

Washington Student Achievement Council
Health Professional Loan Repayment Program
919 Lakeridge Way ♦ PO Box 43430 ♦ Olympia, Washington 98504-3430

2013-14 HEALTH LOAN REPAYMENT PROGRAM APPLICATION PROCESS

The Health Professional Loan Repayment Program was created by the Washington state Legislature and the governor to encourage licensed primary care health professionals to serve in shortage areas of Washington state.

Since 2010, state funding has been reduced and only those applicants who meet the eligibility requirements listed below and are employed at an eligible site may apply starting in January 2013.

Awards are made on a competitive basis and limited to available funds.

- Financial support is provided in the form of loan repayment for a minimum two-year service obligation. Award amounts are based on applicant's educational loan debt with a maximum award of \$35,000 per year, not to exceed \$70,000 for the minimum two-year service obligation. There may be an opportunity to extend beyond the two-year service obligation.

Professions included are:
Primary Care Providers (MD/DO/Psychiatrists)
Mid-Levels (Physician Assistant or Nurse Practitioner)
Dentists
Registered Dental Hygienists
Midwives (Certified-Nurse)
Registered Nurses
Pharmacists

Applicants must be employed or have a contract to begin employment no later than July 1, 2013 with an eligible site **PRIOR** to submitting an application.

**Application must be submitted online
no later than April 30, 2013**

All attachments must be postmarked by April 30, 2013. Faxes will not be accepted.

Application is located at:

www.wsac.wa.gov/health

For questions regarding the application process please contact us at:

Email: Health@wsac.wa.gov or (360) 596 - 4817

2013-14 Health Professional Loan Repayment Program

Guidelines & Terms of Agreement

It is your responsibility to read and understand these Guidelines and Terms of Agreement.

If you have questions please contact our office:

Web site: www.wsac.wa.gov/health Email: Health@wsac.wa.gov Phone: (360) 596 - 4817

Funds paid by the program to participants are for the sole purpose of repaying outstanding educational loan debt. These loans must have been secured while attending a program which led to licensure as a health professional.

ELIGIBILITY (Information is for Federal/State Match Funds only)

- Site must be approved and listed on the 2013-14 Loan Repayment Eligible Site List.
- Applicants must meet the eligibility requirements, be working or begin working no later than July 1, 2013 at an approved site.
- Applicant must be providing primary care: Primary care is continuous and comprehensive services, addressing the largest majority of personal health care needs. If you serve only targeted populations, it is not considered in our definition of primary care.
- Submit the 2013-14 Health Professional Loan Repayment Application online and mail the required attachments postmarked no later than April 30, 2013.
- All attachments should be mailed in one envelope. If your letters of recommendation are in separate envelopes, please remove them from the envelope before mailing your packet.

Site Eligibility: To be eligible, the site must:

- Be listed on the current eligible site list that is posted on our web site: www.wsac.wa.gov/health.
- Charge for professional services at the prevailing rate.
- Accept Medicaid patients using A or B of Title XVIII of the Federal Social Security Act or a state plan for medical assistance approved under Title XIX of the Act.
- Accept an assignment from Medicare under the terms specified in Title XVIII of the federal Social Security Act, section 18.42 (b)(3)(B)(ii).
- Accept patients entitled to medical assistance under the state Medicaid agency.
- Provide a minimum of 40 hours of employment per week year round (*see definition of full time below under Awards and Payment section*).

Each site may receive only one award per profession - per recruitment and/or retention - per year. If two providers apply from the same profession and both are recruitment or retention, the provider with the higher score will be eligible to compete for an award; the other applicant will no longer be eligible. If one of the providers is recruitment and one is retention – they are both eligible to compete for an award.

Applicant Eligibility: To be eligible, applicant must:

- Be a United States citizen. (Permanent resident status does not qualify.)
- Have a current and valid license to practice in Washington state.
- Be employed or have a contract to begin employment (scheduled work time) at an eligible site no later than July 1, 2013.
- Have current eligible educational debt required for licensure in the profession.
- Must be providing primary care. Urgent Care Clinics, Emergency Department, Specialty Clinics, School Based Clinics and Placement Agencies are not considered primary care and are not eligible.
- Not be receiving funds from employer for repayment of educational debt.

Applicant Eligibility (*continued*): To be eligible, applicant must:

- Not have a Perkins Loan being forgiven by service (this is a service obligation).
- Not have received funds through the Health Professional Scholarship program.
- Not be in default on any education loans or other service obligations.
- Not owe a service obligation to the military, federal government, state, or other entity unless that obligation will be completely satisfied prior to the beginning of service under this program.
- Not have a judgment lien against their property for a debt to the United States. Debtors with judgment liens for Federal debts are ineligible.
- Not ever have defaulted on any Federal payment obligations (HEAL, Nursing Student Loans, Federal income tax liabilities, FHA loans, etc.)
- Not ever have breached a prior service obligation to the Federal/State/local government or other entity, even if you have subsequently satisfied the obligation.
- Not ever have had any Federal debt written off as uncollectible or had any Federal service or payment obligation waived.

Eligible Loans:

Includes:

- Educational loans leading to licensure in your current profession. If the applicant has consolidated loans, the applicant must provide a copy of the original loan documentation *if* requested.

Does Not Include:

- Loans that have no current balance.
- Loans that have been consolidated under non-educational lenders (*example: home mortgage*).
- Stafford Parent Plus Loans.
- Loans that have a cosigner.
- Loans that have been consolidated with another person's loans (*example: spouse*).
- Loans obtained under someone else's name, such as a relative, spouse or friend.
- Loans that are currently being repaid by the employer - unless those payments cease upon your acceptance of our award.
- Perkins Loans that are being forgiven by service.
- Loans for other educational expenses that were not required to obtain licensure in the profession.

Verification of payment on loan debt will be required periodically throughout the service obligation. If awarded, loans may not be re-negotiated with lenders to accelerate repayment.

SELECTION

Applicants will be selected for participation in the Health Professional Loan Repayment Program based on a score that is a combination of site score and provider score.

AWARD AND PAYMENTS

- The maximum award amount is \$70,000, not to exceed applicant's loan debt (whichever is less).
- Participant must serve full-time (minimum of 40 hours per week) for a minimum of two years.
Definition of "full time" employment: *For all health professionals, except as noted below: At least 32 hours of the minimum 40 hours per week are/will be spent providing direct outpatient care during normally scheduled clinic hours in the ambulatory care office(s) specified above. The remaining 8 hours per week is/will be spent providing clinical services to patients in the above offices, performing clinical support activities in alternate locations as directed by the above site(s), or performing practice-related administrative activities. For OB/GYNs, FPs practicing OB on a regular basis, providers of geriatric services, certified nurse midwives, and pediatric dentists health providers: At least 21 of the minimum 40 hours per week are/will be spent providing direct outpatient care during normally scheduled clinic hours in the ambulatory care office(s) specified above. The remaining 19 hours per week is/will be spent providing clinical services to patients in the above offices, performing clinical support activities in alternate locations as directed by the above site(s), or performing practice-related administrative activities (with practice-related administrative activities not to exceed 8 hours per week).*

No more than 7 weeks (35 work days) per service year can be used for vacation, holiday, continuing education, illness or any other reason.

AWARD AND PAYMENTS (*Continued*)

- Awards are based on the loan debt balance at the time of award. The funds are intended to reduce the debt by the award amount. It is not intended to pay the balance in full as interest continues to accrue.
- Awards will be divided into quarterly payments over the obligation period.
- Credit is earned during the quarter and payments are made after the completion of each quarter and upon receipt, review and approval of the Service Verification Form.
- Participants agree to submit loan records and information from lenders as requested to verify eligibility and to determine payments.
- All program funds must be applied to the approved lender(s) listed on Award Notification.
- The loan repayment contract will begin July 1st as indicated on your Award Notification. During the first three months of the contract, the participant is responsible for continuing all lender payments. Program funds may not be used as reimbursement for those payments.
- For program audit requirements, payment history tracking begins the month the first check is issued - **not** the first day of the contract period.
- Payments will be suspended during medical leave (*example: FMLA*) and the service obligation will be prorated accordingly.

Extensions

Participants may request an extension; however extension requests will be determined on a case by case basis based on available federal, state and community matching funds.

REPAYMENT

Participants who breach their obligation will owe the State an amount equal to the sum of the following:

- The total of the amounts paid to, or on behalf of, the participant for loan repayments for any period of obligated service not served;
- An amount equal to the number of months of obligated service not completed multiplied by \$7,500; and
- Interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach, except that the amount the State is entitled to recover shall not be less than \$31,000.

INTEREST RATES, PENALTIES, FEES AND COST EXAMPLES

The interest, fees and examples shown below are in the case of the Borrower going into Repayment. Interest will begin accruing on the principal balance when the Borrower goes into Repayment status. The beginning interest rate you will pay will be determined when your account goes into Repayment status.

Interest Rate during the life of the Repayment

The interest rate is variable. This means the interest rate can move lower or higher than your beginning interest rate. Rates parallel the current rate for new loans in the primary federal student loan program for undergraduate students. The interest rate is updated each year on July 1st.

REPAYMENT FEES

Repayment Financial Penalty: The balance of award funds not disbursed, **plus** the number of unserved months times \$7,500 (minimum repayment amount of \$31,000). Interest will be charged at the highest maximum prevailing government interest rate.

Late Fee: A late charge of 5% of the payment due may be charged on any payment received later than 20 days after the due date.

Returned Check Charge: Up to \$50 (*does not include any fees charged by banks or other institutions*)

Collection and Legal Fees: Any necessary expenses for collection of any amount not paid when due (to the extent permitted by law) including attorney's fees, whether or not legal proceedings have begun.

REPAYMENT COST EXAMPLES

	Award Balance (total amount awarded to you minus the amount of the award you were paid to date)	Financial Penalty (Months of service not fulfilled multiplied by \$7,500)	Repayment Amount (before interest is assessed) <i>*Minimum of \$31,000</i>	Interest Rate (highest possible starting rate)	Loan Term (how long it takes you to pay off the loan)	Assumes a Monthly Payment of:	Total Paid (includes penalty and interest)
Example 1	\$50,000 - \$43,750 = \$6,250 Award Balance	3 months x \$7,500 = \$22,500	\$6,250 + \$22,500 = *\$28,750 <i>Repayment Amount: \$31,000</i>	8.25%	3 years	\$1,000	\$35,983.15
Example 2	\$50,000 - \$43,750 = \$6,250 Award Balance	3 months x \$7,500 = \$22,500	\$6,250 + \$22,500 = *\$28,750 <i>Repayment Amount: \$31,000</i>	8.25%	5 years	\$642	\$38,443.97
Example 3	\$50,000 - \$43,750 = \$6,250 Award Balance	3 months x \$7,500 = \$22,500	\$6,250 + \$22,500 = *\$28,750 <i>Repayment Amount: \$31,000</i>	8.25%	10 years	\$383	\$45,828.79
Example 4	\$70,000 - \$35,000 = \$35,000 Award Balance	12 months x \$7,500 = \$90,000	\$35,000 + \$90,000 = *\$125,000 <i>Repayment Amount: \$125,000</i>	8.25%	3 years	\$4,030	\$145,101.14
Example 5	\$70,000 - \$35,000 = \$35,000 Award Balance	12 months x \$7,500 = \$90,000	\$35,000 + \$90,000 = *\$125,000 <i>Repayment Amount: \$125,000</i>	8.25%	5 years	\$2,585	\$155,062.14
Example 6	\$70,000 - \$35,000 = \$35,000 Award Balance	12 months x \$7,500 = \$90,000	\$35,000 + \$90,000 = *\$125,000 <i>Repayment Amount: \$125,000</i>	8.25%	10 years	\$1,542	\$184,942.27

About this example The total amount you will pay for this loan will vary depending on how long you take to repay it and how much service credit was performed before going into repayment. This example provides six estimates, based on a 2 year service obligation and assuming a minimum payment is made each month for the total number of years shown. Examples use the highest interest rate possible for your loan. Service obligations and service credit rates may vary for each individual. The total paid can be different if other fees/legal costs are assessed. **Interest rates and amounts borrowed are for example purposes only and do not reflect your actual repayment.**

The only permissible basis for canceling a contract is the death of the participant.

The program shall not be held responsible for any outstanding payments on principal and interest to any lender. Funds are considered educational and cannot be discharged in a bankruptcy.

Loan debt continues to accrue interest during the service obligation period. Participants are responsible for any balance remaining at the end of the obligation period. Program funds are intended to reduce the debt by the award amount and may not pay the balance in full.

If you pay your loans off before the end of the service obligation, your payments will cease but your service obligation is not waived.

Before you begin the application you will need to have the following information available:

- Employer name, address, and employer contact person's name, phone number and email address.
- Lender names and current balances.
- Name, dates and degree from college/universities you have attended.
- If applicable, dates and place of residency, internship, or preceptorship.
- Licensure information, date of license and license number (includes licenses from other states).
- If applicable, Medicaid Core Provider Number.
- Employment start date (month, day, and year).
- Break-out of the number of patients you see (Medicare/Medicaid, uninsured, sliding fee, charity)
- List of rural counties (both Washington and other states) you have lived in, the dates, zip code and length of time you lived there.
- If applicable, Medicare Core Provider Number.

REQUIRED ATTACHMENTS

- Signed and dated *Agreement.
- **Current** loan statement(s) with outstanding educational debt amount.
 - *Be sure to include all eligible debt. Once the application is submitted you will not be able to add lenders to your list.*
 - Debt must be related to obtaining licensure for this profession.
 - Do not include debt for other degrees or programs.
 - Do not submit promissory notes, school statements, etc.
 - You must submit statements from the lender showing lender name, your name, account balance and date.
- Three letters of recommendation from training supervisors/professional colleagues supporting your experience and commitment to serving rural and underserved urban populations. We will not accept faxed letters or letters sent directly to our office. Please remove any letters from envelopes before submitting them in your packet.
- Completed *Site Administrator Confirmation Form.
- Copy of employer/employee contract and/or agreement.
*If a contract or agreement does not exist, **submit** a signed/dated letter from your Human Resource Director on letterhead stating the following:*
 - that an employer/employee contract/agreement does not exist,
 - the date you were employed,
 - the site(s) you currently work at,
 - your position title,
 - the number of hours you work each week,
 - that you provide primary care and not specialty care,
 - that employer is not providing additional funds to pay toward your educational debt.
- Current job description.

*Forms can be accessed after you click the “submit” application button.