

LEGISLATIVE BILL 1007

Approved by the Governor April 18, 2022

Introduced by Murman, 38; Cavanaugh, M., 6; Day, 49; Gragert, 40; Morfeld, 46; Pansing Brooks, 28.

A BILL FOR AN ACT relating to the Rural Health Systems and Professional Incentive Act; to amend section 71-5668, Reissue Revised Statutes of Nebraska; to require the use of federal funds for repaying qualified educational debts as prescribed; to harmonize provisions; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 71-5668, Reissue Revised Statutes of Nebraska, is amended to read:

71-5668 Each loan repayment recipient shall execute an agreement with the department and a local entity. Such agreement shall be exempt from the requirements of sections 73-501 to 73-510 and shall include, at a minimum, the following terms:

(1) The loan repayment recipient agrees to practice his or her profession, and a physician, dentist, nurse practitioner, or physician assistant also agrees to practice an approved specialty, in a designated health profession shortage area for at least three years and to accept medicaid patients in his or her practice;

(2) In consideration of the agreement by the recipient, the State of Nebraska and a local entity within the designated health profession shortage area will provide equal funding for the repayment of the recipient's qualified educational debts except as provided in subdivision (5) of this section, in amounts up to thirty thousand dollars per year per recipient for physicians, dentists, and psychologists and up to fifteen thousand dollars per year per recipient for physician assistants, nurse practitioners, pharmacists, physical therapists, occupational therapists, and mental health practitioners toward qualified educational debts for up to three years. The department shall make payments directly to the recipient;

(3) If the loan repayment recipient discontinues practice in the shortage area prior to completion of the three-year requirement, the recipient shall repay to the state one hundred fifty percent of the total amount of funds provided to the recipient for loan repayment with interest at a rate of eight percent simple interest per year from the date of default. Upon repayment by the recipient to the department, the department shall reimburse the local entity its share of the funds which shall not be more than the local entity's share paid to the loan repayment recipient; ~~and~~

(4) Any practice or payment obligation incurred by the loan repayment recipient under the loan repayment program is canceled in the event of the loan repayment recipient's total and permanent disability or death; ~~and -~~

(5) Beginning on July 1, 2022, any agreements entered into by December 31, 2024, shall first use federal funds from the federal American Rescue Plan Act of 2021 for the purposes of repaying qualified educational debts prior to using any state or local funds. Agreements using federal funds from the federal American Rescue Plan Act of 2021 shall not require equal funding from a local entity. Any federal funds from the act committed to agreements during this time period shall be used by December 31, 2026.

Sec. 2. Original section 71-5668, Reissue Revised Statutes of Nebraska, is repealed.