

AN ACT

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Official Code*

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To create a health professional recruitment program to recruit and retain qualified health professionals to work in underserved areas of the District, to use loan repayment for needed health professionals in exchange for service obligation at nonprofit or District of Columbia facilities in designated Health Professional Shortage Areas and Medically Underserved Areas.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “District of Columbia Health Professional Recruitment Program Act of 2005”.

Sec. 2. Definitions.

For the purposes of this act, the term:

- (1) “Commercial loans” means loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and either financial or credit institutions that are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State or District in which the lender has its principal place of business.
- (2) “Dentist” means a graduate of a an accredited dental school who has completed post-graduate training in specialties of general or pediatric dentistry.
- (3) “Director” means Director of the Department of Health or his or her designee.
- (4) “Health Professional Shortage Area” and “HPSA” mean a geographic area in the District of Columbia designated by the United States Department of Health and Human Services as lacking a sufficient number of primary care, dental, or mental health professionals to provide care for residents of the area or community.
- (5) “Medically Underserved Area” and “MUA” mean a geographic area in the District of Columbia designated by the United States Department of Health and Human Services as medically underserved.
- (6) “Other health professional” means a graduate of an accredited program for

registered nurses, nurse midwives, certified registered nurse practitioners, or physician assistants, and have completed any required post-graduate training.

(7) “Physician” means a graduate of an accredited medical school of allopathic or osteopathic medicine who has completed post-graduate training in specialties of family practice medicine, general internal medicine, general pediatrics, obstetrics/gynecology, psychiatry, osteopathic general practice.

(8) “Reasonable educational expenses” means the costs of education, exclusive of tuition, which are considered to be required by the school’s degree program or an eligible program of study, such as fees for room, board, transportation and commuting costs, books, supplies, educational equipment and materials, or clinical travel, which were part of the estimated student budget of the school in which the participant was enrolled.

(9) “Service obligation site” means a nonprofit health facility or a District of Columbia Department of Health or Department of Mental Health program that provides primary health, mental health, or dental services located in a federally designated Health Professional Service Area or Medically Underserved Area within the District of Columbia that provides care to District of Columbia residents regardless of ability to pay.

Sec. 3. Establishment of Program.

(a) There is hereby established the District of Columbia Health Professional Recruitment Program (“Program”) to serve as a recruitment tool for health professionals within the District of Columbia.

(b) Based on the availability of funds, the Program will pay for the cost of education necessary to obtain a health professional degree. The Program will pay toward the outstanding principal, interest, and related expense of federal, state, or local government loans and commercial loans obtained by the participant for:

- (1) School tuition and required fees incurred by the participant; and
- (2) Reasonable educational expenses.

Sec. 4. Administration of the Program.

(a) The Department of Health shall administer the Program and shall:

- (1) Establish an application process;
- (2) Certify a list of acceptable service obligation sites on an annual basis and make the list publically available;
- (3) Conduct regular surveys to ensure participant compliance with the Program;
- (4) Disburse all awarded funds; and
- (5) Administer any other functions necessary to the Program.

(b) The Department of Health reserves the right to conduct regular inspections to ensure that all service obligations sites meet the definition as set forth in section (2)(9).

Sec. 5. Eligibility requirements.

Individuals eligible for the Program must:

- (a) Be a citizen of the United States;
- (b) Be a physician, dentist, or other health professional as defined in section 2;
- (c) Be licensed or eligible to practice in the District of Columbia;
- (d) Submit a completed application to participate in the Program; and
- (e) Have no other obligation for health professional service to the federal, state, or

District government, unless such obligation will be completely satisfied prior to the beginning of service under the Program.

Sec. 6. Release of information.

(a) Any applicant to the Program shall agree to execute a release to allow the Department access to loan records, credit information, and information from lenders necessary to verify eligibility and to determine loan repayments. The applicant is required to submit all requested loan documentation prior to approval by the Program.

(b) It is the responsibility of the participant to negotiate with each lending institution for the terms and conditions of the educational loan repayments. Any penalties associated with early repayment shall be the responsibility of the participant.

Sec. 7. Selection criteria.

(a) Applicants shall be competitively reviewed and selected for participation in the Program based upon the following criteria:

(1) Professional qualifications and relevant experience, including board eligibility or certification in his or her specialty, professional achievements, and other indicators of competency received from supervisors, department chairs, and program directors; and

(2) A demonstrated commitment to serve in a HPSA or MUA.

(b) Preferential consideration will be given to:

(1) Residents of the District of Columbia;

(2) Graduates of accredited District of Columbia health professions schools or program;

(3) Residents of a HPSA or MUA within the District of Columbia;

(4) Applicants that are immediately eligible and available for service;

(5) Applicants that commit to longer periods of service; and

(6) Applicants whose service obligation site is also a qualified Medical Homes DC provider.

(c) For applicants practicing at a service obligation site at the time of application to the Program, preferential consideration shall be given to those individuals who have less than 3 years of employment at the facility.

Sec. 8. Program participation.

(a) As a condition of participation in the Program, selected applicants shall enter into a contract with the Director and a representative of the service obligation site agreeing to the following terms and conditions:

(1) Participants shall provide a minimum of 2 years with a maximum of 4 years services at a service obligation site. Any service beyond the 2 year minimum requirement is dependent upon the availability of funds for the Program.

(2) Participants shall provide full-time service of at least 40 hours per week for 45 weeks per year. The minimum 40-hour week must not be performed in less than 4 days per week, with no more than 12 hours of work performed in any 24 hour period. On-call status does not count toward the 40-hour week. Any exceptions to the on-call provision of this subsection must be approved by the Director prior to placement.

(3) Participants agree to provide reasonable, usual, and customary health services without discrimination and regardless of a patient's ability to pay.

(4) No period of internship, residency, or other advanced clinical training may count toward satisfying a period of obligated service under this Program.

(5) Any participant who is found in breach of contract is deemed to have agreed, as a condition of contract, to all penalties as set forth in section 14.

(b) An existing contract may be renewed for one year at a time up to a maximum of 4 total years of service, as funds become available.

(c) The participant shall begin service no later than 12 months from entering into the contract. The effective start date of the obligated service is the date of employment or the date the Director signs the contract, whichever is later.

(d) Non-compete clauses are prohibited in all contracts for Program participation.

Sec. 9. Loan repayment.

(a) Physicians and dentists shall be eligible to have 100% of their total debt, not to exceed \$120,000, repaid by the Program over 4 years of service. For each year of participation, the Program will repay loan amounts according to the following schedule:

(1) For the 1st year of service, 18% of their total debt, not to exceed \$21,600;

(2) For the 2nd year of service, 26% of their total debt, not to exceed \$31,200;

(3) For the 3rd year of service, 28% of their total debt, not to exceed \$33,600;

and

(4) For the 4th year of service, 28% of their total debt, not to exceed \$33,600.

(b) Other health professionals shall be eligible to have 100% of their total debt, not to exceed \$66,000, repaid by the Program over 4 years of service. For each year of participation, the Program will repay loan amounts according to the following schedule:

(1) For the 1st year of service, 18% of their total debt, not to exceed \$11,800;

- (2) For the 2nd year of service, 26% of their total debt, not to exceed \$17,200;
- (3) For the 3rd year of service, 28% of their total debt, not to exceed \$18,500;
- (4) For the 4th year of service, 28% of their total debt, not to exceed \$18,500.

(c) The Director is permitted to increase the dollar amount of the total loan repayment annually to adjust for inflation. All quarterly disbursements shall be adjusted accordingly.

Sec. 10. Disbursement procedure.

(a) For the 1st year of participation in the Program, the Department shall disburse loan repayment funds to a participant on a quarterly basis, with the first disbursement to occur within 45 days of the start of service obligation.

(b) For each additional year of participation in the Program, the Department shall disburse loan repayment funds to a participant on a quarterly basis, with the 1st disbursement to occur within 45 days of the start of the next consecutive year of service.

Sec. 11. Compensation during service.

Each participant is responsible for negotiating his or her own compensation package directly with the service obligation site.

Sec. 12. Tax implications.

(a) For purposes of the United States Internal Revenue Service, all loan repayment awards are considered income and are therefore taxable. It is the responsibility of each participant to report loan repayment awards received through the Program on all relevant tax and financial documents.

(b) For purposes of the District of Columbia Office of Tax and Revenue, all loan repayment awards shall not be considered income and are therefore not taxable.

Sec. 13. Monitoring during service.

(a) Participants are required to submit service verification forms to the Department of Health at the conclusion of each 6-month period of participation in the Program. Service verification forms shall contain the following:

- (1) A statement attesting to continuous full-time service as required by the Program;
- (2) The signature of the participant;
- (3) The signature of a representative of the service obligation site; and
- (4) Any additional information required by the terms and conditions of the participant's service contract.

(b) The Department of Health reserves the right to conduct regular participant surveys to ensure compliance with the terms and conditions of the Program.

Sec. 14. Breach of contract.

(a) The following shall constitute a breach of contract:

- (1) The failure to begin or complete the required period of service obligation as set forth in the Program contract;
- (2) The falsification or misrepresentation of information on the Program application, service verification forms, or other required documents;
- (3) The termination of employment at a service obligation site for good cause, as determined by the employer and confirmed by the Director;
- (4) The failure to transfer within 6 months to another approved service obligation site upon termination for reasons beyond the participant's control, as described in section 15(b).
- (5) The failure to provide all reasonable, usual, and customary full-time health care service as set forth in the Program contract; or
- (6) The failure to comply with any other terms as set forth by this act or the Director.

(b) A participant found in breach of contract is liable to pay the District of Columbia the difference between the lump sum payment for the year of obligated service and a prorated amount for the days of service obligation left unfulfilled, beginning on the date the participant caused a breach of contract. This amount shall be repaid within one year of the date of breach of contract, or a longer period as determined by the Director.

(c) A participant found in breach of contract shall pay a monetary penalty to the District of Columbia of 50% of funds received as a participant in the Program.

(d) Damages are not dischargeable in bankruptcy. Any financial obligation of a participant for payment of damages may not be released by discharge in bankruptcy under Title 11 of the United States Code.

(e) The Department of Health may pursue any additional legal remedies against a participant found to be in breach of contract, including the garnishment of wages and civil penalties.

Sec. 15. Change of practice site.

(a) Any change of service obligation site by a Program participant must receive prior authorization from the Director.

(b) If the employment of a participant is terminated for reasons beyond the participant's control, such as, for example, the closure of a service obligation site, the participant shall transfer to another approved service obligation site within 6 months of termination. The failure to transfer within 6 months shall be considered a breach of the Program contract.

Sec. 16. Suspension and waiver of contract.

(a)(1) The service obligation of a participant may be suspended without penalty, for a limited period of time, if a participant requires leave beyond the allotted 7 weeks, such as, for example, extended illness, family leave, maternity leave, suspension from practice pending an investigation, not to exceed 12 months, or termination of employment requiring job search and relocation to another eligible practice site.

(2) A suspension shall not relieve the participant of the responsibility to complete the remaining portion of the obligation. A suspension shall not be permitted as a matter of course, but may be allowed at the discretion of the Director.

(b) A waiver of Program contract terms and conditions shall be granted in the following situations:

(1) If the participant suffers from a physical or mental disability resulting in the total and permanent inability of the participant to perform the obligated service, as determined by the Director; or

(2) Death of the participant.

Sec. 17. Rulemaking.

The Mayor is authorized to promulgate rules necessary to implement this act.

Sec. 18. Applicability.

Implementation of this act shall be subject to appropriations.

Sec. 19. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 20. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

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24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia