

# SENATE BILL REPORT

## SB 5615

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As Reported by Senate Committee On:  
Higher Education, February 21, 2013

**Title:** An act relating to the health professional loan repayment and scholarship program.

**Brief Description:** Concerning the health professional loan repayment and scholarship program.

**Sponsors:** Senators Frockt, Becker, Cleveland, Keiser, Kohl-Welles, Schlicher, Kline, Conway and Chase.

**Brief History:**

**Committee Activity:** Higher Education: 2/14/13, 2/21/13 [DPS].

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** That Substitute Senate Bill No. 5615 be substituted therefor, and the substitute bill do pass.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Kohl-Welles, Ranking Member; Baumgartner, Frockt, McAuliffe and Tom.

**Staff:** Katherine Taylor (786-7434)

**Background:** The health professional loan repayment and scholarship program was created for credentialed health professionals serving in health professional shortage areas. The program is administered by the Student Financial Assistance Office (Office), which is overseen by the Washington Student Achievement Council (WSAC).

A health professional shortage area is defined as those areas where health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of health care professionals in specialty health care areas, and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety.

In administering the health professional loan repayment and scholarship program, the Office must:

- select credentialed health care professionals to participate in the loan repayment portion of the loan repayment and scholarship program and select eligible students to participate in the scholarship portion of the loan repayment and scholarship program;
- adopt rules and develop guidelines to administer the program;

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- collect and manage repayments from participants who do not meet their service obligations under this chapter;
- publicize the program, particularly to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the workforce;
- solicit and accept grants and donations from public and private sources for the program; and
- develop criteria for a contract for service in lieu of the service obligation where appropriate, that may be a combination of service and payment.

The Office must also create a planning committee to assist it in developing criteria for the selection of participants. The committee includes representatives from the Department of Health, the Department of Social and Health Services (DSHS), health care facilities, provider groups, consumers, the State Board for Community and Technical Colleges, the Superintendent of Public Instruction, and other agencies and organizations.

The Office, in consultation with DSHS, must: establish annual award amounts for each credentialed health care profession which must be based upon an assessment of reasonable annual eligible expenses involved in training and education for each health care profession; determine any scholarship awards for prospective physicians in such a manner to require the recipients to declare an interest in serving in rural areas of Washington; establish the required service obligation for each health care profession; determine eligible education and training programs for purposes of the scholarship portion of the program; and honor loan repayment and scholarship contract terms.

A federally qualified health center is a reimbursement designation from the Bureau of Primary Health Care and the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services. Examples of such a health center include community health centers, migrant health centers, health care for the homeless programs, and public housing primary care programs.

**Summary of Bill (Recommended Substitute):** The Office must solicit and accept grants and donations from public and private sources for the scholarship and repayment program. The Office must contract with a fundraiser to raise funds for the scholarship and repayment program and the fundraiser must be paid no more than a maximum of 15 percent out of those raised funds.

Health professional residents are added as possible recipients of the scholarship and repayment program.

**EFFECT OF CHANGES MADE BY HIGHER EDUCATION COMMITTEE (Recommended Substitute):** Clarifies that the Office must solicit and accept grants and donations from public and private sources for the scholarship and repayment program.

Adds health professional residents as possible recipients of the scholarship and repayment program.

Requires the Office to contract with a fundraiser to raise funds for the scholarship and repayment program and the fundraiser must be paid no more than a maximum of 15 percent out of those raised funds.

Removes proposed additional members added to the planning committee and the committee's proposed ability to fundraise on behalf of the scholarship and repayment fund.

Removes certain proposed Office determinations for medical students, dental graduates, and prospective dentists who could become recipients of the scholarship and repayment program.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: We are enthusiastic about this bill but it still needs work. You may change your mind about where you want to work by the time you graduate. The universities are the ones who should be developing the programs not the loan program itself. Increased funding is important and appreciated. With the expansion of Medicaid, we need a bill like this. Young dentists are eager to help patients but they have a lot of debt. Dentists who want to work in rural areas have a hard time making it a reality. There is a timing issue between when dentists take certain graduation tests and when they can apply for the repayment program. We want to expand access to healthcare. We want to revive the loan repayment program. We want nurses included in the bill. Nurses have student loans too. We support the intent of the bill. We have concerns about scholarships for students who have not been accepted to a program yet. We support including additional healthcare professionals in the bill. Debt levels depend on the medical specialty.

CON: We are not opposed to the intent. However, we do not want to exclude naturopaths. Naturopaths have high debt too and want to work in rural settings. Over 75 percent of naturopaths want to work in rural and underserved areas but cannot due to debt.

**Persons Testifying:** PRO: Susie Tracy, WA State Medical Assn., Caring for WA; Bracken Killpack, WA State Dental Assn.; Randi Abrams-Caras, SEIU Healthcare 1199NW, Nurse Alliance; Margaret Shepherd, University of WA; and Melissa Johnson, WA State Nurses Assn.

CON: Robert May, WA Assn. of Naturopathic Physicians.