

Health Professional Loan Repayment Program STATE LOAN REPAYMENT (HPLRP) 3-5 YEAR CONTRACT

Award Period (if full-time*): July 1, 2018 – June 30, 2021

**The award period may extend up to five years for participants working less than full time*

Participant Information			
1. Legal Last Name	First Name	MI	2. Social Security Number
3. Permanent Address	4. Home/Cell Phone Number ()		5. Date of Birth (mo/day/year)
City	State	Zip Code	6. E-Mail address
7. Contacts: Provide two contacts with addresses <u>different from your own and different from each other</u> that will always know your current address. The first contact should be a relative.			
Name:	A.	B.	
Permanent Address			
City, State, Zip Code			
Area Code/Telephone			
Email			
Relationship to Participant			
Site Information			
8. Approved Loan Repayment Site:			
9. Site Address, including 9-digit zip code:			

This is a Contract for the purpose of providing for loan repayments to authorized Participants in the Health Professional Loan Repayment Program (HPLRP) administered by the Washington Student Achievement Council (WSAC). The terms, conditions, and requirements of the Contract are contained herein.

I. GENERAL TERMS

Definitions, roles, requirements, and responsibilities of the Participant and the site are detailed in the HPLRP Program Reference Guide (Reference Guide) that was provided electronically to the Participant and the authorized site personnel by the Washington Student Achievement Council (WSAC) at the time of application and is posted on the WSAC website. Both the Participant and the authorized site personnel declare they have read and understand the Reference Guide prior to submitting their applications. In addition, the site is required to sign a Memorandum of Agreement with WSAC prior to disbursement of funds to the Participant.

II. SPECIFIC TERMS

1. LOAN REPAYMENT AMOUNT. The amount of the award is \$**<amount>**. The award amount is tentative and subject to change depending upon the availability of funds appropriated by the Washington State Legislature for the Health Professional Loan Repayment Program. The award amount is based on the Participant's eligible loan balance at time of application up to a maximum of \$75,000 for a full-time three-year service obligation (or less than full-time equivalent, as described in Section 3 below). Actual payment received may vary (as described in Section 5) and may not pay the loan debt balance in full.

2. OBLIGATIONS OF THE PARTICIPANT. The Participant must fulfill the following obligations:

- A. Apply payments from WSAC to outstanding educational loans secured while attending a program of health professional training that led to current licensure as a health professional. Qualifying loans are government and private commercial loans obtained for actual costs paid for tuition and reasonable educational and living expenses related to the education of the Participant. The application lists the approved eligible loan(s).
- B. Serve for not less than the full-time equivalent of three years at the eligible loan repayment site(s) under the submitted application, or as modified with pre-approval from WSAC. See Section 3 for Minimum Service Obligation requirements. In the event that continued WSAC funding is not available, the service obligation will be reduced proportionately.
- C. Not have an outstanding contractual obligation for health professional service to the federal government (e.g., an active military obligation, NHSC LRP, NHSC Scholarship Program, NELRP or Nursing Scholarship Program obligation) or to a state or other entity, unless that service obligation will be completely satisfied before the start date of this Contract. *Note that certain provisions in employment contracts can create a service obligation (e.g., an employer offers a recruitment or moving bonus agreement in return for provider to work at that facility for a certain period of time or requires a pay back of the bonus – this is an obligation). If the Participant signs this Contract and has a payback clause in an employment contract that is not fulfilled, the Participant will be in default of this Contract.*
- D. Not have a history of failing to comply with, or inability to comply with, service or payment obligations.
- E. Comply with the Site Change Policy (see Section 4 below).
- F. Charge for professional services at the usual and customary rate prevailing in the area of provided services, with the exception of clinics that do not charge for services.
- G. Not discriminate against any person on the basis of ability to pay for services or because payment for the health services provided to the individual will be made under Part A or B of Title XVIII of the federal Social Security Act or under a state plan for medical assistance approved under Title XIX of such Act.

RCW 28B.115.100 Discrimination by participants prohibited – Violation.

In providing health care services the participant shall not discriminate against a person on the basis of the person's ability to pay for such services or because payment for the health care services provided to such persons will be made under the insurance program established under part A or B of Title XVIII of the federal social security act or under a state plan for medical assistance including Title XIX of the federal social security act or under the state medical assistance program authorized by chapter [74.09](#) RCW and agrees to accept assignment under section 18.42(b)(3)(B)(ii) of the federal social security act for all services for which payment may be made under part B of Title XVIII of the federal social security act and enters into an appropriate agreement with the department of social and health services for medical assistance under Title XIX of the federal social security act to provide services to individuals entitled to

medical assistance under the plan and enters into appropriate agreements with the department of social and health services for medical care services under chapter 74.09 RCW. Participants found by the WSAC or the department in violation of this section shall be declared ineligible for receiving assistance under the program authorized by this chapter.

- H. Accept reimbursement under Medicare, Medicaid, and the Children's Health Insurance Program, as appropriate for Participant's designated discipline, with the exception of clinics that do not charge for services.
- I. Repay to WSAC the amount detailed in Section 8, if Participant does not meet the terms of this Contract.
- J. Submit appropriate documentation of service as required by WSAC verifying Participant met the terms of this Contract for each quarterly payment period.
- K. Execute a release of information to allow WSAC access to lender information needed to determine award amounts and to verify that Participant applied loan repayment amounts to the approved loan(s).
- L. Not hold WSAC responsible for any outstanding payments on principal and/or interest to any of Participant's lender(s); and
- M. Notify WSAC immediately if the Site the Participant works at does not have or removes the Non-Discrimination Notice that is prominently displayed as a statement/poster in a common area (and on the site's website, if applicable) that explicitly states that no one will be denied access to services due to inability to pay or method of payment. In addition, the signage should clearly communicate that the site accepts Medicare, Medicaid, and CHIP. The statement is required to be translated into the appropriate language(s) and/or dialect(s) for the service area (except in state institutions, Department of Corrections facilities, and tribal clinics).

3. MINIMUM SERVICE OBLIGATION.

- A. This award requires full-time employment as a primary care health professional at an approved facility **for a minimum of three years**, or less than full-time employment for a prorated equivalent term of **up to five years**, unless otherwise extended due to an approved suspension.
 - i. Full-time employment is defined as a minimum of 40 hours per week for a minimum of 44 weeks per year.
 - ii. Less than full-time employment is permitted as long as the Participant works a minimum of 24 hours per week for a minimum of 44 weeks per year.
 - iii. The participant is allowed to spend no more than 8 weeks (approximately 40 eight-hour workdays) per service year away from his/her approved site(s) for vacation, holiday, continuing education, illness, or any other reason.
 - iv. Time spent "on call" does not count toward the minimum hour requirements, with the exception of those hours where direct patient care is provided as substantiated by the employer.
 - v. Participant's entire minimum service obligation must be fulfilled, even if all eligible loan balances have been paid in full.
- B. For all health professionals, except as noted in Section 3 (C), the **full-time** clinical practice requirements are defined as follows:
 - i. At least 32 hours of the minimum 40 hours per week must be spent providing patient care during normally scheduled clinic hours at the approved site(s).
 - ii. The remaining 8 hours per week may be spent providing patient care at the approved site(s), providing patient care in alternative locations as directed by the approved site(s), or performing clinical-related administrative activities.
- C. For women's health, family medicine physicians practicing obstetrics on a regular basis, providers of geriatric services, certified nurse midwives, licensed midwives, and pediatric dental health providers, the **full-time** clinical practice requirements are defined as follows:
 - i. At least 21 of the minimum 40 hours per week must be spent providing patient care during normally scheduled clinic hours at the approved site(s).

- ii. The remaining 19 hours per week may be spent providing patient care at the approved site(s), providing patient care in alternative locations as directed by the approved site(s), or performing clinical-related administrative activities (with clinical-related administrative activities not to exceed 8 hours per week).
- D. For all health professionals, except as noted in Section 3 (E), the **less than full-time** clinical practice requirements are defined as follows:
 - i. At least 20 of the minimum 24 hours per week must be spent providing patient care during normally scheduled clinic hours at the approved site(s).
 - ii. The remaining 4 hours per week may be spent providing patient care at the approved site(s), providing patient care in alternative locations as directed by the approved site(s), or performing clinical-related administrative activities.
- E. For women's health, family medicine physicians practicing obstetrics on a regular basis, providers of geriatric services, certified nurse midwives, licensed midwives, and pediatric dental health providers, the **less than full-time** clinical practice requirements are defined as follows:
 - i. At least 13 of the minimum 24 hours per week must be spent providing patient care during normally scheduled clinic hours at the approved site(s).
 - ii. The remaining 11 hours per week may be spent providing patient care at the approved site(s), providing patient care in alternative locations as directed by the approved site(s), or performing clinical-related administrative activities (with clinical-related administrative activities not to exceed 4 hours per week).

4. SITE CHANGE POLICY.

- A. The Participant is expected to complete his or her entire service obligation at the eligible loan repayment site(s) under the submitted application.
- B. There may be circumstances when a Participant and health shortage area would benefit from a site change. In such circumstances, the Participant is required to request a change to his or her current site through a **pre-approval** process prior to making the change. **Failure to obtain approval from WSAC prior to leaving your approved site may result in default on your loan repayment contract.**
- C. The Participant must seek preapproval from WSAC for any change or addition in eligible sites, regardless of whether the sites are within the same health care organization (i.e., an organization or health care system with multiple delivery sites or satellites).
- D. The Participant will not receive service credit during any gap in service between the last day providing patient care at the prior approved service site and the start of service at the transfer site, nor for any time spent working at a new site prior to receiving approval.
- E. Approval of changes to the Participant's eligible loan repayment site(s) by WSAC does not alter any local employment contract requirements in any manner.

5. DISBURSEMENT. Award disbursements are processed quarterly. Disbursements are made after WSAC has received and approved the Quarterly Service Verification Form, submitted by the Participant **after** completing the quarter of service.

- A. The Participant is responsible for completing and submitting a Quarterly Service Verification Form to WSAC at the end of each quarter, following the instructions included with the form. The Participant should download a copy of the Quarterly Service Verification Form from the WSAC website (<http://www.wsac.wa.gov/health-professionals>) at the end of each quarter. End of quarter dates are March 31, June 30, September 30, and December 31.
- B. WSAC staff issue the quarterly payment after reviewing and verifying the Quarterly Service Verification Form completed and submitted by the Participant. The amount of the quarterly payment may vary depending on the total award amount, the number of hours submitted on the Quarterly Service Verification Form, and the amount of remaining eligible loan balance.
- C. Payments will be made quarterly to the Participant until one of the following has occurred:

- i. Participant has no remaining eligible loan balance.
- ii. The minimum service obligation is complete.
- iii. Program funding is no longer available.
- iv. Participant becomes ineligible due to discontinued service at the approved eligible site.
- v. Participant becomes permanently disabled or is deceased.
- vi. Participant is in repayment default.
- vii. Participant has violated the non-discrimination provisions described in Section 2 (G) of this Contract and is declared ineligible to receive loan repayments.

6. APPLICATION OF FUNDS TO EDUCATIONAL LOANS.

- A. Loan repayment will be limited to educational loans that cover reasonable education and education related expenses for the health professional license as approved by WSAC. Loan repayments may include principal and interest.
- B. The Participant is responsible for making personal lender payments. WSAC does not assume responsibility for the Participant's debt. WSAC is not responsible for late charges for delayed payments to the Participant.
- C. The Participant is required to apply **all** program funds dollar-for-dollar directly to his/her approved loan debt(s)/lender(s) by no later than the end of the quarter in which the funds are received.
- D. Upon request, the Participant is required to send WSAC payment history from the approved lender(s) to verify that all loan repayment funds have been fully applied against the approved loan debt(s).
- E. Payment history is counted **after** the date of the first payment issued by the program. The funds are not retroactive and **cannot** be used to reimburse the Participant or any other entity for payments made prior to issue of the first program payment.
- F. The Participant is to notify WSAC when any approved loan is transferred to a new lender or loan servicer.

7. BREACH OF CONTRACT. The Participant is in breach of this Contract if the Participant fails to do any of the following:

- A. Complete their service obligation.
- B. Meet service requirements.
- C. Accept Medicare/Medicaid/SCHIP assignment.
- D. Apply HPLRP funds to repayment of approved educational loan balances and provide documentation.
- E. Fulfill the terms and conditions of this Contract, including repayment default.

8. REPAYMENT DEFAULT. The Participant is in repayment default when this Contract is breached.

- A. Participants who breach the terms and conditions of this Contract are in default and shall pay to the order of WSAC an amount equal to **twice** the total amount paid to the Participant, plus interest, in addition to costs associated with collection of the debt.
- B. The amount which WSAC is entitled to recover due to a breach of this Contract is due and payable immediately. WSAC may establish a repayment term up to a maximum of ten years.
- C. If the Participant fails to make at least monthly payments sufficient to retire the debt within the repayment term established by WSAC, WSAC may refer the debt to a collection agency and to appropriate credit reporting agencies.
- D. Payments and prepayments will be applied in the following order: late charges and collection charges first, outstanding interest second, penalties third, and outstanding principal last
- E. No payments are required of a Participant during periods of approved deferment. All deferments must be approved by WSAC and must comply with WSAC deferment policies.

9. INTEREST RATES, PENALTIES, FEES, AND COST EXAMPLES. The interest, fees, and examples shown in the table below are in the case of the Participant breaching (defaulting on) this contract. Interest on the repayment amount will accrue from the date of breach.

INTEREST

Participant’s interest rate during the life of the repayment is variable.

Starting Interest Rate

Participant’s starting interest rate will be determined when the account goes into Repayment status.

Interest Rate During the Life of the Repayment

The interest rate is variable. This means the interest rate can be adjusted lower or higher than your starting interest rate. The interest rate will parallel the rate set for primary federal student loans for undergraduate students. WSAC will update the interest rate each year on July 1.

DEFAULT REPAYMENT FEES:

- **Repayment Financial Penalty:** Participant is required to repay double the amount of funds disbursed if the account goes into default repayment. Example: If Participant received \$25,000, the Participant would be required to repay \$50,000.
- **Late Fee:** A late fee of 5% of the payment due may be charged on any payment received later than 20 days after the due date.
- **Insufficient Funds:** Up to \$50 (*does not include any fees charged by banks or other institutions*). This applies to credit card, electronic fund transfers, ACH, checks, and any other type of payments made on the account that fail to clear due to insufficient funds.
- **Collection and Legal Fees:** Any necessary expenses for collection of any amount not paid when due (to the extent permitted by law) including attorney fees, whether or not legal proceedings have begun.

DEFAULT REPAYMENT COST EXAMPLES

	Amount Received	Amount Owed (Double the amount received)	Interest Rate	Loan Term (How long it takes you to pay off the loan)	Monthly Payment	Total Paid (Includes penalty and interest)
Example 1	\$25,000	\$50,000	4.45%	1 year	\$4,267.79	\$51,213.39
Example 2	\$50,000	\$100,000	4.45%	1 year	\$8,535.57	\$102,426.79
Example 3	\$65,000	\$130,000	4.45%	1 year	\$11,096.24	\$133,154.80
Example 4	\$65,000	\$130,000	4.45%	3 years	\$3,864.20	\$139,111.06

10. CANCELLATION/ SUSPENSION/WAIVER.

- A. In the event of the Participant’s total and permanent disability or death, the terms of this Contract will be canceled once WSAC receives and approves the required documentation.
- B. In cases where enforcement of the Participant’s obligation is impossible or an extreme hardship and unconscionable, request from the Participant will be reviewed for compliance with WSAC Waiver policy. WSAC may also suspend (rather than permanently waive) a Participant’s obligation for up to one year if his/her compliance with the obligation is temporarily impossible or an extreme hardship. No loan repayment awards will be disbursed by WSAC during periods of approved suspension.
- C. Individuals in a Reserve component of the Armed Forces including the National Guard, are eligible to participate in the program. Military training or other duty performed by reservists will not satisfy the HPLRP service commitment.
 - i. If the military training and/or other duty exceeds the 8 weeks (40 days) of leave allowed per service year, the participant should request a suspension of their service obligation.
 - ii. The service obligation end date will be extended to compensate for the break in HPLRP service.
 - iii. If a Participant is unable to be reemployed at the approved site upon return from a period of training or other duty under a lawful exception to the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Participant may seek employment at another approved site.

11. TERMINATION OF CONTRACT.

- A. A Participant may request a termination of his/her Contract by submitting a written request for termination and repaying all funds disbursed under this Contract no later than 45 days prior to the end of the fiscal year in which this Contract was entered.
- B. If the Participant terminates the Contract after receiving HPRLP funds in any amount, the Participant is ineligible to reapply for HPLRP in future years. If no funds have been disbursed at the time of termination, the Participant is considered an early withdrawal and remains eligible to reapply for HPLRP. However, in either case (with or without having received funds), terminating this Contract may negatively impact the Participant’s eligibility for other loan repayment programs.
- C. A WSAC review committee will determine approval for termination on a case by case basis.

12. NOTIFICATIONS. The Participant agrees to notify WSAC, in writing within seven business days, of any changes in legal name, contact information, licensing status, or employment status.

13. WSAC’S LIABILITY. WSAC is not liable for any financial loss or other damages to the Participant caused by:

- A. Lack of funds appropriated by the Washington State Legislature to meet the loan repayment commitment;
- B. Late disbursement of loan repayment proceeds; or
- C. Cancellation of loan repayments due to Participant's failure to meet program eligibility criteria.

14. APPEAL PROCESS. Participants in the Health Professional Loan Repayment Program may request in writing a review of any adverse decision affecting them by requesting such review within twenty days of adverse decision, addressed to the executive director of WSAC. The review shall be handled by brief adjudication hearing procedures as outlined in the Administrative Procedure Act (Chapter 34.05 RCW).

15. INTERPRETATION. The terms of this Contract that are subject to interpretation shall be construed in the light of the enabling legislation (Chapter 28B.115 RCW) and any other applicable federal and State of Washington statutes and regulations. If any provision of this Contract violates any statute or

rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law. The provisions of this Contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Contract.

16. GOVERNING LAW, JURISDICTION, AND VENUE. Washington State law shall apply to any dispute arising out of this Contract or that concerns or is related to it, except federal law may apply to bankruptcy actions. Jurisdiction and venue shall be in Thurston County Superior Court, or the United States Bankruptcy Court for the Western District of Washington at Seattle.

SAMPLE

DECLARATION OF PARTICIPANT

Please initial each statement

- _____ I am over the age of eighteen and competent to testify; and
- _____ I do not owe an obligation for health professional service to the Federal Government, or to a state or other entity; and
- _____ I am not in default of any federal, state, or community educational loan program; and
- _____ I have read or had the opportunity to read the HPLRP Program Reference Guide referenced in Section I above, and understand the definitions, roles, and responsibilities that are found in the Reference Guide; and
- _____ I agree to serve a minimum of three years as a full-time primary care health professional or up to five years if less than full-time (prorated service), unless otherwise extended due to an approved suspension, at the approved eligible site(s) in the State of Washington as designated on this Contract; and
- _____ I agree to notify WSAC in writing of any changes to legal name, address, or employment status within seven business days; and
- _____ I agree to use loan repayment proceeds only for repayment of approved educational loans listed on the online application; and
- _____ I agree to fulfill the terms of this Contract or repay WSAC the required monetary damage and penalties as outlined herein; and
- _____ I have reviewed and understand the default terms and process (as shown in the repayment cost examples above) and understand that if I breach this Contract, the penalty (twice the amount received), interest, and fees are due immediately or within the approved term established by WSAC but not to exceed 10 years; and
- _____ I have read or had the opportunity to read IRS Publication 970 Tax Benefits for Education (Section 5 - Student Loan Repayment Assistance) and/or consulted with a tax expert, and deemed that I am fully advised of the tax implications that signing this Contract may have; and
- _____ I have reviewed, understand, and accept the terms of this Contract.

I, _____ (print name), declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this _____ day of _____, 20____, in _____, _____, _____
(City) (State) (Country)

Participant Signature