

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Originating

House Bill 4021

BY DELEGATES HORST, CLARK, TULLY, TONEY,
LONGANACRE, THOMPSON, DOYLE, BRIDGES, EVANS,
WALKER AND MAZZOCCHI

[Originating in the Committee on Education; Reported
on February 16, 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; establishing repayment obligation for
7 those participants who do not satisfy commitment obligation; creating procedure for
8 person to request working less than full-time; and establishing school reporting
9 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

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

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

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

82 (1) The funds shall consist of all moneys currently on deposit in such accounts or which
83 are due or become due for deposit into such accounts as obligations made under the previous
84 enactment of this section; those funds provided for medical education pursuant to the provisions
85 of §18B-10-4 of this code; appropriations provided by the Legislature; repayment of any loans
86 made under this section; amounts provided by medical associations, hospitals, or other medical
87 provider organizations in this state, or by political subdivisions of the state, under an agreement
88 which requires the recipient to practice his or her health profession in this state or in the political
89 subdivision providing the funds for a predetermined period of time and in such capacity as set
90 forth in the agreement; and any other amounts which may be available from external sources.

91 (2) All expenditures from the medical schools' medical student loan repayment funds shall
92 be for medical student loans issued in accordance with the terms of this section and for the

93 medical schools' expenses incurred in administering their respective medical student loan
94 programs.

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

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

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

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

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

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

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

112 (g) In order to be eligible for renewal of a medical student loan as provided in this section,
113 the person applying therefor shall meet the minimum requirements established in §18C-3-1(e) of
114 this code, as well as maintain good academic standing and make satisfactory progress toward
115 degree completion in accordance with the issuing medical school's policy for awarding Title IV
116 financial aid funds.

117 (h) Each medical student loan issued by a medical school shall be made pursuant to the
118 provisions of this section and shall provide to the recipient of the medical student loan a maximum

119 annual amount of \$10,000. The medical school and the person may renew the medical student
120 loan annually for a period not to exceed four years: *Provided*, That the person is eligible for such
121 renewal in accordance with §18C-3-1(g) of this code.

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

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

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

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

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

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

139 (6) Maintain records and make reports to the issuing medical school to document the
140 person's satisfaction of the obligations under the agreement to engage in the full-time practice of
141 medicine in an approved service commitment area and to continue the full-time practice of
142 medicine in the approved service commitment area for a consecutive period of months equal to
143 the total number of months the student received the medical student loan. Persons practicing in
144 a federally designated population-based health professions shortage area shall provide

145 documentation that more than 50 percent of their service is provided to the designated population;
146 and

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

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

160 (k) Upon the failure of any person to satisfy the obligation to engage in the full-time practice
161 of medicine within an approved service commitment area of this state for the required period of
162 time under any medical student loan agreement, such person shall repay to his or her issuing
163 medical school an amount equal to the total of the amount of money received by the person
164 pursuant to the medical student loan agreement plus annual interest at a rate of 9.5 percent from
165 the date the person first received the medical student loan. For any such repayment, the following
166 provisions shall apply:

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

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

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

180 (l) If, during the time a person is satisfying the service requirement of a medical student
181 loan agreement, such person desires to engage in less than the full-time practice of medicine
182 within an approved service commitment area and remain in satisfaction of the service
183 requirement, such person may apply to the medical school that issued the medical student loan
184 for permission to engage in less than the full-time practice of medicine. Upon a finding of
185 exceptional circumstances made by the medical school that issued the medical student loan, the
186 medical school may authorize the person to engage in less than the full-time practice of medicine
187 within an approved service commitment area for the remaining required period of time under the
188 medical student loan agreement and for an additional period of time that shall be equal to the
189 length of time originally required multiplied by two; *Provided*, That in no event shall such person
190 be allowed to practice medicine less than half-time.

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

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

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

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

199 (4) The rate of default on the repayment of previously awarded loans during the previous
200 fiscal year; and

201 (5) The number of doctors practicing medicine in the state in accordance with their service
202 obligations.

NOTE: The purpose of this bill is revise statutory provisions regarding the Medical Student Loan Program; defining terms; establishing programs at certain schools, authorizing medical schools to make loans; authorizing the use of special revolving funds for program use; establishing eligibility requirements; setting maximum loan amount; requiring an agreement for persons participating; requiring persons participating to select service commitment area; establishing repayment obligation for those participants who do not satisfy commitment obligation; creating procedure for person to request working less than full-time; and establishing school reporting requirements.

Strike-throughs indicate language that would be stricken from the present law and underscoring indicates new language that would be added.