HOUSE FILE 2549
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2137)
(SUCCESSOR TO HSB 537)

(As Amended and Passed by the House March 15, 2022)

[= New Language by the House
* = Language Stricken by the House

A BILL FOR

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. **261.117 Mental health practitioner loan repayment program — trust fund — appropriation.**

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

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

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

a. Receive a graduate-level credential qualifying the credential recipient for [employment] as a mental health practitioner.

b. Receive a license to practice in this state.

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

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

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

a. Eligible students who are residents of Iowa upon enrolling in a university and who agree to practice in a

service commitment area located in a mental health professional shortage area.

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

5. *Loan repayment amounts.*

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

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

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

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

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

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

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

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

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

9. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to this section and subject to the availability of surplus funds, loan repayment to a psychiatrist, a psychologist, a mental health professional, a physician assistant practicing under the supervision of a psychiatrist, or a psychiatric advanced registered nurse practitioner, who, as provided in subsection 3, received a degree from a university, obtained a license to practice in this state, and is engaged in full-time practice in the respective profession in a service commitment area.

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

forty-hour workweek.

11. *Postponement and satisfaction of service obligation.*

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

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

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

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

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

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

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

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

(1) The terms of the agreement are completed.

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

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

d. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with subsection 3, the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified

by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with subsection 3 may also be subject to repayment of moneys advanced by the service commitment area as provided in any agreement with the service commitment area.

12. *Trust fund established.* A mental health practitioner loan repayment program trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to this section to the trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of this section. Moneys in the trust fund up to the total amount that an eligible student may receive for an eligible loan in accordance with this section and upon fulfilling the requirements of subsection 3, shall be considered encumbered for the duration of the agreement entered into pursuant to subsection 3. Notwithstanding section 8.33, any balance in the trust fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section in subsequent fiscal years.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) For a psychiatrist, twenty thousand dollars.

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

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

Sec. 2. MENTAL HEALTH PRACTITIONER LOAN REPAYMENT PROGRAM TRUST FUND — APPROPRIATION. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 1,500,000