

Mental Health Provider Loan Forgiveness Bill House File 2549

Last Action:
**House Appropriations
Committee**
March 1, 2022

An Act relating to the establishment of a mental health practitioner loan repayment program, and providing an appropriation.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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EXECUTIVE SUMMARY

MENTAL HEALTH PROVIDER LOAN FORGIVENESS BILL

HOUSE FILE 2549

FUNDING SUMMARY

Appropriates \$1.5 million for the Mental Health Practitioner Loan Repayment Program Trust Fund.

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NEW PROGRAMS, SERVICES, OR ACTIVITIES

Establishes the Mental Health Practitioner Loan Repayment Program Trust Fund under the College Student Aid Commission for the purpose of providing loan repayments for mental health practitioners who agree to practice in high-need areas for at least five years under certain requirements. The Bill details eligibility requirements and repayment limits for students based on their professional credentials, directs the Commission to establish the number of grants to be awarded and other administrative processes through the administrative rules process, appropriates \$1.5 million for the initial year of the Program beginning July 1, 2022, and provides definitions.

1 1 Section 1.NEW SECTION 261.117 MENTAL HEALTH PRACTITIONER
 1 2 LOAN REPAYMENT PROGRAM — TRUST FUND — APPROPRIATION.

1 3 1. Program established. The commission shall establish
 1 4 a mental health practitioner loan repayment program for
 1 5 the purposes of providing loan repayments for mental health
 1 6 practitioners who agree to practice in service commitment areas
 1 7 for at least five years and who meet the requirements of this
 1 8 section.

Establishes the Mental Health Practitioner Loan Repayment Program Trust Fund under the College Student Aid Commission for the purpose of providing loan repayments for mental health practitioners who agree to practice in high-need areas for at least five years under certain requirements.

1 9 2. Eligibility. An individual is eligible to apply to enter
 1 10 into a program agreement with the commission if the individual
 1 11 is enrolled full-time in and receives a recommendation from a
 1 12 university in a curriculum leading to licensure as a mental
 1 13 health practitioner. A recipient of a loan repayment award
 1 14 under section 261.113, 261.114, 261.115, or 261.116 shall not
 1 15 be eligible for a loan repayment award under this chapter.

Establishes program eligibility for students who are enrolled full-time in and received a recommendation from a university in a curriculum leading to licensure as a mental health practitioner unless the student is a recipient of a loan repayment award under Iowa Code section 261.113, 261.114, 261.115, or 261.116.

1 16 3. Program agreements. A program agreement shall be
 1 17 entered into by an eligible student and the commission when the
 1 18 eligible student begins the final year of study in an academic
 1 19 program leading to eligibility for licensure as a mental health
 1 20 practitioner. Under the agreement, to receive loan repayments
 1 21 pursuant to subsection 5, an eligible student shall agree to
 1 22 and shall fulfill all of the following requirements:

Requires students who enter into a program agreement to receive a graduate-level credential qualifying them as a mental health practitioner, receive a license to practice as a mental health practitioner in this State, engage in full-time practice as a mental health practitioner for a period of 5 years within 9 months of graduating and receiving a permanent license, and be enrolled as an actively participating Medicaid provider for the same 5-year period.

1 23 a. Receive a graduate-level credential qualifying the
 1 24 credential recipient for a license to practice as a mental
 1 25 health practitioner.

1 26 b. Receive a license to practice as a mental health
 1 27 practitioner in this state.

1 28 c. Within nine months of graduating from the applicable
 1 29 professional program, residency program, or certification
 1 30 program and receiving a permanent license in accordance with
 1 31 paragraph "b", engage in full-time practice as a mental health
 1 32 practitioner for a period of five years in a service commitment
 1 33 area.

1 34 d. During the five-year period of full-time practice, be
 1 35 enrolled as an actively participating Medicaid provider.

2 1 4. PRIORITIES IN MAKING AWARDS. In making awards under this
 2 2 section, the commission shall give priority to:

Directs the Commission to give priority to students who are residents of Iowa upon enrolling in a university and who agree to practice in a

2 3 a. Eligible students who are residents of Iowa upon
 2 4 enrolling in a university and who agree to practice in a
 2 5 service commitment area located in a mental health professional
 2 6 shortage area.

2 7 b. Service commitment areas that are located in mental
 2 8 health professional shortage areas.

2 9 5. Loan repayment amounts.

2 10 a. The amount of loan repayment an eligible student who
 2 11 enters into an agreement pursuant to subsection 3 shall receive
 2 12 if in compliance with obligations under the agreement shall be
 2 13 as follows:

2 14 (1) For a psychiatrist, forty thousand dollars annually
 2 15 with a maximum of two hundred thousand dollars for an eligible
 2 16 loan, not to exceed the total loan amount.

2 17 (2) For a psychologist or a mental health professional,
 2 18 eight thousand dollars annually with a maximum of forty
 2 19 thousand dollars for an eligible loan, not to exceed the total
 2 20 loan amount.

2 21 (3) For a physician assistant practicing under the
 2 22 supervision of a psychiatrist, or for a psychiatric advanced
 2 23 registered nurse practitioner, ten thousand dollars annually
 2 24 with a maximum of fifty thousand dollars, not to exceed the
 2 25 total loan amount.

2 26 b. If the total amount of the eligible student's loan
 2 27 upon graduation is less than the maximum amount specified,
 2 28 the commission shall divide the total amount of the eligible
 2 29 student's eligible loan by five to determine the annual amount
 2 30 of loan repayment the loan recipient is eligible to receive.

2 31 c. Payments under this section may be made for each year of
 2 32 eligible practice during a period of five consecutive years.

2 33 6. Refinanced loans. A loan repayment recipient who
 2 34 refinances an eligible loan by obtaining a private educational
 2 35 loan may continue to receive loan repayment under this section
 3 1 if the amount of loan repayment does not exceed the lesser of
 3 2 the amount specified in subsection 5 or the balance of the loan
 3 3 repayment amount the loan repayment recipient qualified to
 3 4 receive with the eligible loan.

3 5 7. Program agreement limitation. The commission shall by
 3 6 rule determine the number of agreements entered into annually

service commitment area located in a mental health professional
 shortage area, and to those who practice in service commitment areas
 that are located in mental health professional shortage areas.

Establishes loan repayment amounts for which students are eligible
 based on their professional credentials. Psychiatrists are eligible for
 \$40,000 annually up to a \$200,000 maximum. Psychologists and other
 mental health professionals are eligible for \$8,000 annually up to a
 \$40,000 maximum. Physician assistants or other psychiatric advanced
 nurse practitioners are eligible for up to \$10,000 annually up to a
 \$50,000 maximum. No recipient can receive more than the original
 total loan amount, and if the total loan amount is less than the
 maximum that student is eligible to receive, the Commission is
 directed to divide the total amount the student is eligible to receive
 equally over five consecutive years.

Allows students to remain eligible for repayment after obtaining private
 educational loan refinancing if the amount of the loan repayment does
 not exceed the lesser of the amount for which the student is eligible as
 described in subsection 5 or the balance of the loan repayment
 amount the student qualified to receive with the eligible loan.

Directs the Commission to determine the number of agreements
 entered into annually based upon the funding available through the

3 7 based upon the funding available.	administrative rules process.
3 8 8. Selection of service commitment area. A loan repayment 3 9 recipient shall notify the commission of the recipient's 3 10 service commitment area prior to beginning practice in the area 3 11 in accordance with subsection 3, paragraph "c". Priority shall 3 12 be given to recipients who select service commitment areas 3 13 located in mental health professional shortage areas. The 3 14 commission may waive the requirement that the loan repayment 3 15 recipient practice in the same service commitment area for all 3 16 five years.	Directs the recipient to notify the Commission of the recipient's service commitment area prior to beginning practice in the area. The Commission is required to give priority to potential recipients who select service commitment areas located in mental health professional shortage areas. Also, grants the Commission discretion to waive the requirement that the recipient must practice in the same service commitment area for all five years.
3 17 9. Rules for additional loan repayment. The commission 3 18 shall adopt rules to provide, in addition to loan repayment 3 19 provided to eligible students pursuant to this section and 3 20 subject to the availability of surplus funds, loan repayment to 3 21 a psychiatrist, a psychologist, a mental health professional, 3 22 a physician assistant practicing under the supervision of 3 23 a psychiatrist, or a psychiatric advanced registered nurse 3 24 practitioner, who, as provided in subsection 3, received a 3 25 degree from a university, obtained a license to practice 3 26 in this state, and is engaged in full-time practice in the 3 27 respective profession in a service commitment area.	Directs the Commission to adopt rules to provide additional loan repayment to eligible practitioners subject to the availability of surplus funds.
3 28 10. Part-time practice — agreement amended. A person who 3 29 entered into an agreement pursuant to subsection 3 may apply 3 30 to the commission to amend the agreement to allow the person 3 31 to engage in less than the full-time practice specified in the 3 32 agreement and under subsection 3, paragraph "c". The commission 3 33 and the person may consent to amend the agreement under which 3 34 the person shall engage in less than full-time practice in a 3 35 service commitment area for an extended period of part-time 4 1 practice determined by the commission to be proportional to 4 2 the amount of full-time practice remaining under the original 4 3 agreement. For purposes of this subsection, "less than 4 4 the full-time practice" means at least seventy percent of a 4 5 forty-hour workweek.	Grants the Commission discretion to amend agreements with a recipient so that the recipient can practice in a service commitment area less than full-time under the condition that the recipient agree to an extended period of service proportional to the amount of full-time practice remaining under the original agreement.
4 6 11. Postponement and satisfaction of service obligation. 4 7 a. The obligation to engage in practice in accordance with 4 8 subsection 3 shall be postponed for the following purposes:	Allows recipients to delay their obligation to practice when engaged in active duty status in the armed forces or fulfilling a service commitment to enumerated service organizations or purposes, details conditions wherein the obligation to practice will be considered to have

4 9 (1) Active duty status in the armed forces, the armed forces
4 10 military reserve, or the national guard.

4 11 (2) Service in volunteers in service to America.

4 12 (3) Service in the federal peace corps.

4 13 (4) A period of service commitment to the United States
4 14 public health service commissioned corps.

4 15 (5) A period of religious missionary work conducted by an
4 16 organization exempt from federal income taxation pursuant to
4 17 section 501(c)(3) of the Internal Revenue Code.

4 18 (6) Any period of temporary medical incapacity during which
4 19 the person obligated is unable, due to a medical condition, to
4 20 engage in full-time practice as required under subsection 3,
4 21 paragraph "c".

4 22 b. Except for a postponement under paragraph "a",
4 23 subparagraph (6), an obligation to engage in practice under an
4 24 agreement entered into pursuant to subsection 3 shall not be
4 25 postponed for more than two years from the time the full-time
4 26 practice was to have commenced under the agreement.

4 27 c. An obligation to engage in full-time practice under
4 28 an agreement entered into pursuant to subsection 3 shall be
4 29 considered satisfied when any of the following conditions are
4 30 met:

4 31 (1) The terms of the agreement are completed.

4 32 (2) The person who entered into the agreement dies.

4 33 (3) The person who entered into the agreement, due to a
4 34 permanent disability, is unable to practice as a mental health
4 35 practitioner.

5 1 d. If a loan repayment recipient fails to fulfill
5 2 the obligation to engage in practice in accordance with
5 3 subsection 3, the recipient shall be subject to repayment to
5 4 the commission of the loan amount plus interest as specified
5 5 by rule. A loan repayment recipient who fails to meet the
5 6 requirements of the obligation to engage in practice in
5 7 accordance with subsection 3 may also be subject to repayment
5 8 of moneys advanced by the service commitment area as provided
5 9 in any agreement with the service commitment area.

5 10 12. Trust fund established. A mental health practitioner
5 11 loan repayment program trust fund is created in the state
5 12 treasury as a separate fund under the control of the
5 13 commission. The commission shall remit all repayments made
5 14 pursuant to this section to the trust fund. All moneys

been met, and requires recipients to repay the received loan amount with interest if the recipient fails to meet the obligations of the service agreement.

Establishes the Mental Health Practitioner Loan Repayment Program Trust Fund in the State Treasury as a separate fund under the control of the Commission for the purposes described in this Section. Permits

5 15 deposited or paid into the trust fund are appropriated and
 5 16 made available to the commission to be used for meeting the
 5 17 requirements of this section. Moneys in the trust fund up
 5 18 to the total amount that an eligible student may receive
 5 19 for an eligible loan in accordance with this section and
 5 20 upon fulfilling the requirements of subsection 3, shall be
 5 21 considered encumbered for the duration of the agreement entered
 5 22 into pursuant to subsection 3. Notwithstanding section 8.33,
 5 23 any balance in the trust fund on June 30 of each fiscal year
 5 24 shall not revert to the general fund of the state, but shall
 5 25 be available for purposes of this section in subsequent fiscal
 5 26 years.

the funds remaining at the end of each fiscal year to not revert, but remain in the Fund to be available for the purposes of this Section in subsequent fiscal years.

5 27 13. Report. The commission shall submit in a report to
 5 28 the general assembly by January 1, annually, the number of
 5 29 individuals who received loan repayment pursuant to this
 5 30 section, where the participants practiced, the amount paid to
 5 31 each program participant, and other information identified by
 5 32 the commission as indicators of outcomes of the program.

Requires the Commission to submit an annual report to the General Assembly by January 1 reporting the number of recipients, where the recipients are practicing, the amount paid to each recipient, and any other information identified by the Commission as indicators of outcomes of the Program.

5 33 14. Rules. The commission shall adopt rules pursuant to
 5 34 chapter 17A to administer this section.

Directs the Commission to establish rules to administer this section pursuant to Iowa Code chapter 17A.

5 35 15. Definitions. For purposes of this section:

6 1 a. "Advanced registered nurse practitioner" means a person
 6 2 licensed as a registered nurse under chapter 152 or 152E who
 6 3 is licensed by the board of nursing as an advanced registered
 6 4 nurse practitioner.

6 5 b. "Eligible loan" means the recipient's total federally
 6 6 guaranteed Stafford loan amount under the federal family
 6 7 education loan program or the federal direct loan program, the
 6 8 recipient's federal grad plus loans, or the recipient's federal
 6 9 Perkins loan, including principal and interest.

6 10 c. "Mental health practitioner" means a psychiatrist,
 6 11 a psychologist, a mental health professional, a physician
 6 12 assistant practicing under the supervision of a psychiatrist,
 6 13 or a psychiatric advanced registered nurse practitioner.

6 14 d. "Mental health professional" means an individual who
 6 15 meets all of the following qualifications:

6 16 (1) The individual holds at least a master's degree in
 6 17 a mental health field, including psychology, counseling and

6 18 guidance, social work, marriage and family therapy, or mental
6 19 health counseling.

6 20 (2) The individual holds a current Iowa license if
6 21 practicing in a field covered by an Iowa licensure law.

6 22 (3) The individual has at least two years of post-degree
6 23 clinical experience, supervised by another individual in the
6 24 mental health field, in assessing mental health needs and
6 25 problems and in providing appropriate mental health services.

6 26 e. "Mental health professional shortage area" means a mental
6 27 health professional shortage area designated by the
6 28 health resources and services administration of the United
6 29 States department of health and human services.

6 30 f. "Psychiatric advanced registered nurse practitioner"
6 31 means an individual currently licensed as a registered nurse
6 32 under chapter 152 or 152E who holds a national certification in
6 33 psychiatric mental health care and who is licensed by the board
6 34 of nursing as an advanced registered nurse practitioner.

6 35 g. "Service commitment area" means a city in Iowa that
7 1 provides a twenty thousand dollar contribution for deposit in
7 2 the mental health practitioner loan repayment trust fund for
7 3 each loan recipient in the community who is participating in
7 4 the loan repayment program.

7 5 Sec. 2. MENTAL HEALTH PRACTITIONER LOAN REPAYMENT PROGRAM
7 6 TRUST FUND — APPROPRIATION. There is appropriated from the
7 7 general fund of the state to the college student aid commission
7 8 for the fiscal year beginning July 1, 2022, and ending June
7 9 30, 2023, the following amounts, or so much thereof as is
7 10 necessary, to be used for the purposes designated:
7 11 For deposit in the mental health practitioner loan repayment
7 12 program trust fund established pursuant to section 261.117, to
7 13 be used for the purposes of the program:
7 14 \$ 1,500,000

Appropriates \$1,500,000 for the Mental Health Practitioner Loan
Repayment Program Trust Fund.

Health and Human Services

General Fund

	<u>Estimated Net FY 2022</u>	<u>House Approp FY 2023</u>
	<u>(1)</u>	<u>(2)</u>
<u>College Student Aid Commission</u>		
College Student Aid Comm.		
MH Provider Loan Forgiveness	\$ 0	\$ 1,500,000
Total College Student Aid Commission	<u>\$ 0</u>	<u>\$ 1,500,000</u>
Total Health and Human Services	<u>\$ 0</u>	<u>\$ 1,500,000</u>