

CHAPTER 16

PRIMARY CARE PRACTITIONER
LOAN REDEMPTION PROGRAM

Authority

N.J.S.A. 18A:71C-32 et seq.

Source and Effective Date

R.2008 d.156, effective May 16, 2008.
See: 39 N.J.R. 5174(a), 40 N.J.R. 3718(c).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1.c(2), Chapter 16, Primary Care Practitioner Loan Redemption Program, expires on November 12, 2015. See: 47 N.J.R. 686(a).

Chapter Historical Note

Chapter 16, Primary Care Physician and Dentist Loan Redemption Program, was originally codified in Title 9 as Chapter 16, Physician-Dentist Loan Redemption Program. Chapter 16 was adopted as R.1980 d.309, effective July 9, 1980. See: 12 N.J.R. 118(a), 12 N.J.R. 469(a). Pursuant to Executive Order No. 66(1978), Chapter 16, Physician-Dentist Loan Redemption Program, expired on July 9, 1985.

Chapter 16, Primary Care Physician and Dentist Loan Redemption Program, was adopted as R.1993 d.30, effective January 19, 1993. See: 24 N.J.R. 1192(a), 25 N.J.R. 310(a).

Pursuant to Executive Order No. 66(1978), Chapter 16, Primary Care Physician and Dentist Loan Redemption Program, was readopted as R.1997 d.530, effective November 17, 1997. See: 29 N.J.R. 4428(a), 29 N.J.R. 5295(a).

Chapter 16 of Title 9, Primary Care Physician and Dentist Loan Redemption Program, was recodified as N.J.A.C. 9A:16 by R.2000 d.91, effective March 6, 2000. See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

Chapter 16, Primary Care Physician and Dentist Loan Redemption Program, was readopted as R.2002 d.409, effective November 20, 2002. See: 34 N.J.R. 2517(a), 34 N.J.R. 4439(a).

Chapter 16, Primary Care Physician and Dentist Loan Redemption Program, was readopted as R.2008 d.156, effective May 16, 2008. See: Source and Effective Date.

Chapter 16, Primary Care Physician and Dentist Loan Redemption Program, was renamed Primary Care Practitioner Loan Redemption Program by R.2011 d.042, effective February 7, 2011. See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 16, Primary Care Practitioner Loan Redemption Program, was scheduled to expire on May 16, 2015. See: 43 N.J.R. 1203(a).

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SUBCHAPTER 1. GENERAL PROVISIONS

Subchapter Historical Note

Public Notice: Medically underserved areas. See: 31 N.J.R. 4126(b).

9A:16-1.1 Purpose and scope

The purpose of this chapter is to prescribe rules and procedures for the Primary Care Practitioner Loan Redemption Program which is intended to promote access to primary care services in medically underserved areas of the State by improving the distribution of primary care health personnel. This program provides for the redemption of eligible student loan expenses of its participants in exchange for a specified period of service in such medically underserved areas.

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

Substituted "Practitioner" for "Physician and Dentist".

9A:16-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise.

"Approved site" means a site located within a State designated underserved area or a health professional shortage area, or a clinic which is part of the extramural network of dental clinics established by the New Jersey Dental School of the University of Medicine and Dentistry of New Jersey, or a site that has been determined by the Higher Education Student Assistance Authority, in consultation with the Department of Health and Senior Services, to serve medically underserved populations according to criteria determined by the Authority, including:

1. Sites must provide universal access to populations served regardless of insurance coverage;
2. Non-discrimination on basis of race, color, religion, sexual orientation, gender or national origin;
3. Sites must accept Medicare, Medicaid, Medicaid Managed Care plans;
4. Sites must establish a sliding fee scale for patients that fall under 250 percent of the Federal poverty level;
5. Sites must demonstrate that they provide services to an underserved population based on the percentage of medically underserved patients served in the county; and
6. Sites must submit quarterly service reports.

“Authority” means the Higher Education Student Assistance Authority.

“Commissioner” means the Commissioner of the New Jersey Department of Health and Senior Services or his or her designee.

“Eligible qualifying loan expenses” means qualifying student loans, including interest paid or due on such loans, that a program participant has obtained to cover his or her cost of attendance at an institution of undergraduate medical, dental, or other primary care professional education.

“Executive Director” means the Executive Director of the Higher Education Student Assistance Authority or his or her designee.

“Health professional shortage area” means an urban or rural area, a population group or a public or non-profit private medical or dental facility or other public facility which the Secretary of Health and Human Services determines has a health professional shortage pursuant to section 332 of the Public Health Service Act (42 U.S.C. § 254e).

“Primary care” means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, gynecology, pediatric dentistry, general dentistry, public health dentistry, and any other areas of medicine or dentistry defined as such by the Commissioner of Health and Senior Services. Primary care also includes the practice of a nurse-practitioner, certified nurse-midwife, and physician assistant as defined by the U.S. Department of Health and Human Services regulations at 42 CFR Part 62.

“Primary care practitioner” means a New Jersey State-licensed or certified health care professional who has obtained a degree in allopathic or osteopathic medicine, dentistry, or another primary care profession at an undergraduate institution of medical, dental, or other primary care professional education, as applicable.

“Program” means the Primary Care Practitioner Loan Redemption Program established pursuant to N.J.S.A. 18A:71C-33.

“Program participant” means a primary care practitioner who contracts with the authority to engage in the clinical practice of primary care at an approved site in exchange for the redemption of eligible qualifying loan expenses provided under the program.

“Qualifying loans” means a government or commercial student loan for the actual costs paid for tuition and reasonable education and living expenses relating to the obtaining of a degree in allopathic or osteopathic medicine, dentistry, or another primary care profession.

“Resident of the State of New Jersey” means an individual who is currently living in New Jersey, or intends to live in New Jersey as evidenced by making his or her home in New Jersey and not for temporary purposes. Temporary absences

from the State, with subsequent returns to the State or intent to return when the purpose of the absences has been accomplished, do not interrupt continuity of residence.

“State designated underserved area” means a geographic area in this State which has been ranked by the Commissioner of Health and Senior Services on the basis of health status and economic indicators as reflecting a health professional shortage pursuant to the criteria established in N.J.S.A. 18A:71C-35.

“Total and permanent disability” means a physical or mental disability that is expected to continue indefinitely or result in death and renders a participant in the program unable to perform the person’s service obligation, as determined by the Executive Director or his or her designee.

“Undergraduate medical, dental, or other professional primary care professional education” means the period of time between entry into medical school, dental school, or other primary care professional training program and the award of a degree in allopathic or osteopathic medicine, dentistry, or another primary care profession, respectively.

Amended by R.1997 d.530, effective December 15, 1997.
See: 29 N.J.R. 4228(a), 29 N.J.R. 5295(a).

Amended “Commissioner” and “Primary care”; added “Executive Director”; and deleted “Chancellor”.

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

In “Eligible student loan expenses”, inserted a reference to primary care professional education; in “Executive Director”, substituted a reference to the Higher Education Student Assistance Authority for a reference to the Office of Student Assistance; rewrote “Medically underserved area” as “Health professional shortage area”; in “Primary care”, deleted a reference to physicians in the first sentence, and added the last sentence; deleted a “Primary care” definition relating to dentists; inserted “State designated underserved area”; and rewrote “Undergraduate medical or dental education” as “Undergraduate medical, dental, or other professional primary care professional education”.

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

Added definitions “Approved site”, “Authority”, “Primary care practitioner”, “Program participant” and “Total and permanent disability”; substituted definitions “Eligible qualifying loan expenses” for “Eligible student loan expenses” and “Qualifying loans” for “Qualifying student loans”; in definition “Health professional shortage area”, inserted “or dental”; in definition “Primary care”, inserted “pediatric dentistry, general dentistry, public health dentistry,” and “or dentistry”, and substituted “a” for “general dentistry and pedodontics, as well as the professions of” preceding “nurse practitioner”; in definition “Program”, substituted “the Primary Care Practitioner” for “Primary Care Physician and Dentist”, and inserted “established pursuant to N.J.S.A. 18A:71C-33”; rewrote definitions “Qualifying loans” and “Undergraduate medical, dental, or other professional primary care professional education”; and in definition “State designated underserved area”, inserted “pursuant to the criteria established in N.J.S.A. 18A:71C-35”.

SUBCHAPTER 2. PROGRAM REQUIREMENTS

9A:16-2.1 Eligibility

(a) To be eligible for participation in the program, an applicant must:

1. Be a resident of the State of New Jersey at the time of application and maintain residency throughout participation in the program;

2. Be licensed to practice as a primary care practitioner in the State of New Jersey at the time of application and maintain a license to practice in the State throughout participation in the program;

3. Agree to practice primary care at an approved site;

4. Not be in default on any eligible qualifying loan; and

5. Adhere to the following performance standards:

i. Enter into a mutually acceptable contract with an approved site;

ii. Report to the Authority, on the form provided by the Authority, on the program participant's performance of services rendered at an approved site prior to the repayment of the annual amount of eligible redemption; and

iii. If the approved site is a clinic which is part of the extramural network of dental clinics established by the New Jersey Dental School of the University of Medicine and Dentistry of New Jersey, the program participant shall also meet performance standards set by the New Jersey Dental School.

Amended by R.1997 d.530, effective December 15, 1997.

See: 29 N.J.R. 4228(a), 29 N.J.R. 5295(a).

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

Rewrote (a).

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

Rewrote (a)1 and (a)2; deleted former (a)3 through (a)5; recodified former (a)6 and (a)7 as (a)3 and (a)4; rewrote (a)3 and (a)4; and added (a)5.

9A:16-2.2 Application and selection procedures

(a) The Executive Director shall select the program participants from among those applicants who meet the eligibility criteria established pursuant to N.J.A.C. 9A:16-2.1.

(b) To receive consideration for participation in the program, an applicant must annually submit a completed program application to the Executive Director.

(c) In the event that there are insufficient funds or approved sites to select all of the applicants who meet the eligibility criteria, the Executive Director shall accord priority to applicants in the following manner:

1. First, to any applicant who is completing a fourth, third or second year of a loan redemption contract;

2. Second, to any applicant according to the severity of the physician dentist, or other primary care provider shortage in the area selected by the applicants as ranked by the Commissioner pursuant to the criteria established in N.J.S.A. 18A:71C-35;

3. Third, to any applicant whose residence in the State at the time of entry into postsecondary education was within a State designated underserved area, as determined at the time of the applicant's entry into postsecondary education; and

4. In the event that there are more applicants who have the same priority than there are program positions, the Executive Director shall select program participants by means of a lottery or other form of random selection.

(d) The Executive Director, in consultation with the Commissioner, shall match eligible applicants to State designated underserved areas.

(e) Each selected applicant shall serve a six-month probationary period upon initial placement at an approved site.

(f) At the completion of each program participant's probationary period, a primary care staff member at his or her approved site, or in the case of a clinic which is part of the extramural network of dental clinics established by the New Jersey Dental School of the University of Medicine and Dentistry of New Jersey, the director of the clinics and the vice-dean of the dental school, or whomever is serving in that capacity, shall submit to the Executive Director a recommendation of either the continuation of the program participant's placement, a change of placement, or the program participant's unsuitability for the program.

1. If the recommendation is a change in placement, the Executive Director shall approve an alternate placement at an approved site.

2. If the recommendation is the program participant's unsuitability for the program, the Executive Director shall take such recommendation into consideration in determining the program participant's final acceptance into the program.

(g) Satisfactory completion of the probationary period shall constitute final acceptance as a program participant and entitle the participant to receive credit for the probation period in the calculation of his or her first full year of service.

(h) At the time an applicant is accepted as a program participant, the Executive Director will encumber those program funds necessary to provide for the four years redemption of the participant's eligible qualifying loan expenses.

Amended by R.1997 d.530, effective December 15, 1997.

See: 29 N.J.R. 4228(a), 29 N.J.R. 5295(a).

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

Rewrote (a) and (e); in (c), changed N.J.S.A. reference; in (d), substituted a reference to State designated underserved areas for a reference to medically underserved areas; and in (g), substituted a reference to primary care staff members for a reference to medical and dental staff members in the introductory paragraph.

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

Rewrote (a) and (c); in (d), deleted "based upon the Commissioner's ranking of such areas and applicant preference" from the end; deleted former (e); recodified former (f) through (i) as (e) through (h); in (e),

substituted "at an approval" for "in a service"; rewrote the introductory paragraph of (f); in (f)1, substituted "approve" for "place the applicant in" and inserted "at an approved"; in (f)2, substituted "program participant's" for "applicant's" twice; and in (h), inserted "four years" and substituted "qualifying" for "student".

9A:16-2.3 Terms of contract and loan redemption

(a) An applicant, who has met the eligibility requirements for participation in the program, shall enter into a written contract with the Authority. The contract shall specify the dates of required service and the total amount of eligible qualifying loan expenses to be redeemed in return for service. The contract shall further stipulate that the applicant has knowledge of and agrees to the six-month probationary period required prior to final acceptance into the program. Additionally, the contract shall require a program participant to:

1. Serve at least an initial two-year period at an approved site in the full-time clinical practice of that person's primary care profession;
2. Charge for professional services at the usual and customary rate prevailing in the area in which the approved site is located, but allow a patient who is unable to pay that charge to pay at a reduced rate or receive care at no charge;
3. Not discriminate against any patient in the provision of health care services on the basis of that person's ability to pay or source of payment; and
4. Agree not to impose any charge in excess of the limiting fee for a service, as determined by the United State Secretary of Health and Human Services, to a recipient of benefits under the Federal Medicare program established pursuant to 42 U.S.C. §§ 1395 et seq.

(b) Total maximum loan redemption under the program shall be the amount of each participant's eligible qualifying loan expenses up to, but in no event exceeding, \$120,000, or the maximum amount authorized by the Federal government, whichever is greater either in State funds or the sum of Federal, State, and other non-Federal funds pursuant to section 338I of the Public Health Service Act (42 U.S.C. § 254q-1), whichever is applicable. A participant who enters a contract to fulfill service in a State designated underserved area that is also a Federal Health Professional Shortage Area shall be permitted a total redemption of eligible qualifying loan expenses for four years of service up to, but not to exceed, the sum of Federal, State and other non-Federal matching funds provided pursuant to section 338I of the Public Health Service Act (42 U.S.C. § 254q-1). A participant who enters a contract to fulfill service in a State designated underserved area that is not also a Federal Health Professional Shortage Area shall be permitted a total redemption of eligible qualifying loan expenses for four years of service up to, but not to exceed, \$120,000, or the maximum amount authorized by the Federal government, whichever is greater, in State funds.

(c) For participants who have successfully completed an initial six-month probationary period for which there are no redemption benefits, each participant's redemption credit shall be:

1. Eighteen percent of eligible qualifying loan expenses for one full year of service, which shall include the probationary period;
2. An additional 26 percent for a second full year of service;
3. An additional 28 percent for a third full year of service; and
4. An additional 28 percent for a fourth full year of service.

(d) A program participant who has engaged in full-time clinical practice during the participant's initial two years of participation in the program shall be permitted to fulfill the program participant's subsequent service obligations on a part-time basis with the approval of the authority and the program participant's employer in a State designated underserved area, with the program participant's redemption credit accruing on a pro rata basis. The program participant may be permitted a total redemption of eligible qualifying loan expenses for the equivalent of four years of full-time service.

(e) In no event shall service for less than the full calendar year of each period of service entitle the participant to any redemption benefits for such period.

Amended by R.2000 d.91, effective March 6, 2000.
See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

Rewrote the section.

Amended by R.2011 d.042, effective February 7, 2011.
See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

Section was "Terms of loan redemption". Added new (a); recodified former (a) and (b) as (b) and (c); deleted former (c); in the introductory paragraph of (c), substituted "who have" for "whose first full year of service ends on or after April 26, 1999, during which time the participant has"; in (c)1, substituted "qualifying" for "student"; added new (d); and recodified former (d) as (e).

9A:16-2.4 Procedure for loan redemption

(a) Upon completion of each full year of service, each program participant shall apply to the Executive Director for the earned amount of indebtedness redemption specified in his or her contract. At the time of application, the applicant shall submit to the Executive Director a Participation Performance Report, which shall include:

1. A certification, indicating that the program participant provided primary care services for a full year, attested to by the Chief Executive Officer or Director of the applicable service site and details of the satisfactory performance of the participant at the site.

(b) Quarterly service reports indicating the number of primary care services provided by the program participant shall be submitted for each full year of service, attested to by

the Chief Executive Officer or Director of the applicable service site.

(c) The Executive Director shall authorize payment to a program participant for that portion of his or her indebtedness to be forgiven as specified in his or her contract. Checks shall be made payable jointly to the program participant and the lending institution designated by the participant to insure proper application of the payment to eligible indebtedness as defined in N.J.S.A. 18A:71C-32 et seq.

Amended by R.1997 d.530, effective December 15, 1997.

See: 29 N.J.R. 4228(a), 29 N.J.R. 5295(a).

Inserted (b); and recodified existing (b) as (c).

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

In (c), changed N.J.S.A. reference.

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

In (a)1 and (b), inserted "program"; in (a)1, deleted a comma following the first occurrence of "participant"; and in (c), inserted the first occurrence of "program".

9A:16-2.5 Cancellation of contract obligations and involuntary termination of service

(a) The Executive Director shall cancel a program participant's contractual obligations if he or she determines:

1. On the basis of a sworn affidavit of a qualified physician that the program participant is totally and permanently disabled;
2. On the basis of a death certificate or other evidence of death that is conclusive under state law that the program participant has died; or
3. On the basis of substantiating documentation provided by the program participant that continued enforcement of the service obligation may result in extreme hardship for the program participant. Alternatively, the Executive Director may suspend the service obligation of the participant on the basis of substantiating documentation provided by the participant that continued enforcement may result in extreme hardship for the participant.

(b) In the event that a program participant's death or total disability occurs during the second year of service, the Authority shall not require repayment of the prior portion of indebtedness.

(c) The Executive Director may terminate a program participant's service in the program when:

1. The program participant is convicted of a felony or an act of gross negligence in the performance of his or her service obligations;
2. The program participant's license to practice medicine, dentistry, or another primary care profession is suspended or revoked; or
3. The program participant is in breach of the performance standards enumerated in N.J.A.C. 9A:16-2.1(a)5.

Amended by R.1997 d.530, effective December 15, 1997.

See: 29 N.J.R. 4228(a), 29 N.J.R. 5295(a).

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

In (a)3, added a second sentence; and in (b)2, inserted a reference to other primary care professions.

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

In (a), inserted "program" throughout; added new (b); recodified former (b) as (c); in the introductory paragraph of (c), inserted the first occurrence of "program"; in (c)1 and (c)2, inserted "program"; in (c)1, deleted "or" from the end; in (c)2, substituted "; or" for a period at the end; and added (c)3.

9A:16-2.6 Termination by participant prior to completion of contractual service requirements

(a) A participant desiring to terminate program participation prior to the completion of the requirements of his or her loan redemption contract must notify the Executive Director, in writing, three months prior to his or her intended date of termination.

(b) A participant seeking to terminate the contract before completing a second full year of service shall be required to pay 50 percent of the redeemed portion of indebtedness in not more than one year following termination of the agreement.

(c) A program participant who fails to repay an amount due to the Authority under the program may be subject to actions initiated by the Authority or its designee, which may include, but are not limited to, recovery of the amount due by an action brought in a court of competent jurisdiction or through the offset of State tax refunds or rebates, making this information available to credit reporting agencies, and exclusion from eligibility for any student assistance benefits administered by the Authority, as well as action by the Federal government, to the extent that loan redemption benefits are Federally funded, to recover any amount due it as permitted under Federal law. In any action brought by the Authority or its designee in a court of competent jurisdiction pursuant to this subsection, the program participant shall be liable for; the debt incurred, interest on the debt at the maximum legal prevailing rate as determined by the United States Treasurer, and the administrative and court costs associated with collection of the debt.

Amended by R.1997 d.530, effective December 15, 1997.

See: 29 N.J.R. 4228(a), 29 N.J.R. 5295(a).

Amended by R.2000 d.91, effective March 6, 2000.

See: 31 N.J.R. 3906(a), 32 N.J.R. 803(b).

Rewrote the section.

Amended by R.2011 d.042, effective February 7, 2011.

See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).

Added (c).

9A:16-2.7 Reversion of unexpended funds

In the event that any or all funds encumbered for a particular participant are not paid due to the participant's failure to fulfill his or her contractual term of service or his or her involuntary termination of service, such funds will revert to the program fund and be available to enroll other participants.

9A:16-2.8 New Jersey Gross Income Tax

In the event there are additional funds available, the Executive Director may make payments to reimburse a program participant for all or part of any increased tax liability incurred by the participant pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., which results from

the redemption of eligible qualifying loan expenses. The amount of the reimbursement will be determined based on the amount of available funds and the number of eligible program participants.

New Rule, R.2011 d.042, effective February 7, 2011.
See: 42 N.J.R. 1957(a), 43 N.J.R. 305(a).