

**HOUSE BILL NO. 114**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE SPOHNHOLZ**

**Introduced: 3/27/19**

**Referred: Health and Social Services, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to a workforce enhancement program for health care professionals**  
2 **employed in the state; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 18.29 is amended by adding new sections to read:

5 **Article 2. Health Care Professionals Workforce Enhancement Program.**

6 **Sec. 18.29.100. Legislative intent.** Student loan repayments and direct  
7 incentive payments provided under this chapter are intended to ensure that  
8 communities and individuals have equal access to health care by providing health care  
9 services in underserved or health care professional shortage areas.

10 **Sec. 18.29.105. Health care professionals workforce enhancement**  
11 **program; purpose; advisory council.** (a) The health care professionals workforce  
12 enhancement program is established in the department for the purpose of addressing  
13 the increasing shortage of certain health care professionals in the state by expanding  
14 the distribution of health care professionals.

- 1 (b) The program established under this section must include
- 2 (1) employer payments, as described in AS 18.29.110;
- 3 (2) direct incentives, as described in AS 18.29.120;
- 4 (3) student loan repayments, as described in AS 18.29.125;
- 5 (4) procedures for the commissioner's designation and prioritization of
- 6 sites eligible for participation in the program;
- 7 (5) an application process for participation in the program as
- 8 (A) an eligible site; or
- 9 (B) a tier I, tier II, or tier III health care professional;
- 10 (6) provision of public information and notices relating to the program;
- 11 (7) a 12-year lifetime maximum for participation in the program by a
- 12 tier I, tier II, or tier III health care professional.

13 (c) The commissioner shall appoint an advisory council to advise the

14 department on the program. The advisory council consists of members with health

15 care expertise, including expertise in economic issues affecting the hiring and

16 retention of health care professionals in the state, but may not include an employee of

17 the department. Members of the advisory council serve at the pleasure of the

18 commissioner and without compensation but are entitled to per diem and travel

19 allowances authorized for boards and commissions under AS 39.20.180. The advisory

20 council shall provide oversight and evaluation of the program and make

21 recommendations, including recommendations relating to

- 22 (1) identification and monitoring of underserved and health care
- 23 professional shortage areas;
- 24 (2) eligible sites;
- 25 (3) an employer's ability to pay;
- 26 (4) prioritization of sites and health care professionals eligible for
- 27 participation in the program;
- 28 (5) contract award priorities;
- 29 (6) program capacities;
- 30 (7) strategic plans; and
- 31 (8) program data management.

1 (d) The commissioner shall, in consultation with the advisory council  
2 established under (c) of this section,

3 (1) administer and implement the program;

4 (2) classify each eligible site as having either regular or very hard-to-  
5 fill positions, or both;

6 (3) set the annual maximum program payment amount for each tier I,  
7 tier II, and tier III health care professional employed in a regular or very hard-to-fill  
8 position;

9 (4) establish

10 (A) procedures for allowable leaves of absence;

11 (B) a civil penalty, not to exceed \$1,000 for each violation, to  
12 be imposed for a violation of a provision of this chapter, a regulation made  
13 under authority of this chapter, or a provision of a contract entered into under  
14 this chapter; and

15 (C) a priority for participation in the program based on the  
16 availability of funding.

17 (e) The department shall, on or before July 1 of each year, prepare and submit  
18 to the advisory council a report that describes the participation rates, costs, and effect  
19 on the availability of health care services in underserved or health care professional  
20 shortage areas for the previous calendar year.

21 (f) The department may

22 (1) contract for payments under the program and for the services of a  
23 consultant, expert, financial advisor, or other person the department considers  
24 necessary for the exercise of its powers and functions and to perform its duties under  
25 this chapter;

26 (2) adopt regulations necessary to implement the program.

27 **Sec. 18.29.110. Employer payments.** An employer approved for participation  
28 in the program shall make a nonrefundable quarterly payment to the department for  
29 the benefit of the employer's health care professional employee. The employer  
30 payment may come from any available source, including a philanthropic institution,  
31 health foundation, government agency, community organization, or private individual.

1 The payment amount

2 (1) must be equal to the health care professional's program payment  
3 amount established by the commissioner;

4 (2) may be adjusted based on the employer's ability to pay, as  
5 determined by the commissioner and in consultation with the advisory council; and

6 (3) must include the fee established under AS 44.29.022 for services  
7 provided under this chapter.

8 **Sec. 18.29.115. Initial and renewal payments.** (a) The department may  
9 approve student loan repayment and direct incentive payments for a qualified  
10 applicant for an initial period of three years and may approve a maximum of three  
11 renewal periods of three years each if the applicant

12 (1) submits an application on a form approved by the department for

13 (A) student loan repayments and, for student loan repayment  
14 renewal, demonstrates that the applicant has

15 (i) a continuing student loan obligation on the same  
16 student loan that was subject to repayment under the program during  
17 the initial three-year period; or

18 (ii) incurred additional student loan debt that qualifies  
19 for repayment;

20 (B) direct incentive payments; or

21 (C) payments under both (A) and (B) of this paragraph;

22 (2) is otherwise eligible under the program; and

23 (3) does not exceed the 12-year lifetime maximum for participation in  
24 the program.

25 (b) The department shall combine an eligible health care professional's direct  
26 incentives and pay the total amount to the eligible health care professional in the form  
27 of one quarterly cash payment. The department shall combine an eligible health care  
28 professional's student loan repayments and pay the total amount to the lending  
29 institution or to the eligible health care professional in the form of one quarterly  
30 payment.

31 (c) The combined total amount of an eligible health care professional's direct

1 incentives and student loan repayments may not exceed the annual maximum program  
2 payment amount established by the commissioner.

3 (d) The department shall prorate student loan repayments and direct incentive  
4 payments based on the number of qualified employment hours the health care  
5 professional worked in a calendar quarter. The department may not pay a student loan  
6 repayment or direct incentive before the completion of a calendar quarter in which the  
7 student loan repayment or incentive payment was earned.

8 (e) The department shall deposit employer payments received and civil  
9 penalties collected under this chapter in the general fund.

10 (f) The department shall pay student loan repayments and direct incentives  
11 with funds appropriated by the legislature for that purpose. The department may limit  
12 the number of program participants based on available funding. If insufficient money  
13 is appropriated to fully fund the program in a fiscal year, the department shall prorate  
14 payments based on the number of approved participants in the program.

15 **Sec. 18.29.120. Direct incentives.** The department shall provide a direct  
16 incentive in the form of quarterly cash payments to an eligible tier I, tier II, or tier III  
17 health care professional engaged in qualified employment in an amount established by  
18 the commissioner and that is provided by employers approved under the program.

19 **Sec. 18.29.125. Student loan repayment.** (a) The department shall repay a  
20 portion of eligible student loans held by or made to an eligible tier I, tier II, or tier III  
21 health care professional.

22 (b) A student loan is eligible for repayment if the student loan was issued by a  
23 government or commercial entity for qualified student loan debt of a participant  
24 eligible under AS 18.29.130 and resulted in a certificate, license, or degree required  
25 for employment as a tier I, tier II, or tier III health care professional.

26 (c) A student loan repayment under this section may not exceed 33.3 percent  
27 of the unpaid student loan balance existing in the first year of program participation  
28 multiplied by the percentage of full-time equivalent employment for each year of  
29 qualified employment, not to exceed three years.

30 (d) A student loan or interest on a student loan is not eligible for repayment  
31 under this section if the student loan or interest is

1 (1) to be repaid by another source, including another loan repayment or  
2 forgiveness program or an employer-sponsored loan repayment program;

3 (2) consolidated with a loan that is not eligible for repayment; or

4 (3) refinanced as a loan that is not eligible for repayment.

5 **Sec. 18.29.130. Eligibility.** (a) To be eligible for a direct incentive payment, an  
6 individual must

7 (1) submit an application that is approved by the commissioner;

8 (2) be engaged in qualified employment at an eligible site with a  
9 participating employer or entity;

10 (3) be licensed or exempt from licensure as a tier I, tier II, or tier III  
11 health care professional in the state;

12 (4) meet a participation priority established by the commissioner; and

13 (5) satisfy other criteria established by the commissioner.

14 (b) To be eligible for student loan repayment, an individual must

15 (1) satisfy the requirements of (a) of this section; and

16 (2) have an unpaid balance on one or more eligible student loans  
17 verified by the Alaska Commission on Postsecondary Education.

18 **Sec. 18.29.190. Definitions.** In AS 18.29.100 - 18.29.190,

19 (1) "commissioner" means the commissioner of health and social  
20 services;

21 (2) "department" means the Department of Health and Social Services;

22 (3) "eligible site" means a service area or health care facility that  
23 provides health care services in underserved or health care professional shortage areas  
24 and that satisfies the criteria for eligibility established by the commissioner;

25 (4) "employer payment" means the payment an employer makes to the  
26 department for participation in the program;

27 (5) "program" means the health care professionals workforce  
28 enhancement program;

29 (6) "qualified employment" means employment of a tier I, tier II, or  
30 tier III health care professional at an eligible site at which the health care professional  
31 is hired or contracted and paid to work

1 (A) in a full-time or not less than half-time position;

2 (B) for a term that is not less than three years;

3 (7) "tier I health care professional" means a person who spends not less  
4 than 50 percent of the person's time on direct patient health care services and who is  
5 licensed or exempt from licensure in the state as a dentist, pharmacist, physician, or  
6 other health care professional as determined by the commissioner;

7 (8) "tier II health care professional" means a person who spends not  
8 less than 50 percent of the person's time on direct patient health care services and who  
9 is licensed or exempt from licensure in the state as a dental hygienist, registered nurse,  
10 advanced practice registered nurse, physician assistant, physical therapist, clinical  
11 psychologist, counseling psychologist, professional counselor, board certified  
12 behavior analyst, marital and family therapist, clinical social worker, or other health  
13 care professional as determined by the commissioner;

14 (9) "tier III health care professional" means a person who is employed  
15 at an eligible site who is not otherwise eligible as a tier I or tier II health care  
16 professional.

17 \* **Sec. 2.** AS 18.29.190(7), enacted by sec. 1 of this Act, is amended to read:

18 (7) "tier I health care professional" means a person who spends not less  
19 than 50 percent of the person's time on direct patient health care services and who is  
20 licensed or exempt from licensure in the state as **an advanced practice registered**  
21 **nurse**, [A] dentist, pharmacist, physician, or other health care professional as  
22 determined by the commissioner;

23 \* **Sec. 3.** AS 18.29.190(8), enacted by sec. 1 of this Act, is amended to read:

24 (8) "tier II health care professional" means a person who spends not  
25 less than 50 percent of the person's time on direct patient health care services and who  
26 is licensed or exempt from licensure in the state as a dental hygienist, registered nurse,  
27 [ADVANCED PRACTICE REGISTERED NURSE,] physician assistant, physical  
28 therapist, clinical psychologist, counseling psychologist, professional counselor, board  
29 certified behavior analyst, marital and family therapist, clinical social worker, or other  
30 health care professional as determined by the commissioner;

31 \* **Sec. 4.** If AS 18.29.010, 18.29.015, 18.29.020, 18.29.025, 18.29.030, 18.29.035, and

1 18.29.099 are in effect on July 1, 2019, AS 18.29.010, 18.29.015, 18.29.020, 18.29.025,  
2 18.29.030, 18.29.035, and 18.29.099 are repealed.

3 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5 **APPLICABILITY.** This Act applies to an application or contract relating to a student  
6 loan repayment or direct incentive under AS 18.29 submitted or entered into on or after  
7 July 1, 2019.

8 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
9 read:

10 **TRANSITION.** Notwithstanding AS 18.29.100 - 18.29.190, added by sec. 1 of this  
11 Act, the advisory body for the health care professions loan repayment and incentive program  
12 shall act as a transition council. The transition council exists only until the initial health care  
13 professionals workforce enhancement program advisory council is appointed by the  
14 commissioner.

15 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 **BOARD OF NURSING; NOTIFICATION OF REVISOR OF STATUTES.** The  
18 Board of Nursing shall, before July 1, 2024, notify the revisor of statutes of the adoption of a  
19 regulation that requires completion of a degree of doctor of nursing practice to practice as an  
20 advanced practice registered nurse in the state.

21 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 **RETROACTIVITY.** If sec. 1 of this Act takes effect after July 1, 2019, sec. 1 of this  
24 Act is retroactive to July 1, 2019.

25 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
26 read:

27 **CONDITIONAL EFFECT.** Sections 2 and 3 of this Act take effect only if the Board  
28 of Nursing notifies the revisor of statutes under sec. 7 of this Act, on or before July 1, 2024, of  
29 the adoption of a regulation that requires completion of a degree of doctor of nursing practice  
30 to practice as an advanced practice registered nurse in the state.

31 \* **Sec. 10.** If secs. 2 and 3 of this Act take effect, they take effect 30 days after the Board of



1 Nursing notifies the revisor of statutes under sec. 7 of this Act of the adoption by the Board of  
2 Nursing of a regulation that requires completion of a degree of doctor of nursing practice to  
3 practice as an advanced practice registered nurse in the state.

4 \* **Sec. 11.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

5 \* **Sec. 12.** Except as provided in secs. 10 and 11 of this Act, this Act takes effect July 1,  
6 2019.