



# Program Overview

## Kansas State Loan Repayment Program



The State Loan Repayment Program (SLRP) offers eligible health professionals an opportunity to receive assistance with the repayment of their qualified educational loans in exchange for a minimum 2-year commitment to provide health care services at an eligible site in a federally designated Health Professional Shortage Area (HPSA).

SLRP is funded by the State of Kansas and the National Health Service Corps. Program eligibility requirements and benefits are established by federal law authorizing the State Loan Repayment Program (Section 388I of the Public Health Service Act, as amended).

To be eligible for an award, health professionals must have a current permanent license, and commit to provide health care services at an ambulatory public or nonprofit private entity. Behavioral/mental health providers must be licensed at the level that allows them to practice their specific discipline independently and unsupervised. The practice site is required to maintain an open door to all residents, regardless of their ability to pay or their pay source.

The following health professionals are eligible to receive a SLRP award:

- MD** Doctors of Allopathic Medicine
- DO** Doctors of Osteopathic Medicine
- DD** General Practice Dentist (D.D.S. or D.M.D.)
- NP** Primary Care Certified Nurse Practitioners
- NM** Certified Nurse-Midwives
- PA** Primary Care Physician Assistants
- DH** Registered Clinical Dental Hygienists
- CP** Clinical or Counseling Psychologists (Ph.D. or equivalent; includes Clinical Psychotherapists)
- LSCSW** Licensed Clinical Social Workers (master's or doctoral degree in social work)
- PNS** Psychiatric Nurse Specialists
- MHC** Mental Health Counselors
- LCPC** Licensed Clinical Professional Counselors (master's or doctoral degree with a major study in counseling)
- LCMFT** Marriage and Family Therapists (master's or doctoral degree with a major study in marriage and family therapy)

Eligible primary care specialties include family medicine (and osteopathic general practice), internal medicine (including geriatric), pediatric, obstetrics/gynecology, and general psychiatry. General practitioners who have not completed residency training are not eligible for SLRP funding.

### Eligibility Requirements for Health Provider

- Must be a U.S. citizen or national
- Must complete the appropriate level of education and be licensed or certified to practice his/her profession in Kansas
- Must sign a contract to practice in an eligible underserved area of Kansas for a minimum of two years
- Must have no prior, unfulfilled practice obligations
- Must be employed by an eligible practice site

- Must not discriminate in providing health care services to Medicare and Medicaid beneficiaries and those unable to pay for health care services

### **Eligibility Requirements for Practice Sites**

- Must be public or nonprofit private entity located in Kansas
- Must provide care in a federally designated HPSA. <http://hpsafind.hrsa.gov/>
- Must not discriminate in care to Medicaid and Medicare beneficiaries and to those unable to pay for health care
- Must charge for professional services at the usual and customary rates prevailing in the area in which services are provided. If a person is unable to pay such charges, such person shall be charged at a reduced rate (discounted sliding fee schedule) or not charged any fee.
- Must serve the uninsured, underinsured, Medicaid, and Medicare populations.
- Must have a written nondiscrimination policy and provide services in a culturally and linguistically appropriate fashion responsive to the needs of the area's population.
- Must not use SLRP funding as a salary offset.
- Must agree to cooperate with communication by email, mail, phone, or through site visits for the purpose of monitoring compliance with the Kansas SLRP.

### **Term of Service**

To receive funds under the SLRP, a health professional must contract to practice for a minimum of 2 years at an eligible site located in a HPSA. Based upon the availability of funds, the contract may be amended annually thereafter on the same terms.

### **Application Period**

The application period will begin July 1 of each year for awards beginning October 1 of that year. Applications will be accepted on a continuous basis until all program funds are committed or until June 1 the following year. Priority will be given to applicants that apply prior to August 15. Awards will be made in the order received thereafter.

### **Loan Repayment Awards**

Physician and dentist are eligible to receive up to \$30,000 annually for repayment of outstanding educational debt. All other eligible health professionals may receive up to \$25,000 annually. One-half of each award will be paid at the beginning of the first contract year with the remainder paid at the beginning of the second year. Awards through the federally-funded SLRP are exempt from gross income and employment taxes.

### **Full-Time Clinical Practice**

Full-time clinical practice means working a minimum of 40 hours per week, for a minimum of 45 weeks per service year providing primary health services.

### **Full-Time Service**

The SLRP participants must provide full-time primary health care service in a public or nonprofit private entity located in a current federally designated HPSA that is appropriate for their discipline (e.g., dental providers must be placed in dental HPSAs, mental health providers in mental health HPSAs). For physicians, the practice will include ambulatory care, as well as hospital care appropriate to meet the needs of patients and to assure continuity of care.

For all health professionals, "full-time clinical practice" is defined as a minimum of 40 hours per week of patient care at an approved service site, with no more than 8 of those hours per week devoted to practice-related administrative activities. The practice will include hospital treatment

coverage appropriate to meet the needs of patients of the approved service site and to ensure continuity of care. Research and teaching are **not** considered to be “clinical practice.”

For all health professionals except those noted below, at least 32 of the minimum 40 hours per week must be spent providing direct patient care. These services must be conducted during normally scheduled clinic hours in the ambulatory care setting office(s). The remaining hours must be spent providing inpatient care to patients of the approved site, and/or performing practice-related administrative activities.

For OB/GYN physicians, family practice physicians who practice obstetrics on a regular basis, providers of geriatric services, pediatric dentists, certified nurse midwives, and behavioral and mental health providers: At least 21 of the minimum 40 hours per week must be spent providing direct patient care (direct patient counseling for behavioral/mental health providers) in the outpatient ambulatory care setting(s) at the approved practice site(s) during normally scheduled office hours. The remaining 19 hours of the minimum 40 hours per week must be spent providing clinical services to patients in the approved practice site(s), or providing clinical services in alternative settings as directed by the approved practice site (s), or performing practice-related administrative activities. Administrative or other non-clinical activities must not exceed 8 hours per week.

The 40 hours per week may be compressed into no less than 4 days per week, with no more than 12 hours of work to be performed in any 24-hour period. Time spent in “on-call” status does **not** count toward the 40-hour week. Hours worked over the required 40 hours per week will not be applied to any other workweek.

No more than 7 weeks (35 workdays) per year can be spent away from the practice site for vacation, holidays, continuing professional education, illness, or any other reason. Absences greater than 7 weeks in a SLRP service year will extend the service commitment end date.

### **Reasonable Educational Expenses**

Reasonable educational expenses are the costs of education, exclusive of tuition, such as fees, books, supplies, clinical travel, educational equipment and materials, which do not exceed the school's estimated standard student budget for educational expenses for the participant's degree program and for the year(s) of that participant's enrollment.

### **Reasonable Living Expenses**

Reasonable living expenses are the costs of room and board, transportation and commuting costs, and other costs which do not exceed the school's estimated standard student budget for living expenses at that school for the participant's degree program and for the year(s) of that participant's enrollment.

### **Qualifying Educational Loans**

Qualifying educational loans are Government and commercial loans for actual costs paid for tuition and reasonable educational and living expenses related to the undergraduate or graduate education of the participant leading to a degree in the health profession in which the participant will satisfy his or her SLRP service commitment. Applicants must provide a copy of all qualifying loan documentation (e.g., promissory notes).

If an applicant has consolidated loans or refinanced loans, the applicant must provide a copy of the original loan documentation to establish the educational purpose and contemporaneous nature of such loans. If an eligible educational loan is consolidated/ refinanced with any other debt other than another eligible educational loan of the applicant, no portion of the consolidated/refinanced loan will be eligible for loan repayment.

**Government Loans**

Government loans are loans that are made by Federal, State, county or city agencies that are authorized by law to make such loans.

**Commercial Loans**

Commercial loans are defined as loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and other financial or credit institutions which are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State in which the lender has its principal place of business.

**Cancellation Policy**

The only permissible basis for canceling a SLRP contract is the death of the SLRP participant. States cannot cancel a SLRP contract in order to allow an individual to participate in the NHSC Loan Repayment Program or for any other reason except the participant's death.

**Suspension**

A suspension of the participant's SLRP obligation may be granted for up to 1 year. In order to qualify for a suspension, the participant must document a medical condition or personal situation that makes compliance with the obligation temporarily "impossible" or an "extreme hardship" such that enforcement would be against equity and good conscience. Examples would be the terminal illness of an immediate family member for whom the participant is caretaker, or extended maternity leave due to medical complications.

**Waiver**

A waiver is a permanent status. In order to qualify for a waiver of the SLRP obligation, a participant must document a medical condition or a personal situation that makes compliance with the obligation permanently "impossible" or an "extreme hardship" such that enforcement would be against equity and good conscience. An example would be an illness so debilitating that the participant can no longer practice his/her profession.

**Default**

Participants who fail to begin or complete their SLRP service obligation or otherwise breach the terms and conditions of the obligation are in default of their contracts and are subject to the financial consequences outlined in their contracts.

**Breaching the SLRP Contract - Financial Consequences**

By statute, 42 U.S.C. 254q-1(c)(3)(A)(ii), the SLRP contract must contain a default provision which is at least as stringent as (i.e., not more favorable than) the default provision for NHSC Loan Repayment Program (LRP) participants which is found at 42 U.S.C. 254(o)(c)(1). The financial consequences for breach of the NHSC LRP service obligation are as follows:

- a. the total of the amounts paid by the United States to, or on behalf of, the participant for loan repayments for any period of obligated service not served;
- b. an amount equal to the number of months of obligated service not completed multiplied by \$7,500; and
- c. interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach, except that the amount the United States is entitled to recover shall not be less than \$31,000.

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