

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 4021

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

[Passed March 11, 2022; in effect ninety days from passage.]

1 AN ACT 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. Medical Student Loan Program; establishment; administration; eligibility; loan
repayment and collection; required report.**

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

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

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

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

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

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

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

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

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

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

40 medical schools' expenses incurred in administering their respective medical student loan
41 programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

99 (j) Upon the selection of an approved service commitment area for the purpose of
100 satisfying a service obligation under a medical student loan agreement entered into pursuant to
101 the provisions of this section, the person so selecting shall inform the issuing medical school of
102 the service area selected. Such person may serve all or part of the commitment in the approved
103 service commitment area initially selected or in a different approved service commitment area:
104 *Provided*, That the person notifies his or her issuing medical school of his or her change of
105 approved service commitment areas. Service in any such service commitment area shall be
106 deemed to be continuous for the purpose of satisfying the medical student loan agreement.

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

112 (l) Upon the failure of any person to satisfy the obligation to engage in the full-time practice
113 of medicine within an approved service commitment area of this state for the required period of
114 time under any medical student loan agreement, such person shall repay to his or her issuing
115 medical school an amount equal to the total of the amount of money received by the person
116 pursuant to the medical student loan agreement plus annual interest at a rate of 9.5 percent from

117 the date the person first received the medical student loan. For any such repayment, the following
118 provisions shall apply:

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

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

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

132 (m) If, during the time a person is satisfying the service requirement of a medical student
133 loan agreement, such person desires to engage in less than the full-time practice of medicine
134 within an approved service commitment area and remain in satisfaction of the service
135 requirement, such person may apply to the medical school that issued the medical student loan
136 for permission to engage in less than the full-time practice of medicine. Upon a finding of
137 exceptional circumstances made by the medical school that issued the medical student loan, the
138 medical school may authorize the person to engage in less than the full-time practice of medicine
139 within an approved service commitment area for the remaining required period of time under the
140 medical student loan agreement and for an additional period of time that shall be equal to the
141 length of time originally required multiplied by two; *Provided*, That in no event shall such person
142 be allowed to practice medicine less than half-time.

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

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

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

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

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

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

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

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman, House Committee

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Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

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Clerk of the House of Delegates

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Clerk of the Senate

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Speaker of the House of Delegates

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President of the Senate

The within this the.....
day of, 2022.

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Governor