an active and valid license (without restrictions or encumbrances) to practice in Maryland;
- c. In one of the following eligible disciplines:
 - i. MD: Allopathic Medicine
 - ii. DO: Osteopathic Medicine
 - iii. PA: Physician Assistant
 - iv. Final Year Medical Residents (MD or DO)
 - A) Individuals enrolled to enter their final year of medical residency, specializing in primary care, as of July 1 following application to the Program are eligible to apply for a three (3) year service obligation (final year of medical residency + two (2) years in an eligible practice site).
 - B) See more information about the process for final year medical residents in Section IV.A.5.

2. Participant Eligibility

MLRP participants must:

- a. Be a United States citizen or national;
- b. Personally owe education loan debt obtained for the pursuit of undergraduate or graduate study leading to practice as a physician or physician assistant.
 - i. Eligible “Education loan” means any loan that is obtained for tuition, educational expenses, or living expenses for undergraduate or graduate study leading to practice as a physician or physician assistant.
 - ii. Any other educational loans obtained beyond licensure of a physician or physician assistant are not eligible for loan repayment assistance.
- c. Have a valid employment contract to work at a practice site location in Maryland that will be in effect by the start of any service obligation resulting from the application (July 1 following the application cycle) to:
 - i. Practice part time (20-39 hours per week) or full time (40+ hours per week) at an eligible practice site.
 1. Provide a minimum of 80 percent (80%) of work hours dedicated to direct patient care.

- A) EXCEPTION: Obstetricians/gynecologist (OB/GYN) physicians must provide at least 50% of work hours per in normally scheduled clinical hours in the ambulatory care setting at an eligible practice site.
 - 2. Time spent on-call shall not be counted toward practice hours.
 - 3. MLRP participants who work part-time (20-39 hours per week), are automatically part-time program participants.
 - 4. MLRP participants who work full-time (40 or more hours per week) can be part-time or full-time program participants.
- d. Fulfill any service obligation resulting from application to the program at an approved eligible practice site that meets stated criteria.
- e. Agree that any MLRP funds awarded as a result of an MLRP service obligation are paid to a verified education loan holder by the Maryland Department of Health to repay qualifying education loans.

MLRP participants must NOT have:

- f. Federal or state judgment liens;
- g. Defaulted on any payment obligations (e.g., education, housing, private loans, Federal or State taxes, etc.) even if the creditor now considers them to be in good standing;
- h. Breached a prior service obligation to the federal/state/local government or other entity, even if they subsequently satisfied the obligation; and
- i. Had any debt written off as uncollectible or received a waiver of any service or payment obligation.
- j. Outstanding contractual obligations for health care professional service to the federal government, another state loan repayment program, or other entity (including employer sign on bonuses) unless that service obligation will be completely satisfied before the Program service obligation commencement.
 - i. Note: Certain provisions in employment contracts can create a service obligation (e.g., an employer offers a recruitment bonus in return for the agreement to work at that facility for a certain period of time or pay back the bonus.
 - ii. Exception: Individuals in the Reserve Component of the U.S. Armed Forces or National Guard are eligible to participate in MLRP.

3. Practice Site Eligibility

Practice sites must be approved by MLRP at the time of application and meet the following criteria:


- a. Be physically located in Maryland.
- b. Charge for professional services at customary prevailing rates, except for free clinics.
- c. Accept Medicare, Medicaid, and the Children’s Health Insurance Program, as appropriate to the patient population.
- d. Provide discounts for individuals with limited incomes, in other words, use a sliding fee

- scale or have a financial aid policy that is utilized consistently for the patient population to ensure services regardless of the patient's ability to pay.
- i. For those with annual incomes at or below 100 percent of the U.S. Health and Human Services Poverty Guidelines, provide services at no charge or at a nominal charge.
 - ii. For individuals between 100 and 200 percent of the U.S. Health and Human Services Poverty Guidelines, provide a schedule of discounts, which must reflect a nominal charge covered by a third party (either public or private).
- e. Attend to all patients regardless of their ability to pay.
- f. Agree to and participate in reporting on behalf of any awarded MLRP participant, including:
- i. Verification of on-going employment;
 - ii. Aggregate de-identified data regarding patient population served by the practice site and participant; and
 - iii. Health care quality outcomes priorities and progress.
 - iv. Submission of an organizational assessment tool to evaluate organization's current integration of National Standards for Culturally and Linguistically Appropriate Services in Health Care (CLAS), issued by HHS.

Note: Potential practice sites could include, but are not limited to primary care, specialty care, community clinics, governmental facilities, hospitals, private or group practices, long-term care, hospice, academic centers (schools), or correctional facilities.

B. Nurses and Nursing Support Staff

Eligibility Criteria: Advanced Practice Nurses, Nurses, Nursing Support Staff



There are three vital areas of eligibility described below: Discipline, Participant, and Practice Site eligibility. Successful MLRP applicants must ensure verification of these critical elements during the application process and demonstrate compliance with these critical elements, meeting monitoring requirements throughout any awarded service obligations. Eligibility criteria can change from year-to-year based on authorizing legislation and funding availability.

1. Discipline Eligibility

MLRP participants must have:

- a. Completed training in an accredited training program; and
- b. Possess an active and valid license (without restrictions or encumbrances) to practice in Maryland;
- c. In one of the following eligible disciplines:
 - i. **Advanced Practice Registered Nurse**
 1. CRNP: Nurse Practitioner
 2. CNM: Certified Nurse-Midwife
 3. CRNA: Certified Registered Nurse Anesthetist
 4. CNS: Clinical Nurse Specialist
 - ii. **Nurse**
 1. RN: Registered Nurse
 2. LPN: Licensed Practical Nurse
 - iii. **Nursing Support Staff**
 1. CMT: Certified Medication Technician
 2. CMA: Certified Medicine Aide
 3. CNA: Certified Nursing Assistant
 4. GNA: Geriatric Nursing Assistant

2. Participant Eligibility

MLRP participants must:

- a. Be a United States citizen or national;
- b. Personally owe education loan debt obtained for the pursuit of undergraduate or graduate study leading to practice as an advanced practice registered nurse, nurse, or nursing support staff.
 - i. Eligible “Education loan” means any loan that is obtained for tuition, educational expenses, or living expenses for undergraduate or graduate study leading to practice as an advanced practice registered nurse, nurse, or nursing support staff.
 - ii. Any other educational loans obtained beyond licensure/certification of an advanced practice registered nurse, nurse, or nursing support staff. are not eligible for loan repayment assistance.
- c. Have a valid employment contract to work at a practice site location in Maryland that will be in effect by the start of any service obligation resulting from the application (July 1 following the application cycle) to:

- i. Practice part time (20-39 hours per week) or full time (40+ hours per week) at an eligible practice site.
 - 1. Provide a minimum of 80 percent (80%) of work hours dedicated to direct patient care.
 - A) EXCEPTION: Certified Nurse Midwives must provide at least 50% of work hours per in normally scheduled clinical hours in the ambulatory care setting at an eligible practice site.
 - 2. Time spent on-call shall not be counted toward practice hours.
 - 3. MLRP participants who work part-time (20-39 hours per week), are automatically part-time program participants.
 - 4. MLRP participants who work full-time (40 or more hours per week) can be part-time or full-time program participants.
- d. Fulfill any service obligation resulting from application to the program at an approved eligible practice site that meets stated criteria.
- e. Agree that any MLRP funds awarded as a result of an MLRP service obligation are paid to a verified education loan holder by the Maryland Department of Health to repay qualifying education loans.

MLRP participant must NOT have:

- f. Federal or state judgment liens;
- g. Defaulted on any payment obligations (e.g., education, housing, private loans, Federal or State taxes, etc.) even if the creditor now considers them to be in good standing;
- h. Breached a prior service obligation to the federal/state/local government or other entity, even if they subsequently satisfied the obligation; and
- i. Had any debt written off as uncollectible or received a waiver of any service or payment obligation.
- j. Outstanding contractual obligations for health care professional service to the federal government, another state loan repayment program, or other entity (including employer sign on bonuses) unless that service obligation will be completely satisfied before the Program service obligation commencement.
 - i. Note: Certain provisions in employment contracts can create a service obligation (e.g., an employer offers a recruitment bonus in return for the agreement to work at that facility for a certain period of time or pay back the bonus
 - ii. Exception: Individuals in the Reserve Component of the U.S. Armed Forces or National Guard are eligible to participate in MLRP.

3. Practice Site Eligibility

Practice sites must be approved by MLRP at the time of program application and meet the following criteria:

- a. **Be a public or non-profit site, exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986. This includes State or local governments in the State**
- b. Be physically located in Maryland
- c. Charge for professional services at customary prevailing rates, except for free clinics
- d. Accept Medicare, Medicaid, and the Children's Health Insurance Program, as appropriate to the patient population
- e. Provide discounts for individuals with limited incomes, in other words, use a sliding fee scale or have a financial aid policy that is utilized consistently for the patient population to ensure services regardless of the patient's ability to pay
 - i. For those with annual incomes at or below 100 percent of the U.S. Health and Human Services Poverty Guidelines, provide services at no charge or at a nominal charge.
 - ii. For individuals between 100 and 200 percent of the U.S. Health and Human Services Poverty Guidelines, provide a schedule of discounts, which must reflect a nominal charge covered by a third party (either public or private).
- f. Attend to all patients regardless of their ability to pay
- g. Agree to and participate in reporting on behalf of any awarded MLRP participant, including:
 - i. Verification of on-going employment;
 - ii. Aggregate de-identified data regarding patient population served by the practice site and participant; and
 - iii. Health care quality outcomes priorities and progress.
 - iv. Submission of an organizational assessment tool to evaluate organization's current integration of National Standards for Culturally and Linguistically Appropriate Services in Health Care (CLAS), issued by HHS.

Note: Potential practice sites could include, but are not limited to primary care, specialty care, community clinics, governmental facilities, hospitals, private or group practices, long-term care, hospice, academic centers (schools), or correctional facilities.

III. MLRP Application Process

A. Application Acceptance

1. There is an annual application cycle during which individuals apply to become an MLRP participant.
 - a. There is one annual application process for all disciplines and funding sources.
 - b. Application instructions and necessary documentation is posted to the Program website prior to the application cycle opening.
2. The application cycle is currently operational and accepting applications annually, approximately March 1 through April 15 (11:59 p.m., EST).
 - a. Applicants are responsible for ensuring that all application components are submitted in the formats noted in the current application instructions, including components that must be submitted by application contributors, such as employers and/or professional references.
 - b. An application is not considered complete until all complete components of the application have been submitted, including attachments, from the party noted in the application instructions.
 - c. Application components cannot be accepted prior to the application cycle opening.
 - d. Application components cannot be accepted nor revised after the application deadline.
 - e. MDH staff may contact an applicant or application contributors to request additional details necessary for application review. If the requested information is not provided within stated deadlines, the application will be deemed incomplete at that time.
 - f. Applicants and application contributors attest to the accuracy and completeness of application components upon submission.
3. Eligible individuals may reapply for award after completion of an MLRP service obligation and be awarded up to two (2) MLRP service obligations per lifetime.

B. Application Review Process

1. Participation in MLRP is offered based on the contents of the submitted application, eligibility, technical scoring based on State and Federal priorities, and the availability of funding. The application process is competitive.
2. Eligibility Review
 - a. Applicant eligibility is determined utilizing the content of the application components against current published MLRP eligibility criteria.
 - b. It is vital that all application components document accurate and consistent information at the time of submission.
 - c. Submitted responses are verified utilizing supplementary documentation (such as employment agreements, birth certificate, lender documentation, etc.).
3. Technical Scoring
 - a. Upon determination of eligibility, a technical scoring process is used to score and rank each application within MLRP program priorities.
 - b. Example technical scoring criteria includes (subject to change):
 - i. Discipline: Federal fund eligibility is prioritized
 - ii. Specialty (Area of practice): Primary care is prioritized
 - iii. Practice Site Geographic Location: Health professional shortage areas, medically underserved areas/populations, and rural areas are prioritized
 - iv. Inpatient/Outpatient Practice: Outpatient services are prioritized

- v. Practice Site Not for Profit/For Profit status: Not for Profit/Public prioritized for physicians and physician assistants

C. Award Determination

1. Applications are assigned a “Priority tier” based on overarching funding priorities, as directed via authorizing statutes and MDH priorities.
2. Ranked applications receive consideration for award within available funding ranges.
 - a. In the event that there are more eligible applications than funds available:
 - i. Funds are distributed in a cascading process (priority tier by priority tier, with highest technical scoring funded first)
 - ii. Applicants in the highest technical scoring bracket may receive award offers up to the maximum amount, while those who scored high enough to be recommended for funding but in a lower scoring bracket may be offered and receive a less than maximum award amount.
 - iii. When funds are no longer available for disbursement, not all eligible applications will be awarded.

D. Applicant Communication

Applications received by the application deadline are generally notified regarding the status of their applications by July 1 of the application year, with offer or denial of award.

- a. If offered an MLRP service obligation/award, applicants must respond with required response documentation by stated deadlines in order to accept the obligation and become an MLRP participant.

Questions and Technical Support

For questions about the application or technical assistance needs,
contact MLRP team at:

mdh.loanrepaymentprograms@maryland.gov

call 410-767-6123


IV. MLRP Participation and Processes

- A. Upon Award: Moving from Awardee to Participant
 - 1. Upon offer of award, MLRP “awardees” receive:
 - a. Notification of MLRP service obligation/award offer in the form of a notification letter (distributed via email)
 - b. The MLRP “Welcome Packet” which explains next steps for acceptance of the MLRP service obligation/award.
 - c. Invitation to a virtual program orientation meeting.
 - 2. To accept the MLRP service obligation/award, awardees complete a series of agreements and provide supplementary documentation including:
 - a. Promissory Note
 - b. Service Obligation Agreement
 - c. Lender Verification Form: Completed by lender/ student loan servicer (“lender”) on behalf of awardee
 - 3. To successfully accept the MLRP offer of service obligation/award, the Department must receive all documents by established deadlines.
 - a. If requested documentation is not received by established deadlines, awardees will no longer qualify for the program and must reapply to be considered for a future award.
 - 4. Once the award is accepted by signing the Promissory Note and Service Obligation Agreement, awardees are considered to be program “participants” and are legally obligated to complete the terms of the program service obligation.**
 - 5. Final Year Medical Residents
 - a. Program participants that are final year medical residents complete their residency training without interruption;
 - b. Begin their Service obligation at an eligible approved practice site no later than three (3) months after completion of medical resident training; and
 - c. Upon commencement of the Service Obligation, fulfill the same obligations as those required for any other physician participant.
- B. Loan Repayment Process
 - 1. The Department utilizes Loan Disbursement information provided by the awardee and a Lender Verification Form (requested by the awardee and provided by the lender) to verify current education loan debt for each participant.
 - 2. Two payments are made over the course of the service obligation, once during the first service obligation year and once during the second service obligation year.
 - 3. The Department requests payment from the Maryland Treasurer’s Office and Comptroller to participants’ lender/loan servicer(s) as noted via the participant-provided loan disbursement requests.
 - a. Participants may designate the full annual award amount to be sent to one lender/student loan servicer or distribute the award amount to up to two lenders/student loan servicers if the award exceeds any one lender balance.
 - b. To the extent possible, the Department follows participant disbursement requests.
 - c. The Department may request additional information or documentation to facilitate the successful payment of the MLRP award.

- d. There may be situations in which requests are altered to meet Department, Treasurer, Comptroller, or lender processes to ensure successful payment.
 - e. **MLRP can only pay up to the current educational loan debt of each participant. Therefore, actual payments may be lower than the award noted in offer letters if lender verification forms cannot demonstrate that an educational loan debt still exists at the amount of the full award.**
4. It is important that participants continue regular communication with their lenders throughout their MLRP service obligation.
- a. Though the Department communicates with lenders via the payment distribution process and a follow-up lender letter, participants may have to work with their lender to ensure that distributed funds are successfully connected to their loan account.
 - i. Upon payment, it becomes the responsibility of participants to communicate with their lender to ensure funds are accurately applied to the participant loan balance.
 - ii. If concerns arise, participants can find resources for interacting effectively with lenders at: <https://labor.maryland.gov/finance/consumers/frslombud.shtml>.
 - b. MLRP participation does not alter the relationship between an individual and their lender in any way.
- C. Meeting the MLRP Service Obligation
1. Throughout the MLRP service obligation, a participant **must continue to meet all Discipline, Participant, and Practice Site eligibility criteria** met during the application process and as approved for award.
 - a. A participant’s continued eligibility depends on meeting the same criteria as was represented and approved in the participant’s program application.
 - b. If service obligation amendment requests are made (see below), the Department will review the requests against the original application approvals, including technical scoring to ensure alignment with funding decisions in the participants original applicant pool.
 2. Data Collection
 - a. At a few key points along the MLRP participant pathway, participants are required to take part in a variety of data collection exercises. These include at least the following:
 - i. Surveys to collect experience and retention data (from our partner, 3RNet/PRISM)
 - ii. Submission of aggregate data regarding the patients you serve and key practice site health outcomes quality priorities, and
 - iii. Verification of ongoing eligibility for the program.
 - b. Participants must respond accurately and within stated timelines in order to remain in compliance with the MLRP service obligation.
 3. Continuing or “Renewal” Participants (Second Year of the Service Obligation)
 - a. For MLRP participants with a 2-year service obligation, a renewal process serves as a check-in at the end of the first year/ start of the second year of obligation.
 - b. This process verifies continued eligibility for the program and collects vital monitoring

- and evaluation data that allows the program to demonstrate its impact in Maryland.
- c. Participants receive a “Renewal Packet” for completion at the end of the first service obligation year with a deadline for completion.
- d. To stay in compliance with the obligation and trigger the second-year payment, the Department must receive all documents by established deadlines.
 - i. If all requested documentation is not received by the established deadline, participants are at risk of being in breach of the service obligation.

D. Service Obligation Amendments and Processes

 **Participants: Keep this information on-hand! Stay in compliance with your service obligation via timely communication and amendment requests, when needed.**

1. All changes in participant status must be communicated to the Department in advance of the status change in order to gain approval of the change and ensure continued eligibility for MLRP.
 - a. If an advance request is not possible (e.g. termination of employment by employer, unscheduled major sick leave, etc.), prompt communication is expected following the change or the participant is at risk of breach of service obligation.
2. Extended Leave Request
 - a. MLRP participants must provide service at least 45 weeks per service obligation year (see MLRP eligibility). No more than seven weeks (35 workdays) can be spent away from practice for holidays, vacation, continuing professional education, illness, or any other reason.
 - i. Leave greater than seven (7) weeks in any given 52-week service obligation period, requires a service obligation amendment.
 - b. Approved service obligation amendments for extended leave postpone the approved service obligation end date.
 - c. To request extended leave, participants need to communicate with the Department. At that time, the MLRP team will provide a Service Obligation Amendment Request form to the participant if the request is determined to be necessary.
 - i. Amendment requests require proof of need for the leave request and are reviewed and approved on a case-by-case basis.
 - ii. Participants receive notification of approval, with a service obligation addendum, or denial with reasoning from the Department in response to submitted Service Obligation Amendment Requests.
3. Practice Site Transfer
 - a. MLRP participants are approved to serve the duration of their service obligation at the practice site(s) approved during the application cycle.
 - i. If, after serving at the practice site for one service obligation year, a participant and their practice site determine that a separation is in order, the participant may request reassignment to a different eligible practice site.

- ii. Employer-driven changes may be requested before the one-year mark if the change is being requested as being in the best interest of patients.
 - b. The new practice site and services to be provided by the participant 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.
 - c. The participant must submit a transfer request to MDH for approval prior to separation from the approved practice site.
 - i. To request extended leave, participants need to communicate with the Department. At that time, the MLRP team will provide a Practice Site Transfer Request form to the participant if the request is determined to be necessary.
 - ii. Requests require information about the new practice site, include validations similar to those provided during the application process.
 - iii. Requests are reviewed and approved on a case-by-case basis.
 - iv. Participants receive notification of approval, with a service obligation addendum, or denial with reasoning from the Department in response to submitted Practice Site Transfer Requests.
- 4. Deferment and Waiver
 - a. Deferment (suspension) of an MLRP service obligation for up to one (1) year can be considered if, in the opinion of the Department, compliance by the participant with the terms and conditions of the Service Obligation Agreement is impossible or would involve extreme hardship as evidenced via provided proof/documentation. Circumstances could include:
 - i. Military service (for a period not to exceed three years);
 - ii. Extended illness verified by a licensed healthcare provider;
 - iii. Extenuating family circumstances to be decided on a case-by-case basis
 - b. Waiver (cancellation) of an MLRP service obligation is extremely rare. Circumstances could include:
 - i. Illness or injury that prohibits any/all future possibility of continued clinical licensure/service
 - ii. Any service or payment obligation incurred by a participant is canceled upon the participant's death
 - c. All requests for deferment or waiver must be submitted in writing to the Department, prior to any changes being made to the status of the participant at the approved practice site.
 - i. Participants receive notification of approval, with a service obligation addendum, or denial with reasoning from the Department in response to submitted deferral.

Applicant? Participant? Ensure understanding and ability to comply/ compliance with the MLRP Promissory Note and Service Obligation Agreement!

E. Breach of Service Obligation

1. It is vital that every MLRP applicant and participant read and understand the obligations

- related to participation in the program, including the breach of service obligation terms.
2. Failure to comply with all components of the MLRP service obligation will constitute a breach of agreement.
 3. A Breach of Service Obligation is very serious as it comes along with a set of financial penalties that are dependent on the funding source of the award provided to the participant (noted in the award notification letter) as noted below:
 - a. Recipients of Federal (SLRP) and State (MLARP) funds shall pay to the State, with interest:
 - i. The full amount paid to, or on behalf of, the participant for the loan repayments for any period or obligated service not served;
 - ii. An amount equal to the number of months of obligated service not completed multiplied by \$7,500; and
 - iii. Interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach.
 - iv. The total amount that the Department is entitled to recover shall not be less than \$31,000.
 - v. In addition to these penalties, the State of Maryland is entitled to recover costs, fees, and expenses for collection, including attorney's fees, as prescribed by State law or regulation.
 - b. Recipients of State (MLARP) funds only (no Federal funds) shall pay to the State:
 - i. The full amount paid to, or on behalf of, the participant for the loan repayments for any period or obligated service not served;
 - ii. Interest on the above amount at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach; and
 - c. The State of Maryland is entitled to recover costs, fees, and expenses for collection, including attorney's fees, as prescribed by State law or regulation. Amounts not paid within one year of the breach of contract may be subject to any collection method authorized by law.
 - d. If the participant does not remain current on any repayment, the Comptroller of Maryland may withhold any payment of State funds otherwise due to the participant.
 - e. Recipient's obligation for payment may not be released by discharge in bankruptcy under Title 11 of the United States Code.
 4. A Breach of Service Obligation is also very serious as it eliminates future eligibility for MLRP and has potential consequences on future eligibility for other opportunities.
 - a. Breach of Service Obligation is reported to relevant occupational board for the participant (i.e. Maryland Board of Physicians or Board of Nursing) and participant may be subject to disciplinary action by the Board, which may reprimand Recipient, place Recipient on probation, or suspend or revoke Recipient's license.

V. MLRP Contact Information

To receive updates about the Maryland Loan Repayment Programs, sign up for the Workforce Listserv: [click here](#).

General application questions can be directed to the Office of Health Care Workforce Development:

Phone: 410-767-6123

Program Email: mdh.loanrepaymentprograms@maryland.gov

Website: <https://health.maryland.gov/pophealth/Pages/State-Loan-Repayment-Program.aspx>

Appendix I: Glossary of Terms

Direct Patient Care: Services that are providing treatment related activities working with individual patients within the participants scope of practice versus administrative, supervisory, quality assurance/improvement duties such as charting, care coordination services, training, laboratory follow-up, patient correspondence, attending staff meetings, activities related to maintaining professional licensure, and other non-treatment related activities pertaining to the participant’s MLRP practice. Any time spent in a management role is also considered to be an administrative activity. At least 80% of an MLRP participant’s time must be spent in direct patient care activities.

Eligible “Education loan”: Any loan that is obtained for tuition, educational expenses, or living expenses for undergraduate or graduate study leading to practice as a physician or physician assistant. Any other educational loans obtained beyond licensure of a physician or physician assistant are not eligible for loan repayment assistance.

Full-time Program Participation: For the purposes of these programs, a participant will be considered eligible for full-time participation if they work at least 40 hours per week (with at least 80% of time in direct patient care).

Health Professional Shortage Area (HPSA): A Health Professional Shortage Area is federal designation of a geographic area, population group, public or nonprofit private medical facility or other public facility to have a shortage of primary medical, dental, or mental health care professionals based on criteria defined in regulation. HPSA designation is not a requirement of MLRP eligibility, but does receive priority technical scoring.

MDH: Maryland Department of Health or “Department”

MLARP: Maryland Loan Assistance Repayment Program (State funded program); authorized via statutes for Physicians and Physician Assistants (MLARP PPA) and Nurses and Nursing Support Staff (MLARP NNSS)

MLARP PPA: Maryland Loan Assistance Repayment Program for Physicians and Physicians Assistants.

MLARP NNSS: Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff.

MLRP: Maryland Loan Repayment Programs offers higher education loan repayment assistance to health professionals including physicians, physician assistants, medical residents, nurses, and nursing support staff in exchange for their service to Marylanders.

Part-time Program Participation: For the purposes of these programs, a participant will be considered eligible for part-time participation if they work between 20 to 39 hours per week (with at least 80% of time in direct patient care).

Primary Care: The provision of integrated, accessible health care services by clinicians who are accountable for addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community, primarily in outpatient environments.

Primary Health Services: Health services, including family medicine, internal medicine, pediatrics, geriatrics, obstetrics and gynecology, or mental health, that are provided by physicians or other health professionals and for purposes of MLRP, includes clinical substance use disorder treatment services.

SLRP: State Loan Repayment Program (Federal funded program)

Appendix II: History of the Maryland Loan Repayment Program (MLRP)

In 1993, the General Assembly enacted the Education Article, Annotated Code of Maryland, Section 18-1602 that revised the Loan Assistance Repayment Program (LARP) to provide education loan repayment assistance to individuals working for the State, a local government, or a nonprofit entity in Maryland. Priority was given to individuals working in health professional fields with critical shortages and traditionally lower salaries than in the private sector. LARP provides loan repayment assistance for primary care physicians and medical residents specializing in primary care who either pledge to or are currently providing primary care services in the state. LARP was funded through license renewal fees paid to the Board of Physician Quality Assurance.

LARP was administered and managed by the Office of Student Financial Assistance (OSFA) under the Maryland Higher Education Commission (MHEC). OSFA was responsible for the development and distribution of application materials, and received, processed, and reviewed applications. Also, OSFA appointed a Review Panel to review eligible applicants as determined by OSFA and make recommendations to OSFA who makes the final selection of LARP recipients annually.

OSFA was required to submit an annual statement by December 31 of each year on the utilization of money transferred from the Physician Quality Assurance Program to LARP by the General Assembly. On December 31, 1998, OSFA submitted a full report to the General Assembly that detailed the effect of LARP on recruitment and retention of primary care physicians in Maryland.

In 2007, the General Assembly enacted Senate Bill 107 (SB107)/House Bill (138) that established a task force on Health Care Access and Reimbursement. One focus area for the task force was to probe *“the trends for physician and other health care provider shortages by specialty and geographic area and any impact on health care access and quality caused by such shortages”*. The taskforce reported shortage of health professionals across the state and more severe in rural areas and underserved communities. To meet the needs of these communities, the task force recommended incentives to encourage health professionals to practice in these areas. In addition, it recommended the Health Services Cost Review Commission (HSCRC) establish a State-only physician loan assistance repayment program using 0.1% of hospital net patient revenue.

House Bill 687 (HB 687) was enacted in 2008 to expand the eligibility of Janet L. Hoffman Loan Assistance Repayment Program (LARP) by removing the public or nonprofit agency requirement for participants in the program and allowing a specialty shortage area as determined by the Secretary of Health to become eligible. It also offered an option to interested physician participants to practice for 10 years in an area of the State determined by the Secretary of Health to be a health professional shortage area instead of them meeting the income level eligibility requirement as previously mandated by LARP.

In 2009, House Bill 714/Senate Bill 627 was passed, which replaced LARP with the Maryland Loan Assistance Repayment Program (MLARP) for physicians and created the Maryland Loan Assistance Repayment Program Fund (MLARP Fund). The Fund consisted of revenues generated through the increase of all hospital rates in the State and other monies collected for the Fund. These monies were used by the Office of Student Financial Assistance (OSFA) to administer the MLARP program.

HB714/SB627 required OSFA to repay loans owed by MLARP participants who practice primary care for nonprofits or government entities in an area of the State federally designated as having a shortage of primary care or mental health providers. Likewise, OSFA makes loan repayment assistance owed by medical residents specializing in primary care who agree to practice for at least two years as a primary care physician in the areas previously stated, and all participants must also meet any other requirements established by OSFA, in consultation with MDH.

In 2020, Senate Bill 501/House Bill 998 (HB998/SB 501) transferred administration and management of MLARP for Physicians and Physician Assistants to MDH's Office of Workforce Development, which resides within the Office of Population Health Improvement, and creates a stakeholder workgroup to find a permanent funding structure for MLARP. The law also repeals the funding source, which was an increase of all hospitals rates, as approved by HSCRC, and replaced by a source recommended by the stakeholder workgroup.

The [stakeholder workgroup recommendations](#) on permanent funding structure include the establishment of permanent and predictable General Funds appropriations from the State's budget as the first priority in a tier system. The second tier includes matching funds from sliding scale employer sites, board license fees, health facility assessments, and State tax distributions. Among other recommendations, the stakeholder workgroup recommended expansion of program eligibility based on priority areas as determined by robust data analysis and the formation of an MLARP Advisory Council with a broader portfolio including the field of healthcare workforce development.

In 2022, the MLARP Advisory Council for Physicians and Physician Assistants was established by Senate Bill 626/House Bill 1464 to assist MDH in the administration of the program and make recommendations to the General Assembly on changes to the program, among other responsibilities. The Advisory Council is required to submit an annual report on its activities and recommendations. The law also expanded MLARP eligibility by including part-time physicians and physician assistants to become eligible for the program and authorize MDH to establish prorated loan repayment for the part-time practitioners.

Senate Bill 696/House Bill 975 (2022) established the Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff (MLARP NNS) and the Maryland Loan Assistance Repayment Program Fund for Nurses and Nursing Support Staff. The law also mandated MDH to convene a stakeholder workgroup to examine how to further incentivize nursing and nursing support staff students to practice in specified areas and provide recommendations on a permanent funding structure for the new special fund.