



State of Tennessee

PUBLIC CHAPTER NO. 414

HOUSE BILL NO. 1281

By Representatives Holsclaw, Kumar

Substituted for: Senate Bill No. 781

By Senators Crowe, Jackson, Akbari

AN ACT to amend Tennessee Code Annotated, Title 49 and Title 63, relative to incentivizing physicians to provide medical health services in underserved areas.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 9, Part 7, is amended by adding the following as a new section:

(a) As used in this section, "health resource shortage area" means an area determined to be a health resource shortage area by the department of health, office of rural health.

(b) Subject to specific appropriation of funds by the general assembly, there is created a family medicine student loan repayment grant program to incentivize physicians in residency training to provide medical health services in health resource shortage areas following completion of their training.

(c) To be eligible for a family medicine student loan repayment grant, a person must:

(1) Have graduated from an accredited medical school;

(2) Be actively enrolled in a Tennessee family medicine residency training program, matched through the existing matching process used for graduate medical education and accredited for certification by the American Board of Family Medicine;

(3) Apply to the department of health for a grant, on forms provided by the department, during family medicine residency training; and

(4) Enter into a contract with the department to provide medical health services in a Tennessee health resource shortage area for at least five (5) years following residency training in family medicine.

(d) The department of health shall administer the family medicine student loan repayment program. The department of health, in consultation with the Tennessee student assistance corporation, the board of medical examiners, and the board of osteopathic examination, is authorized to promulgate rules and regulations for the management and administration of the family medicine student loan repayment program. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(e)

(1) The department shall issue program monies to pay family medicine student loan repayment grants to grant recipients for the amount of principal, interest, and related expenses of the physician's medical school educational loans, not to exceed the physician's total student loan indebtedness.

(2) Subject to the appropriation of sufficient funds and verification that a physician meets the eligibility requirements in subsection (c), the department may award family medicine student loan repayment grants to qualifying

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physicians of up to forty thousand dollars (\$40,000) per year for a maximum of five (5) years; provided, that the sum of all family medicine student loan repayment grants made to a qualifying physician must not exceed the physician's total student loan indebtedness.

(f) The department may use private donations, grants, federal monies, and state monies to implement, support, promote, or maintain the family medicine student loan repayment program. The department shall issue an annual report to the governor, the chair of the education administration committee of the house of representatives, and the chair of the senate education committee detailing the number of physicians applying for and awarded grants, including information regarding the number of applicants and grant recipients identified by health resource shortage area.

(g) A physician who receives a family medicine student loan repayment grant and breaches the contract created pursuant to subdivision (c)(4) by failing to begin or to complete the obligated services is liable for liquidated damages in an amount equivalent to the amount that would be owed for default and any other penalties as determined and authorized by the department. The department may retain legal counsel and commence whatever actions necessary to collect loan payments and charges if there is a default or a breach of a contract entered into under subdivision (c)(4). The department may waive the liquidated damages provisions of this subsection (g) if it determines that death or permanent physical disability accounted for the failure of the participant to fulfill the contract. The department may prescribe additional conditions for default, cancellation, waiver, or suspension.

(h) No retroactive award of a family medicine resident training student loan repayment grant shall be made under this section.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it.

