

§12104. Loans for medical education

The Health Professions Loan Program, referred to in this section as the "program," is established and is administered by the authority. [PL 1991, c. 830, §4 (NEW); PL 1991, c. 832, §10 (NEW).]

1. Eligibility. Loans are available to Maine residents pursuing allopathic, osteopathic, veterinary and dentistry education and to Maine residents obtaining a first loan under this section for the pursuit of an education in optometry prior to January 1, 2011. To be eligible for a loan under this section, a person must meet eligibility criteria, established by rule of the authority, which at a minimum must require:

A. That the student show financial need for a loan; and [PL 1991, c. 830, §4 (NEW); PL 1991, c. 832, §10 (NEW).]

B. That priority be given to students:

(1) Who have previously received a loan pursuant to this section and who exhibit financial need as determined by the authority;

(2) Who are participants in the Access to Medical Education Program established in section 12103; or

(3) Who are participants in the Maine Veterinary Medicine Loan Program established in chapter 424-A. [PL 2009, c. 488, §3 (AMD).]

[PL 2009, c. 488, §3 (AMD).]

2. State contract students.

[PL 2009, c. 488, §4 (RP).]

2-A. Access to Medical Education Program students. As long as the student is otherwise eligible, a student occupying a position at a school of allopathic or osteopathic medicine pursuant to section 12103 that was secured by the chief executive officer on or before January 1, 2010 continues to be eligible for loans under the program under this section through June 30, 2013. As long as the student is otherwise eligible, a student occupying a position at a school of veterinary medicine pursuant to section 12103 that was secured by the chief executive officer on or before January 1, 2011 continues to be eligible for loans under the program under this section through June 30, 2014.

[PL 2009, c. 488, §5 (AMD).]

3. Maximum loan amount. The chief executive officer may establish the maximum loan amount and may provide for a different maximum loan amount for applicants in different categories.

[PL 1991, c. 830, §4 (NEW); PL 1991, c. 832, §10 (NEW).]

4. Allocation of loan fund.

[PL 2009, c. 488, §6 (RP).]

5. Loan agreement for students obtaining first program loans prior to January 1, 2010 or January 1, 2011. This subsection applies to allopathic and osteopathic students under section 12103 who obtained their first program loan prior to January 1, 2010 and to all other students who obtained their first program loan prior to January 1, 2011. The student shall enter into a loan agreement that provides for the following.

A. Upon completion of professional education the student shall repay the loan in accordance with the following schedule.

(1) A loan recipient who does not obtain loan forgiveness pursuant to this section shall repay the entire principal portion of the loan plus simple interest at a rate to be determined by rule of the authority. Interest does not begin to accrue until the loan recipient completes medical

education, including residency and internship. The authority may establish differing interest rates to encourage loan recipients to practice primary health care medicine in the State.

(2) Primary health care physicians and dentists practicing in a designated health professional shortage area, any physician practicing in an underserved specialty or any physician providing services to a designated underserved group are forgiven the larger of 25% of the original outstanding indebtedness plus any accrued interest or \$7,500 for each year of practice.

Primary health care physicians and dentists practicing in the State, but not practicing in a designated health professional shortage area, are forgiven the larger of 12.5% of the original outstanding indebtedness plus any accrued interest or \$3,750 for each year of practice.

(3) Veterinarians providing services to Maine residents with insufficient veterinary services are forgiven the larger of 25% of the original outstanding indebtedness plus any accrued interest or \$7,500 for each year of practice.

(4) Any student completing an entire residency at any primary health care residency program in the State is forgiven 50% of the original outstanding indebtedness for each year of practice in a designated health professional shortage area, as a physician practicing in an underserved specialty or as a physician providing services to an underserved group or 25% of the original outstanding indebtedness for each year of primary health care practice in the State. [PL 1995, c. 117, Pt. D, §2 (AMD); PL 1995, c. 117, Pt. D, §3 (AFF).]

B. Loans must be repaid over a term no greater than 10 years, except that the chief executive officer may extend an individual's term as necessary to ensure repayment of the loan. Repayment must commence when the loan recipient completes, withdraws from or otherwise fails to continue medical education. [PL 1991, c. 830, §4 (NEW); PL 1991, c. 832, §10 (NEW).]

C. The Department of Health and Human Services may require a loan recipient requesting forgiveness or an interest rate benefit under this section, excluding veterinarians, to report annually to the Department of Health and Human Services, office of rural health and primary care the following:

- (1) The number of Medicaid patients served by the loan recipient and the percentage of the loan recipient's overall service provided to Medicaid patients;
- (2) The number of instances in which a loan recipient accepted a Medicare assignment and the number of and basis for any rejections during the period of the report; and
- (3) The amount of time devoted by the loan recipient to practice in a public health clinic during the period of the report.

If the office of rural health and primary care determines that the level of service provided was not reasonable or if the loan recipient fails to provide the report by the date required, the loan recipient is not entitled to any loan forgiveness or interest rate benefit under this section for the year of the report. [PL 2009, c. 488, §7 (AMD).]

[PL 2009, c. 488, §7 (AMD).]

5-A. Loan agreement for students obtaining first program loans after January 1, 2010 or January 1, 2011. This subsection applies to students who are not eligible for loan agreements under subsection 5. The student shall enter into a loan agreement that provides for the following.

A. Upon completion of professional education the student shall repay the entire principal portion of the loan plus simple interest at a rate that may range from 0% up to a maximum to be determined by rule of the authority and depending upon the type and location of medical practice undertaken by the loan recipient. Interest does not begin to accrue until the loan recipient completes medical education, including residency and internship. The authority may establish differing interest rates to encourage loan recipients to provide primary health care or dentistry in certain areas of the State,

or to certain underserved groups, to practice in underserved specialties or to provide veterinary services in areas of the State with insufficient veterinary services as defined in chapter 424-A. [PL 2009, c. 488, §8 (NEW).]

B. Loans must be repaid over a term no greater than 10 years, except that the chief executive officer may extend an individual's term as necessary to ensure repayment of the loan. Repayment must commence when the loan recipient completes, withdraws from or otherwise fails to continue medical education. [PL 2009, c. 488, §8 (NEW).]

C. The Department of Health and Human Services may require a loan recipient requesting an interest rate benefit under this section, excluding veterinarians, to report annually to the Department of Health and Human Services, office of rural health and primary care the following:

- (1) The number of Medicaid patients served by the loan recipient and the percentage of the loan recipient's overall service provided to Medicaid patients;
- (2) The number of instances in which a loan recipient accepted a Medicare assignment and the number of and basis for any rejections during the period of the report; and
- (3) The amount of time devoted by the loan recipient to practice in a public health clinic during the period of the report. [PL 2009, c. 488, §8 (NEW).]

If the Department of Health and Human Services, office of rural health and primary care determines that the level of service provided was not reasonable or if the loan recipient fails to provide the report by the date required, the loan recipient is not entitled to any interest rate benefit under this section for the year of the report.

[PL 2009, c. 488, §8 (NEW).]

6. Deferments. Deferments may be granted for causes established by rule of the authority. Interest at a rate to be determined by rule of the authority must be assessed during the deferment. The student's total debt to the authority, including principal and interest, must be repaid either through return service, if eligible, or cash payments. The chief executive officer shall make determinations of deferment on a case-by-case basis. The decision of the chief executive officer is final.

[PL 2009, c. 488, §9 (AMD).]

SECTION HISTORY

PL 1991, c. 830, §4 (NEW). PL 1991, c. 832, §10 (NEW). PL 1995, c. 117, §D2 (AMD). PL 1995, c. 117, §D3 (AFF). PL 2003, c. 689, §B6 (REV). PL 2009, c. 410, §4 (AMD). PL 2009, c. 488, §§3-9 (AMD).

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