

House File 151 - Introduced

HOUSE FILE 151
BY COMMITTEE ON HEALTH AND
HUMAN SERVICES

(SUCCESSOR TO HSB 9)

A BILL FOR

1 An Act relating to the establishment of a mental health
2 practitioner loan repayment program, and providing
3 appropriations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.117, Code 2023, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 **261.117 Mental health practitioner loan repayment program —**
5 **trust fund — appropriation of moneys in fund.**

6 1. *Program established.* The commission shall establish
7 a mental health practitioner loan repayment program for the
8 purposes of providing annual loan repayments for mental health
9 practitioners who agree to practice in service commitment areas
10 for at least five years and who meet the requirements of this
11 section.

12 2. *Eligibility.* An individual is eligible to apply to enter
13 into a program agreement with the commission if the individual
14 is enrolled full-time in a curriculum leading to employment as
15 a mental health practitioner. A recipient of a loan repayment
16 award under section 261.113, 261.114, 261.115, or 261.116 shall
17 not be eligible for a loan repayment award under this chapter.

18 3. *Program agreements.* A program agreement shall be
19 entered into by an eligible student and the commission when
20 the eligible student begins the final year of study in an
21 academic program leading to eligibility for employment as a
22 mental health practitioner. Under the agreement, to receive
23 annual loan repayments pursuant to subsection 5, an eligible
24 student shall agree to and shall fulfill all of the following
25 requirements:

26 a. Receive a graduate-level credential qualifying the
27 credential recipient for employment as a mental health
28 practitioner.

29 b. Receive a license to practice in this state.

30 c. Within nine months of meeting the requirements of a
31 mental health practitioner, engage in full-time practice as
32 a mental health practitioner for a period of five years in a
33 service commitment area.

34 4. *Priorities in making awards.* In making awards under this
35 section, the commission shall give priority to:

1 a. Eligible students who are residents of Iowa upon
2 enrolling in a university, who attended and earned an
3 undergraduate degree from an Iowa college or university, or who
4 attended and earned a medical degree from a medical school in
5 Iowa, and who agree to practice in a service commitment area
6 located in a mental health professional shortage area.

7 b. Service commitment areas that are located in mental
8 health professional shortage areas.

9 c. Eligible students who, during the five-year period of
10 full-time practice, are enrolled and actively participating in
11 the Medicaid program as evidenced by accepting assignment of
12 Medicaid for at least twenty-five percent of the patients in
13 their practice.

14 5. *Loan repayment amounts.*

15 a. The amount of loan repayment an eligible student who
16 enters into an agreement pursuant to subsection 3 shall receive
17 if in compliance with obligations under the agreement shall be
18 as follows:

19 (1) For a psychiatrist, forty thousand dollars annually
20 with a maximum of two hundred thousand dollars for an eligible
21 loan, not to exceed the total loan amount.

22 (2) For a psychologist or a mental health professional,
23 eight thousand dollars annually with a maximum of forty
24 thousand dollars for an eligible loan, not to exceed the total
25 loan amount.

26 (3) For a physician assistant practicing under the
27 supervision of a psychiatrist, or for a psychiatric advanced
28 registered nurse practitioner, ten thousand dollars annually
29 with a maximum of fifty thousand dollars, not to exceed the
30 total loan amount.

31 b. If the total amount of the eligible student's loan
32 upon graduation is less than the maximum amount specified,
33 the commission shall divide the total amount of the eligible
34 student's eligible loan by five to determine the annual amount
35 of loan repayment the loan recipient is eligible to receive.

1 *c.* Payments under this section may be made for each year of
2 eligible practice during a period of five consecutive years,
3 unless the agreement is amended to allow part-time practice
4 pursuant to subsection 10.

5 *d.* If the agreement is amended to allow part-time practice
6 pursuant to subsection 10, after the completion of one year
7 of part-time practice, the annual amount of loan repayment
8 the commission may make to a mental health practitioner who
9 enters into a program agreement pursuant to subsection 3,
10 if the mental health practitioner is in compliance with the
11 obligations under the agreement, shall be the same amount of
12 loan repayment the commission may make pursuant to paragraph
13 "a", as prorated based on the number of hours of practice in the
14 mental health practitioner's workweek.

15 6. *Refinanced loans.* A loan repayment recipient who
16 refinances an eligible loan by obtaining a private educational
17 loan may continue to receive loan repayment under this section
18 if the amount of loan repayment does not exceed the lesser of
19 the amount specified in subsection 5 or the balance of the loan
20 repayment amount the loan repayment recipient qualified to
21 receive with the eligible loan.

22 7. *Program agreement limitation.* The commission shall by
23 rule determine the number of agreements entered into annually
24 based upon the funding available.

25 8. *Selection of service commitment area.* A loan repayment
26 recipient shall notify the commission of the recipient's
27 service commitment area prior to beginning practice in the area
28 in accordance with subsection 3, paragraph "c". Priority shall
29 be given to recipients who select service commitment areas
30 located in mental health professional shortage areas. The
31 commission may waive the requirement that the loan repayment
32 recipient practice in the same service commitment area for all
33 five years.

34 9. *Rules for additional loan repayment.* The commission
35 shall adopt rules to provide, in addition to loan repayment

1 provided to eligible students pursuant to this section and
2 subject to the availability of surplus funds, loan repayment to
3 a psychiatrist, a psychologist, a mental health professional,
4 a physician assistant practicing under the supervision of
5 a psychiatrist, or a psychiatric advanced registered nurse
6 practitioner, who, as provided in subsection 3, received a
7 degree from a university, obtained a license to practice
8 in this state, and is engaged in full-time practice in the
9 respective profession in a service commitment area.

10 10. *Part-time practice — agreement amended.* A person who
11 entered into an agreement pursuant to subsection 3 may apply
12 to the commission to amend the agreement to allow the person
13 to engage in less than the full-time practice specified in the
14 agreement and under subsection 3, paragraph "c". The commission
15 and the person may consent to amend the agreement under which
16 the person shall engage in less than full-time practice in a
17 service commitment area for an extended period of part-time
18 practice determined by the commission to be proportional to
19 the amount of full-time practice remaining under the original
20 agreement. For purposes of this subsection, "less than
21 the full-time practice" means at least seventy percent of a
22 forty-hour workweek.

23 11. *Postponement and satisfaction of service obligation.*

24 a. The obligation to engage in practice in accordance with
25 subsection 3 shall be postponed for the following purposes:

26 (1) Active duty status in the armed forces, the armed forces
27 military reserve, or the national guard.

28 (2) Service in volunteers in service to America.

29 (3) Service in the federal peace corps.

30 (4) A period of service commitment to the United States
31 public health service commissioned corps.

32 (5) A period of religious missionary work conducted by an
33 organization exempt from federal income taxation pursuant to
34 section 501(c)(3) of the Internal Revenue Code.

35 (6) Any period of temporary medical incapacity during which

1 the person obligated is unable, due to a medical condition, to
2 engage in full-time practice as required under subsection 3,
3 paragraph "c".

4 *b.* Except for a postponement under paragraph "a",
5 subparagraph (6), an obligation to engage in practice under an
6 agreement entered into pursuant to subsection 3 shall not be
7 postponed for more than two years from the time the full-time
8 practice was to have commenced under the agreement.

9 *c.* An obligation to engage in full-time practice under
10 an agreement entered into pursuant to subsection 3 shall be
11 considered satisfied when any of the following conditions are
12 met:

13 (1) The terms of the agreement are completed.

14 (2) The person who entered into the agreement dies.

15 (3) The person who entered into the agreement, due to a
16 permanent disability, is unable to practice as a mental health
17 practitioner.

18 *d.* If a loan repayment recipient fails to fulfill the
19 obligation to engage in practice in accordance with subsection
20 3, the commission shall not make additional loan repayments to
21 the mental health practitioner. A loan repayment recipient who
22 fails to meet the requirements of the obligation to engage in
23 practice in accordance with subsection 3 may also be subject to
24 repayment of moneys advanced by the service commitment area as
25 provided in any agreement with the service commitment area.

26 12. *Trust fund established.* A mental health practitioner
27 loan repayment program trust fund is created in the state
28 treasury as a separate fund under the control of the
29 commission. The commission shall remit all repayments made
30 pursuant to this section to the trust fund. All moneys
31 deposited or paid into the trust fund are appropriated and
32 shall be made available to the commission to be used for
33 meeting the requirements of this section. Moneys in the trust
34 fund up to the total amount that an eligible student may
35 receive for an eligible loan in accordance with this section

1 and upon fulfilling the requirements of subsection 3, shall be
2 considered encumbered for the duration of the agreement entered
3 into pursuant to subsection 3. Notwithstanding section 8.33,
4 any balance in the trust fund on June 30 of each fiscal year
5 shall not revert to the general fund of the state, but shall
6 be available for purposes of this section in subsequent fiscal
7 years.

8 13. *Report.* The commission shall submit in a report to
9 the general assembly by January 1, annually, the number of
10 individuals who received loan repayment pursuant to this
11 section, where the participants practiced, the amount paid to
12 each program participant, and other information identified by
13 the commission as indicators of outcomes of the program.

14 14. *Rules.* The commission shall adopt rules pursuant to
15 chapter 17A to administer this section.

16 15. *Definitions.* For purposes of this section:

17 a. "*Advanced registered nurse practitioner*" means a person
18 licensed as a registered nurse under chapter 152 or 152E who
19 is licensed by the board of nursing as an advanced registered
20 nurse practitioner.

21 b. "*Commission*" means the college student aid commission.

22 c. "*Eligible loan*" means the recipient's total federally
23 guaranteed Stafford loan amount under the federal family
24 education loan program or the federal direct loan program, the
25 recipient's federal grad plus loans, or the recipient's federal
26 Perkins loan, including principal and interest.

27 d. "*Mental health practitioner*" means a psychiatrist,
28 a psychologist, a mental health professional, a physician
29 assistant practicing under the supervision of a psychiatrist,
30 or a psychiatric advanced registered nurse practitioner.

31 e. "*Mental health professional*" means an individual who
32 meets all of the following qualifications:

33 (1) The individual holds at least a master's degree in
34 a mental health field, including psychology, counseling and
35 guidance, social work, marriage and family therapy, applied

1 behavior analysis, or mental health counseling.

2 (2) The individual holds a current Iowa license if
3 practicing in a field covered by an Iowa licensure law.

4 (3) The individual has at least two years of postgraduate
5 degree clinical experience, supervised by another individual in
6 the mental health field, in assessing mental health needs and
7 problems and in providing appropriate mental health services.

8 *f. "Mental health professional shortage area"* means a mental
9 health health professional shortage area designated by the
10 health resources and services administration of the United
11 States department of health and human services.

12 *g. "Psychiatric advanced registered nurse practitioner"*
13 means an individual currently licensed as a registered nurse
14 under chapter 152 or 152E who holds a national certification in
15 psychiatric mental health care and who is licensed by the board
16 of nursing as an advanced registered nurse practitioner.

17 *h. "Service commitment area"* means a city in Iowa that
18 provides the following contribution amounts for deposit in the
19 mental health practitioner loan repayment program trust fund
20 for each loan recipient in the community who is participating
21 in the loan repayment program:

22 (1) For a psychiatrist, twenty thousand dollars.

23 (2) For a psychologist or a mental health professional, four
24 thousand dollars.

25 (3) For a physician assistant practicing under the
26 supervision of a psychiatrist, or for a psychiatric advanced
27 registered nurse practitioner, five thousand dollars.

28 16. *Prior agreements.* All program agreements entered into
29 by the commission prior to July 1, 2023, under the mental
30 health professional loan repayment program pursuant to section
31 261.117, Code 2022, shall remain in full force and effect in
32 accordance with the terms of the agreement.

33 Sec. 2. MENTAL HEALTH PRACTITIONER LOAN REPAYMENT PROGRAM
34 TRUST FUND — APPROPRIATION. There is appropriated from the
35 general fund of the state to the college student aid commission

1 for the fiscal year beginning July 1, 2023, and ending June
2 30, 2024, the following amounts, or so much thereof as is
3 necessary, to be used for the purposes designated:

4 For deposit in the mental health practitioner loan repayment
5 program trust fund established pursuant to section 261.117, to
6 be used for the purposes of the program:

7 \$ 1,500,000

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill repeals the existing mental health professional
12 loan repayment program within the college student aid
13 commission, replaces the program with a mental health
14 practitioner loan repayment program, and provides an
15 appropriation.

16 REPEALED PROGRAM. The mental health professional loan
17 repayment program, enacted in 2022, was established to increase
18 the number of nonprescribing mental health practitioners
19 serving cities within federal mental health shortage areas in
20 the state. The program was designed to provide loan repayment
21 benefits to recipients for up to five consecutive years of
22 full-time service, unless granted a waiver for part-time
23 service. The maximum award under the program was \$40,000, paid
24 in annual installments of \$8,000, toward outstanding federal
25 Stafford loan, federal grad PLUS loan, and federal Perkins loan
26 balances at the end of each 12-month employment period. If a
27 recipient refinanced a federal loan with a private loan after
28 signing the program contract, the recipient could continue to
29 receive the loan repayment benefit as long as the recipient
30 contacted the college student aid commission and provided the
31 required documentation.

32 In order to be eligible for the program, a person must have
33 graduated from an eligible Iowa college or university with at
34 least a master's degree in psychology, counseling and guidance,
35 social work, marriage and family therapy, or mental health

1 counseling; have completed at least two years of post-degree
2 clinical experience in assessing and diagnosing mental health
3 needs and in providing mental health services while under the
4 supervision of another individual in the mental health field;
5 and have held a current, nonprescribing practitioner license.

6 NEW PROGRAM. The bill requires the college student aid
7 commission to establish a mental health practitioner loan
8 repayment program for the purposes of providing loan repayments
9 for mental health practitioners who agree to practice in
10 service commitment areas for at least five years and meet the
11 requirements of the bill. "Mental health practitioner" means
12 a psychiatrist, a psychologist, a mental health professional,
13 a physician assistant practicing under the supervision of
14 a psychiatrist, or a psychiatric advanced registered nurse
15 practitioner.

16 Under the bill, an individual is eligible to apply if the
17 individual is enrolled full-time in a curriculum leading
18 to employment as a mental health practitioner. A program
19 agreement must be entered into when the eligible student begins
20 the final year of study in an academic program leading to
21 eligibility for employment as a mental health practitioner.
22 Under the agreement, an eligible student must agree to receive
23 a graduate-level credential qualifying the credential recipient
24 for employment as a mental health practitioner; receive a
25 license to practice in this state; and within nine months of
26 meeting the requirements of a mental health practitioner engage
27 in full-time practice as a mental health practitioner for a
28 period of five years in a service commitment area.

29 Under the bill, the commission must give priority in making
30 awards to: eligible students who are residents of Iowa
31 upon enrolling in a university, who attended and earned an
32 undergraduate degree from an Iowa college or university, or
33 who attended and earned a medical degree from a medical school
34 in Iowa; and who agree to practice in a service commitment
35 area located in a mental health professional shortage area; to

1 service commitment areas located in mental health professional
2 shortage areas; and to eligible students who, during their
3 five-year full-time practice, are actively participating in the
4 Medicaid program. A service commitment area is defined as a
5 city in Iowa that provides a certain contribution amount, based
6 on the type of practitioner, for deposit in the mental health
7 practitioner loan repayment program trust fund for each loan
8 recipient in the community participating in the program.

9 Under the bill, the loan repayment amount for a psychiatrist
10 is \$40,000 annually with a maximum of \$200,000 for an eligible
11 loan, not to exceed the total loan amount; for a psychologist
12 or a mental health professional is \$8,000 annually with a
13 maximum of \$40,000 for an eligible loan, not to exceed the
14 total loan amount; and for a physician assistant practicing
15 under the supervision of a psychiatrist or for a psychiatric
16 advanced registered nurse practitioner is \$10,000 annually with
17 a maximum of \$50,000, not to exceed the total loan amount.

18 The bill includes provisions similar to those for other
19 loan repayment and loan forgiveness programs for health
20 professionals under Code chapter 261 including eligibility
21 requirements, program agreements, program priorities, loan
22 repayment amounts, refinanced loans, program agreement
23 limitations, the selection of the service commitment area,
24 rules for loan repayment, rules for additional loan repayment,
25 part-time practice agreement amendments and loan repayment
26 adjustments for part-time practice, postponement, and
27 satisfaction of service obligations, the establishment of a
28 trust fund for the program, the submission of annual reports
29 regarding the program, and the adoption of administrative rules
30 for the program.

31 The bill provides definitions for the purposes of the bill
32 and provides for an appropriation from the general fund of the
33 state to the college student aid commission for FY 2023-2024 to
34 be deposited in the mental health practitioner loan repayment
35 program trust fund established under the bill to be used for

1 the purposes of the program.

2 The bill provides that program agreements entered into prior
3 to July 1, 2023, under the prior mental health professional
4 loan repayment program remain in full force and effect in
5 accordance with the terms of the agreement.