

Title 10
MARYLAND DEPARTMENT OF HEALTH
Subtitle 01 PROCEDURES

10.01.22 Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants

Authority: Health-General Article, §§24-1701—24-1708; and Health Occupations Article, §§14-207 and 15-206(c), Annotated Code of Maryland.

.01 PURPOSE.

- A. The purpose of the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants is to improve health care access for all Marylanders by recruiting and retaining health care providers in areas of Maryland with health care professional shortages through education loan repayments assistance to program participants.

.02 DEFINITIONS.

- A. In this chapter, the following terms have the meanings indicated.
- B. Terms defined.
- (1) “Department” means the Maryland Department of Health.
 - (2) “Education loan” has the meaning stated in Health-General Article, §24-1701, Annotated Code of Maryland.
 - (3) “Eligible field of employment” has the meaning stated in Health-General Article, §24-1704, Annotated Code of Maryland.
 - (4) “Full-time” means an individual’s work week consists of 40 or more hours at an eligible practice site.
 - (5) “Guidelines” means the Maryland Loan Repayment Programs Guidelines and subregulatory guidance established by the Department.
 - (6) “Medical resident” has the meaning stated in Health-General Article, §24-1704, Annotated Code of Maryland.
 - (7) “Participant” means an individual who has been offered a Program award and is under service obligation.
 - (8) “Part-time” means an individual’s work week consists of 20 to 39 hours at an eligible practice site.
 - (9) “Physician” has the meaning stated in Health-Occupations Article, §15-101, Annotated Code of Maryland, who practices medicine either full-time or part-time.
 - (10) “Physician Assistant” has the meaning stated in Health-Occupations Article, §15-101, Annotated Code of Maryland, who practices full-time or part-time.

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- (11) “Practice site” means a site where a participant provides clinical services and fulfills their service obligation.
- (12) “Primary Care” has the meaning stated in Health-General Article, §24-1701, Annotated Code of Maryland.
- (13) “Program” means the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants.
- (14) “Promissory Note” means a contractual agreement between a participant and the Department describing disbursement methods, participant roles and responsibilities, compliance penalties, and other terms as determined by the Department.
- (15) “Service Obligation Agreement” means a contractual agreement between a participant and the Department specifying participant service obligations, total and annual Program award amounts, required data and verifications, penalties for breach, and other terms as determined by the Department.

.03 PROGRAM ELIGIBILITY

- A. To be eligible for the Program, a medical resident, physician, or physician assistant shall:
 - (1) Be liable and personally owe education loan debt;
 - (2) Be a United States citizen or national;
 - (3) Have a valid employment contract with an eligible practice site in the State that will be in effect by the start of any service obligation to be fulfilled;
 - (4) Provide evidence of practice as either part-time or full-time at that eligible practice site;
 - (5) Practice full-time or part-time providing health care services at an eligible practice site, with at least eighty percent of time spent in direct patient care for a minimum of 45 weeks per year;
 - (6) Utilize Program funds for the repayment of eligible education loans; and
 - (7) Possess an active and valid Maryland:
 - (a) License without restrictions or encumbrances to practice in one of the following health care disciplines:
 - (i) Allopathic Medicine or Doctor of Osteopathic Medicine for a physician; or
 - (ii) Physician Assistant;
 - (b) Postgraduate/training license for medical residents to participate in a Maryland training program.
- B. To be eligible for the Program, a physician or physician assistant may not have:
 - (1) Federal or state judgment liens;
 - (2) Defaulted on any federal or state payment obligations even if the governmental creditor now considers them to be in good standing;
 - (3) Breached a prior service obligation to federal, state, or local government or other entity, even if the obligation is subsequently satisfied;
 - (4) Any federal or non-federal debt written off as uncollectible or received a waiver of any service or payment obligation;
 - (5) Any outstanding contractual obligations for a health care professional service to the federal government, another state loan repayment program, or other entity

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unless those service obligations are completely satisfied prior to the commencement of the Program service obligation; and
(6) Received two maximum awards for service obligations to the Program.

- C. To participate in the Program, a medical resident, physician, or physician assistant shall be employed by and fulfill their service obligation at an eligible practice site in accordance with §D of this regulation.
- D. An eligible practice site shall:
 - (1) Be an eligible field of employment in accordance with Health-General Article, §24–1704, Annotated Code of Maryland;
 - (2) Be physically located in the State;
 - (3) Provide services to all patients regardless of their ability to pay;
 - (4) Charge for health care professional services at the usual and customary prevailing rates except for free clinics;
 - (5) Utilize a financial aid policy of discounts or sliding fee scale for individuals with limited incomes; and
 - (6) If applicable to the patient type, accept reimbursement from Medicare, Maryland Medicaid, and the Maryland Children’s Health Insurance Program.

.04 APPLICATION PROCEDURES.

- A. By the published deadlines, on the form designated by the Department, an applicant shall:
 - (1) Submit a complete application to the Department; and
 - (2) Facilitate submission of application components by all contributors and supporting documentation as requested by the Department.
- B. The Department shall disapprove an application if the application:
 - (1) Fails to provide sufficient information or comply with requested documentation;
 - (2) Has the appropriate documentation but is determined to be ineligible; or
 - (3) Does not satisfy the requirements established by law or the Department.

.05 PARTICIPANT SELECTION.

- A. The Department shall:
 - (1) Assess applicant eligibility based on documentation received by the published deadline;
 - (2) Require from an applicant additional documentation or use independent verification means to verify information in the application; and
 - (3) Score an eligible application based on priority criteria in accordance with:
 - (a) Health-General Article, §24–1705, Annotated Code of Maryland; and
 - (b) The guidelines established by the Department.
- B. An applicant shall respond to an award offer by submitting all required documentation to the Department within 90 days of notice of award.
- C. Failure to provide required documentation shall result in:
 - (1) An application determined as ineligible; or
 - (2) Cancellation of any offered awards.

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D. Appealing a decision to disapprove an application.

- (1) An applicant may appeal the decision to disapprove an application by submitting an appeal request in writing to the Department within 30 calendar days of the date on the notice of the disapproved application.
- (2) If an applicant submits an appeal, the Department, within 60 calendar days, shall:
 - (a) Sustain or reverse the decision on the application; and
 - (b) Provide written notice to the applicant:
 - (i) Indicating whether the decision on the application has been sustained or reversed; and
 - (ii) Providing an explanation of the decision.
- (3) An applicant may request a hearing within 10 calendar days after the date of written notice of the Department's disapproval of an application as stated in §D(2) of this regulation. When the Department receives the request, it will follow hearing procedures in accordance with COMAR 10.01.03.
- (4) Failure to be present for the hearing without prior notice, communication, or approval from the Department may result in:
 - (a) The appeal nullified and decision sustained;
 - (b) Hearing on the appeal not rescheduled; or
 - (c) Appropriate sanctions as deemed by the Department.

.06 AWARD DISTRIBUTION.

- A. The distribution of Program awards shall be based on the funding prioritization in accordance with Health-General Article, §24-1704(b), Annotated Code of Maryland.
- B. The Department shall prioritize funding for the repayment of education loans in accordance with Health-General Article, §24-1705(b), Annotated Code of Maryland.
- C. The Department shall annually determine, based on the availability of funds:
 - (1) The maximum number of participants for the Program in each priority area; and
 - (2) The minimum and maximum amount of loan repayment assistance awarded.
- D. The amount of award offered and paid shall not exceed the lesser of:
 - (1) The loan repayment amount specified in the Service Obligation Agreement; or
 - (2) A participant's total verified debt from eligible education loans.

.07 PARTICIPANT OBLIGATION.

- A. A participant shall provide the Department with required documentation including:
 - (1) Lender verification of education loan balance;
 - (2) Documentation of employer verification;
 - (3) A signed Promissory Note that includes;
 - (a) The disbursement methods utilized by the Department in the repayment of education loans;
 - (b) The roles and responsibilities of the participant in the disbursement of funds to the lender institution;
 - (c) Penalties for failing to comply with terms and conditions of agreements with the Department; and
 - (d) Other terms as determined by the Department;
 - (4) A Service Obligation Agreement that includes;

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- (a) Obligations of the participant;
 - (b) Total and annual amounts of the Program award;
 - (c) Completion of data and verifications required by the Department;
 - (d) Penalties for breach of the Promissory Note and Service Obligation Agreements;
 - (e) Incorporates the Promissory Note and Program Guidelines; and
 - (f) Other appropriate terms as determined by the Department; and
- (5) All other documentations as requested by the Department.
- B. A participant shall:
 - (1) Continue to meet the eligibility requirements as stated in §.03A and B of this chapter; and
 - (2) Serve a minimum service obligation as stipulated in the Service Obligation Agreement with the Department.
- C. A medical resident shall:
 - (1) Meets all requirements in §A of this regulation;
 - (2) Complete residency training in primary care, and begin their service obligation without interruption; and
 - (3) Fulfill all requirements of §B of this regulation once the service obligation commences.

.08 VERIFICATION OF SERVICE OBLIGATION FULFILLMENT.

- A. The Department shall verify annually during Program participation, the participant's compliance with:
 - (1) The Program Promissory Note;
 - (2) Service Obligation Agreement; and
 - (3) Any subregulatory guidelines developed by the Department.
- B. A participant shall respond to annual verification by submitting all required documentation to the Department within 180 days of request.
- C. The Department shall annually receive confirmation from the:
 - (1) Approved practice site that the participant provided services in the previous year and continues to practice at the practice site; and
 - (2) Lender institution that the participant has an outstanding education loan balance that is not in default.
- D. For a medical resident in the final year of medical residency, prior to the disbursement of award payment for the first obligation cycle, the Department shall:
 - (1) Receive confirmation from the residency training program that the participant is specializing in primary care; and
 - (2) Follow the same verification procedures stated in §§A and B of this regulation once service obligations by the participant commences.
- E. Failure to provide required reverification documentation to the Department will constitute a breach of agreement with the Department.

.09 BREACH OF AGREEMENT AND PENALTIES.

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- A. A participant's failure to comply with the Service Obligation Agreement and Promissory Note shall constitute a breach of agreement with the Department.
- B. A medical resident who fails to begin a service obligation at the start of the next obligation cycle following the completion of primary care residence training, shall be in breach of the Service Obligation Agreement and Promissory Note.
- C. Penalties for breach of agreement with the Department shall be stated in the Service Obligation Agreement and Promissory Note, and include:
 - (1) Financial penalties dependent on the funding source of the award provided to the participant;
 - (2) The elimination of future eligibility for the Program; and
 - (3) Referral of the participant to the Maryland Board of Physicians for investigation of the participant's violation of breach of service obligation.

.10 AMENDMENTS TO A PARTICIPANT'S SERVICE OBLIGATION.

- A. The Department may consider practice site transfer requests during a participant's service obligation period.
 - (1) A participant shall submit a site transfer request to the Department for consideration and receive approval of the site transfer from the Department prior to a participant's separation from an approved practice site.
 - (2) A site transfer request may not be submitted until the second service obligation year.
- B. The Department may consider deferment of a participant's service obligation or payment obligation for up to one year if determined by the Department that compliance by the participant with the terms and conditions of the Service Obligation Agreement would involve extreme hardship as evidenced through documentation provided to the Department.
- C. Any request by a participant for service obligation amendments shall follow the written process and procedures as established by the Department in subregulatory guidance.
- D. A decision made by the Department upon request for a service obligation amendment shall be final.
- E. The Department may consider cancellation of a participant service obligation with evidence under the following circumstances:
 - (1) Illness or injury that prohibits future possibility of service; or
 - (2) Death as determined by a death certificate or other conclusive evidence of death under State law.