

HOUSE BILL 7035

By Sexton

AN ACT to amend Tennessee Code Annotated, Title 49,
relative to student loan repayment for mental
healthcare professionals.

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

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

49-7-3101.

(a) The purpose of this part is to attract and retain talented mental healthcare
professionals by providing financial relief to eligible individuals dedicating a significant
portion of their careers to serving the mental healthcare needs of the residents of this
state.

(b) As used in this part:

(1) "Department" means the department of health; and

(2) "Program" means the mental healthcare professionals student loan
repayment program created by this part.

49-7-3102.

Subject to specific appropriation of funds by the general assembly, there is
created a mental healthcare professionals student loan repayment grant program to
incentivize certain mental healthcare professionals to provide mental healthcare services
in this state following completion of their training.

49-7-3103.

To be eligible for a loan repayment grant pursuant to the program, an individual
must:

(1) Be a:

(A) Physician licensed pursuant to title 63, chapter 6 or 9, with expertise in psychiatry as determined by training, education, or experience and whose practice is primarily limited to psychiatry;

(B) Psychologist licensed pursuant to § 63-11-201(a)(3) and (b) and designated as a health services provider pursuant to § 63-11-208(d);
or

(C) Professional counselor designated as a mental health service provider licensed pursuant to title 63, chapter 22;

(2) Have an outstanding student loan balance that resulted from medical education;

(3) Apply to the department for a grant, on forms provided by the department; and

(4) Enter into a contract with the department stating the individual shall:

(A) Provide mental health services in this state for at least five (5) years within the seven (7) years following the date of application approval; and

(B) Use the grant funds only to repay eligible educational loans.

49-7-3104.

(a) An individual may apply for a grant while in training to become a licensed psychiatrist, psychologist, or professional counselor, but must not receive a grant until the individual completes all necessary training to be a licensed provider and satisfies the requirements of § 49-7-3103.

(b) To be eligible to apply while in training, an individual must be a student who:

(1) Has graduated from an accredited medical school and is actively enrolled in a psychiatry residency training program;

(2) Is training to become a psychologist and is engaged in a one-year postdoctoral experience required by § 63-11-208(d)(2)(A); or

(3) Is actively completing the two (2) years of postgraduate supervised experience required to become a licensed professional counselor designated as a mental health service provider pursuant to title 63, chapter 22.

49-7-3105.

(a) The department shall administer the program and establish an application and contract process.

(b) The department shall issue program monies to pay mental healthcare professionals student loan repayment grants to qualifying individuals for the amount of principal, interest, and related expenses of the individual's medical school educational loans, not to exceed the individual's total student loan indebtedness.

(c) Subject to the appropriation of sufficient funds and verification that an individual meets the eligibility requirements in § 49-7-3103, the department may award grants to qualifying individuals. However, the sum of all grants made to a qualifying individual must not exceed the individual's total student loan indebtedness.

(d) The department shall not make a retroactive award of a student loan repayment grant.

(e) An individual who receives a student loan repayment grant and breaches the contract created pursuant to § 49-7-3103(4) by failing to comply with any of the requirements in § 49-7-3103(4) 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 grant payments and charges if there is a default or a breach of a contract entered into under § 49-7-3103(4). The department may waive the liquidated damages provisions of this subsection (e) 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.

49-7-3106.

(a) The department, in consultation with the Tennessee student assistance corporation, the board of medical examiners, the board of osteopathic examination, the board of professional counselors, and the board of examiners in psychology, is authorized to promulgate rules to effectuate this part. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) The department shall provide an annual report to the governor, the chair of the education administration committee of the house of representatives, and the chair of the education committee of the senate, outlining the number of individuals applying for and awarded grants, and any recommendations for program improvements, no later than January 1 of each year..

SECTION 2. For the purpose of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect January 1, 2024, the public welfare requiring it.