

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Committee Substitute

for

House Bill 4021

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[Originating in the Committee on Finance; February
25, 2022]

1 A BILL to amend and reenact §18C-3-1 of the Code of West Virginia, 1931, as amended, relating
2 to the Medical Student Loan Program; defining terms; establishing programs at certain
3 schools, authorizing medical schools to make loans; authorizing the use of special
4 revolving funds for program use; establishing eligibility requirements; setting maximum
5 loan amount; requiring an agreement for persons participating; requiring persons
6 participating to select service commitment area; providing for cancellation of loan if person
7 satisfies the obligations of the service agreement; establishing repayment obligation for
8 those participants who do not satisfy commitment obligation; creating procedure for
9 person to request working less than full-time; and establishing school reporting
10 requirements.

Be it enacted by the Legislature of West Virginia:

**§18C-3-1. ~~Health Education~~ Medical Student Loan Program; establishment; administration;
eligibility; and loan cancellation repayment and collection; required report.**

1 ~~(a) For the purposes of this section, "vice chancellor for administration" means the person~~
2 ~~employed pursuant to §18B-4-2 of this code.~~

3 ~~(b) There is continued a special revolving fund account administered by the commission~~
4 ~~in the state Treasury to be known as the Health Education Student Loan Fund, which shall be~~
5 ~~used to carry out the purposes of this section. The fund consists of the following:~~

6 ~~(1) All funds on deposit in the medical student loan fund in the state Treasury or which are~~
7 ~~due or become due for deposit in the fund as obligations made under the previous enactment of~~
8 ~~this section;~~

9 ~~(2) Those funds provided for medical education pursuant to the provisions of §18B-10-4~~
10 ~~of this code;~~

11 ~~(3) Appropriations provided by the Legislature;~~

12 ~~(4) Repayment of any loans made under this section;~~

13 ~~(5) Amounts provided by medical associations, hospitals, or other medical provider~~
14 ~~organizations in this state, or by political subdivisions of the state, under an agreement which~~
15 ~~requires the recipient to practice his or her health profession in this state or in the political~~
16 ~~subdivision providing the funds for a predetermined period of time and in such capacity as set~~
17 ~~forth in the agreement; and~~

18 ~~(6) Other amounts which may be available from external sources.~~

19 ~~(c) Balances remaining in the fund at the end of the fiscal year do not expire or revert. All~~
20 ~~costs associated with administering this section shall be paid from the Health Education Student~~
21 ~~Loan Fund.~~

22 ~~(d) The vice chancellor for administration may utilize any funds in the Health Education~~
23 ~~Student Loan Fund for the purposes of the Medical Student Loan Program. The commission shall~~
24 ~~give priority for the loans to residents of this state, as defined by the commission. An individual is~~
25 ~~eligible for loan consideration if the individual meets the following conditions:~~

26 ~~(1) Demonstrates financial need;~~

27 ~~(2) Meets established academic standards;~~

28 ~~(3) Is enrolled or accepted for enrollment at the West Virginia University School of~~
29 ~~Medicine, the Marshall University School of Medicine, or the West Virginia School of Osteopathic~~
30 ~~Medicine in a program leading to the degree of medical doctor (M.D.) or doctor of osteopathy~~
31 ~~(D.O.);~~

32 ~~(4) Has not yet received one of the degrees provided in subdivision (3) of this subsection;~~

33 ~~and~~

34 ~~(5) Is not in default of any previous student loan.~~

35 ~~(e) At the end of each fiscal year, any individual who has received a medical student loan~~
36 ~~and who has rendered services as a medical doctor or a doctor of osteopathy in this state in a~~
37 ~~medically underserved area or in a medical specialty in which there is a shortage of physicians,~~
38 ~~as determined by the division of health at the time the loan was granted, may submit to the~~

39 ~~commission a notarized, sworn statement of service on a form provided for that purpose. Upon~~
40 ~~receipt of the statement the commission shall cancel \$10,000 of the outstanding loan or loans for~~
41 ~~every full twelve consecutive calendar months of such service.~~

42 ~~(f) No later than thirty days following the end of each fiscal year, the vice chancellor for~~
43 ~~administration shall prepare and submit a report to the commission for inclusion in the statewide~~
44 ~~report card required under section eight, article one d, chapter eighteen b of this code to be~~
45 ~~submitted to the Legislative Oversight Commission on Education Accountability established under~~
46 ~~§29A-3A-11 of this code shall publish a report. At a minimum, the report shall include the following~~
47 ~~information:~~

48 ~~(1) The number of loans awarded;~~

49 ~~(2) The total amount of the loans awarded;~~

50 ~~(3) The amount of any unexpended moneys in the fund; and~~

51 ~~(4) The rate of default during the previous fiscal year on the repayment of previously~~
52 ~~awarded loans.~~

53 (a) Definitions. – As used in this section, unless the context in which the term used clearly
54 requires a different meaning:

55 “Approved service commitment area” means a location in West Virginia that is both a
56 federally designated geographic, population, or facility-based health professions shortage area
57 and in a medical specialty in which there is a shortage of physicians, as determined by the state’s
58 Department of Health and Human Resources, at the time the loan was issued.

59 “Medical schools” means the Marshall University School of Medicine, the West Virginia
60 University School of Medicine, and the West Virginia School of Osteopathic Medicine.

61 “Person” means the recipient of a medical student loan issued in accordance with the
62 provisions of this section by a medical school as defined herein.

63 “West Virginia residents” means persons who are citizens or legal residents of the United
64 States and have resided in West Virginia for at least one year immediately preceding the date of
65 application for a medical student loan.

66 (b) There are hereby established the medical student loan program at the Marshall
67 University School of Medicine, the West Virginia University School of Medicine, and the West
68 Virginia School of Osteopathic Medicine.

69 (c) Subject to the availability of funds as established in §18C-3-1(d) of this code, the
70 medical schools may make medical student loans in accordance with the provisions of this section
71 to students enrolled in or admitted to their respective medical schools in a course of instruction
72 leading to the degree of doctor of medicine or doctor of osteopathy who enter into a written
73 medical student loan agreement with the medical school in accordance with §18C-3-1(i) of this
74 code. The number of awards shall be determined by the availability of funds in this program at
75 each school in any given academic year; *Provided*, That the availability of funds does not require
76 the medical schools to issue or renew medical student loans.

77 (d) There are hereby continued the special revolving fund accounts at the Marshall
78 University School of Medicine, the West Virginia University School of Medicine, and the West
79 Virginia School of Osteopathic Medicine, which shall be used to carry out the purposes of this
80 section.

81 (1) The funds shall consist of all moneys currently on deposit in such accounts or which
82 are due or become due for deposit into such accounts as obligations made under the previous
83 enactment of this section; those funds provided for medical education pursuant to the provisions
84 of §18B-10-4 of this code; appropriations provided by the Legislature; repayment of any loans
85 made under this section; amounts provided by medical associations, hospitals, or other medical
86 provider organizations in this state, or by political subdivisions of the state, under an agreement
87 which requires the recipient to practice his or her health profession in this state or in the political

88 subdivision providing the funds for a predetermined period of time and in such capacity as set
89 forth in the agreement; and any other amounts which may be available from external sources.

90 (2) All expenditures from the medical schools' medical student loan repayment funds shall
91 be for medical student loans issued in accordance with the terms of this section and for the
92 medical schools' expenses incurred in administering their respective medical student loan
93 programs.

94 (3) These funds shall operate as special funds whereby all deposits and payments thereto
95 do not expire to the General Revenue Fund, but shall remain in the medical schools' funds and
96 be available for expenditure in succeeding fiscal years.

97 (e) In order to be eligible for a medical student loan as provided in this section, the person
98 applying therefor shall meet the following minimum requirements:

99 (1) Full-time enrollment in a medical school in a program leading to the degree of doctor
100 of medicine or doctor of osteopathy: *Provided*, That the person has not previously obtained such
101 a degree;

102 (2) Demonstrated financial need as determined by the medical schools' individual financial
103 aid offices;

104 (3) Demonstrated credit-worthiness by not being in default of any previous student loan or
105 medical student loan issued by any lender; and

106 (4) United States citizenship as either born or naturalized.

107 (f) Medical student loans shall be awarded on a priority basis first to qualified applicants
108 who are West Virginia residents at the time of entry into the medical school, and second to
109 qualified applicants who are not West Virginia residents at the time of entry into the medical
110 school.

111 (g) In order to be eligible for renewal of a medical student loan as provided in this section,
112 the person applying therefor shall meet the minimum requirements established in §18C-3-1(e) of
113 this code, as well as maintain good academic standing and make satisfactory progress toward

114 degree completion in accordance with the issuing medical school's policy for awarding Title IV
115 financial aid funds.

116 (h) Each medical student loan issued by a medical school shall be made pursuant to the
117 provisions of this section and shall provide to the recipient of the medical student loan a maximum
118 annual amount of \$10,000. The medical school and the person may renew the medical student
119 loan annually for a period not to exceed four years: *Provided*, That the person is eligible for such
120 renewal in accordance with §18C-3-1(g) of this code.

121 (i) Each medical student loan issued by a medical school shall be memorialized in a written
122 medical student loan agreement, which shall require, at a minimum, that the person receiving the
123 loan:

124 (1) Complete the required course of instruction and receive the degree of doctor or
125 medicine (M.D.) or doctor of osteopathy (D.O.);

126 (2) Apply for and obtain a license to practice medicine in West Virginia;

127 (3) Engage in the full-time practice of medicine for a period of 12 months within an
128 approved service commitment area;

129 (4) Commence the full-time practice of medicine within nine months after completion of an
130 approved post-graduate residency training program and licensure in an approved service
131 commitment area and continue full-time practice in the approved service commitment area for a
132 consecutive period of months equal to the total number of months for which the medical student
133 loan was provided;

134 (5) Agree that the service commitment for each agreement entered into under the
135 provisions of this section is in addition to any other service commitment contained in any other
136 agreement the person has entered or may enter into for the purpose of obtaining any other
137 financial aid;

138 (6) Maintain records and make reports to the issuing medical school to document the
139 person's satisfaction of the obligations under the agreement to engage in the full-time practice of

140 medicine in an approved service commitment area and to continue the full-time practice of
141 medicine in the approved service commitment area for a consecutive period of months equal to
142 the total number of months the student received the medical student loan. Persons practicing in
143 a federally designated population-based health professions shortage area shall provide
144 documentation that more than 50 percent of their service is provided to the designated population;
145 and

146 (7) Upon failure to satisfy the requirements of the agreement that the person engage in
147 the full-time practice of medicine within an approved service commitment area for the required
148 period of time under the medical student loan agreement, the person receiving a medical student
149 loan pursuant to the provisions of this section shall repay amounts to his or her issuing medical
150 school in accordance with the provisions of §18C-3-1(k) of this code.

151 (i) Upon the selection of an approved service commitment area for the purpose of
152 satisfying a service obligation under a medical student loan agreement entered into pursuant to
153 the provisions of this section, the person so selecting shall inform the issuing medical school of
154 the service area selected. Such person may serve all or part of the commitment in the approved
155 service commitment area initially selected or in a different approved service commitment area:
156 Provided, That the person notifies his or her issuing medical school of his or her change of
157 approved service commitment areas. Service in any such service commitment area shall be
158 deemed to be continuous for the purpose of satisfying the medical student loan agreement.

159 (k) Upon the person's presentation of the report required by subdivision (i)(6) of this
160 section to the issuing medical school evidencing his or her satisfaction of the terms of the medical
161 student loan agreement provided for herein, the issuing medical school shall cancel \$10,000 of
162 the outstanding loan for every twelve full consecutive months of service as required in the
163 agreement.

164 (l) Upon the failure of any person to satisfy the obligation to engage in the full-time practice
165 of medicine within an approved service commitment area of this state for the required period of

166 time under any medical student loan agreement, such person shall repay to his or her issuing
167 medical school an amount equal to the total of the amount of money received by the person
168 pursuant to the medical student loan agreement plus annual interest at a rate of 9.5 percent from
169 the date the person first received the medical student loan. For any such repayment, the following
170 provisions shall apply:

171 (1) The person shall repay an amount totaling the entire amount to be repaid under all
172 medical student loan agreements for which such obligations are not satisfied, including all
173 amounts of interest at the rate prescribed. The repayment shall be made either in a lump sum or
174 in not more than 12 equal monthly installment payments.

175 (2) All installment payments shall commence six months after the date of the action or
176 circumstance that causes the person's failure to satisfy the obligations of the medical student loan
177 agreement, as determined by the issuing medical school based upon the circumstances of each
178 individual case. In all cases, if an installment payment becomes 91 days overdue, the entire
179 amount outstanding shall become immediately due and payable, including all amounts of interest
180 at the rate prescribed.

181 (3) If a person becomes in default of his or her medical student loan repayment obligations,
182 the medical school shall make all reasonable efforts to collect the debt, in accordance with the
183 provisions of §14-1-1 et seq. of this code.

184 (m) If, during the time a person is satisfying the service requirement of a medical student
185 loan agreement, such person desires to engage in less than the full-time practice of medicine
186 within an approved service commitment area and remain in satisfaction of the service
187 requirement, such person may apply to the medical school that issued the medical student loan
188 for permission to engage in less than the full-time practice of medicine. Upon a finding of
189 exceptional circumstances made by the medical school that issued the medical student loan, the
190 medical school may authorize the person to engage in less than the full-time practice of medicine
191 within an approved service commitment area for the remaining required period of time under the

192 medical student loan agreement and for an additional period of time that shall be equal to the
193 length of time originally required multiplied by two; *Provided*, That in no event shall such person
194 be allowed to practice medicine less than half-time.

195 (n) By July 31 each year, each medical school shall prepare and submit a report on the
196 operations of their respective medical student loan programs to the commission for inclusion in
197 the commission's data publication and reporting required by §18C-1-1(f) of this code. At a
198 minimum, this report shall include the following information:

199 (1) The number of medical student loans awarded during the preceding academic year;

200 (2) The total amount of medical student loans awarded;

201 (3) The total amount of any unexpended moneys remaining in their medical student loan
202 funds at the end of the fiscal year;

203 (4) The rate of default on the repayment of previously awarded loans during the previous
204 fiscal year;

205 (5) The number of doctors practicing medicine in the state in accordance with their service
206 obligations; and

207 (6) The total amount of medical student loans cancelled in accordance with subsection (k)
208 of this section.