

STATE OF NEW YORK

10944

IN ASSEMBLY

April 14, 2026

Introduced by M. of A. STECK -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to creating the medical professionals across rural New York state student loan repayment fund pilot program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The public health law is amended by adding a new article
2 29-L to read as follows:

3 ARTICLE 29-L

4 MEDICAL PROFESSIONALS ACROSS RURAL NEW YORK STATE STUDENT LOAN
5 REPAYMENT FUND

6 Section 2999-nn. Creation of fund and cooperating agencies.

7 2999-oo. Administration of funds.

8 2999-pp. Administration agreement.

9 2999-qq. Responsibilities upon effective date of agreement.

10 2999-rr. Documentation.

11 2999-ss. Commitment.

12 2999-tt. Participating professionals.

13 2999-uu. Compensation.

14 2999-vv. Continued qualification.

15 2999-ww. Conditions barring participation.

16 2999-xx. Minimum qualifications for participation.

17 2999-yy. Application criteria.

18 2999-zz. Healthcare provider scoring and cohort size.

19 2999-aaa. Announcement of results.

20 2999-bbb. Payments and default.

21 § 2999-nn. Creation of fund and cooperating agencies. The department,
22 within amounts appropriated, shall establish the medical professionals
23 across rural New York state student loan repayment fund pilot program,
24 in association with the empire state development corporation. The
25 department is also directed to consult with the Fort Drum regional
26 health planning organization and the Iroquois healthcare association as

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD05470-01-5

1 it deems appropriate. Funds shall be transferred by the commissioner of
2 taxation and finance to the department for use as described herein.

3 § 2999-oo. Administration of funds. Monies in the fund shall be:

4 1. held by the department pursuant to this section as custodian pursu-
5 ant to an agreement with the commissioner of taxation and finance, and
6 the empire state development corporation, until transferred pursuant to
7 this section; and

8 2. invested by the department in accordance with the investment guide-
9 lines of the comptroller during said custodial period. All investment
10 income shall be credited to, and shall be deposited in, the fund.

11 § 2999-pp. Administration agreement. The commissioner of taxation and
12 finance, the empire state development corporation, and the department
13 shall enter into an agreement, subject to the approval of the director
14 of the budget, for the purpose of administering the fund. A copy of such
15 agreement, and any amendments thereto, shall be provided to the chair of
16 the senate finance committee, the director of the division of budget,
17 and the chair of the assembly ways and means committee. The agreement
18 shall specify that the department shall administer the fund in a manner
19 that will benefit the public by encouraging the availability of profes-
20 sional service providers, in compliance with all applicable laws, rules,
21 regulations and other requirements.

22 § 2999-qq. Responsibilities upon effective date of agreement. Upon the
23 effective date of the agreement, custody of, and responsibility for, the
24 fund shall be taken up by the department, subject to the requirements of
25 its agreement with the commissioner of taxation and finance and the
26 empire state development corporation. Such agreement shall include, but
27 not be limited to, the following provisions:

28 1. the department shall be responsible for the receipt, management and
29 expenditure of monies held in the fund;

30 2. the department shall maintain books and records pertaining to all
31 monies received and disbursed pursuant to this section and the agree-
32 ment;

33 3. monies in such fund shall be utilized for the purpose of providing
34 student loan repayment funding to qualifying professionals;

35 4. participating professionals shall be chosen by the department
36 through an application process approved by the department, the empire
37 state development corporation, and the comptroller;

38 5. the department shall report quarterly on transactions pertaining to
39 the fund in a form and manner specified by the comptroller in consulta-
40 tion with the commissioner of taxation and finance, and the empire state
41 development corporation, including but not limited to: receipts or
42 deposits to the fund, disbursements, loans or credit enhancement made
43 from the fund, investment income, and the balance on hand as of the end
44 of the month for each such quarter;

45 6. the department shall be required to invest monies on deposit in the
46 fund in accordance with investment guidelines meeting the requirements
47 of the comptroller, and all investment income shall be credited to the
48 fund, and spent therefrom only for the purposes set forth in this
49 section;

50 7. fund monies shall be held in trust and used for the benefit of
51 participating professionals;

52 8. after two years, the department shall submit a report to the gover-
53 nor and legislature detailing the performance participation and impact
54 of the pilot program; and

1 9. any other term or condition as determined by the department, in
2 consultation with the commissioner of taxation and finance and the
3 empire state development corporation.

4 § 2999-rr. Documentation. Payments from the fund shall be made pursu-
5 ant to a written agreement between the department and the participating
6 professional, specifying the terms of the payments. The agreement shall
7 be in such form and content as shall be acceptable to the comptroller
8 and department, and may include such further written documentation
9 and/or agreements as shall be required in the judgment of the comp-
10 troller and department. Terms may include rescission of payments if a
11 participating professional does not comply with this section or the
12 terms of the participating professional's agreement with the department.

13 § 2999-ss. Commitment. Professionals shall be eligible to participate
14 in this program provided that in addition to any other requirements set
15 forth in this article they:

16 1. make a two year commitment to practice in a tract or county defined
17 by the health resources and services administration as being "rural" or
18 eligible for a rural health grant; and

19 2. such tract is situated, in whole or in part, in the counties of
20 Madison, Clinton, Essex, Franklin, Hamilton, Herkimer, Jefferson, Lewis,
21 Oswego, or St. Lawrence.

22 § 2999-tt. Participating professionals. The following professionals
23 shall be eligible to receive the benefits of this fund:

24 1. home care service workers, clinical laboratory practitioners, clin-
25 ical laboratory technologists, clinical laboratory cytotechnologists,
26 clinical laboratory technicians, or histological technicians;

27 2. licensed psychologists, licensed master social workers, licensed
28 clinical social workers, licensed mental health counselors, licensed
29 marriage and family therapists, licensed psychoanalysts and licensed
30 creative arts therapists;

31 3. midlevel practitioners such as a physical therapist, physiothera-
32 pist, mechanotherapist, dentist, dental hygienist, dental assistant,
33 nurse practitioner, psychiatric nurse practitioner, physician assistant,
34 or psychiatrist who is a diplomate of the American board of psychiatry
35 and neurology or is eligible to be certified by that board or is certi-
36 fied by the American osteopathic board of neurology and psychiatry or is
37 eligible to be certified by that board;

38 4. speech-language pathologists or audiologists, occupational thera-
39 pists, or respiratory therapists;

40 5. licensed pharmacists;

41 6. nurses in nursing homes, such as registered professional nurses,
42 licensed practical nurses, or clinical nurse specialists, provided that
43 their service commitment, in addition to any other criteria listed in
44 this article, will also be in a licensed nursing home, intermediate care
45 facility for the developmentally disabled, or hospital if it owns or
46 operates a licensed nursing home, and the professional will spend at
47 least half of their working hours in the nursing home; and

48 7. optometrists, as defined in section seventy-one hundred one of the
49 education law.

50 § 2999-uu. Compensation. Participating professionals shall be compen-
51 sated in the form of payments against their student loans made in the
52 following amounts:

53 1. fifty percent of total qualifying debt annually, up to a maximum
54 annual amount of five thousand dollars for professionals listed in
55 subdivision one of section twenty-nine hundred ninety-nine-tt of this
56 article;

1 2. fifty percent of total qualifying debt annually, up to a maximum
2 annual amount of ten thousand dollars for professionals listed in subdi-
3 vision two of section twenty-nine hundred ninety-nine-tt of this arti-
4 cle;

5 3. fifty percent of total qualifying debt annually, up to a maximum
6 annual amount of twenty thousand dollars for professionals listed in
7 subdivision three of section twenty-nine hundred ninety-nine-tt of this
8 article;

9 4. fifty percent of total qualifying debt annually, up to a maximum
10 annual amount of twelve thousand dollars for professionals listed in
11 subdivision four of section twenty-nine hundred ninety-nine-tt of this
12 article;

13 5. fifty percent of total qualifying debt annually, up to a maximum
14 annual amount of fifteen thousand dollars for professionals listed in
15 subdivision five of section twenty-nine hundred ninety-nine-tt of this
16 article;

17 6. fifty percent of total qualifying debt annually, up to a maximum
18 annual amount of five thousand dollars for professionals listed in
19 subdivision six of section twenty-nine hundred ninety-nine-tt of this
20 article; and

21 7. fifty percent of total qualifying debt annually, up to a maximum
22 annual amount of twelve thousand dollars for professionals listed in
23 subdivision seven of section twenty-nine hundred ninety-nine-tt of this
24 article.

25 § 2999-vv. Continued qualification. Provided that a professional
26 continues to qualify for this program after two years and such pilot
27 program is still in operation, then loan payment amounts will be the
28 balance of any qualifying debt up to the maximum amounts listed in
29 section two thousand nine hundred ninety-nine-uu of this article.

30 § 2999-ww. Conditions barring participation. Participating profes-
31 sionals shall not:

32 1. have any outstanding service obligations to the federal government,
33 state, or other entity; or

34 2. have any judgment liens arising from federal or state debt, and
35 shall not be delinquent in child support payments.

36 § 2999-xx. Minimum qualifications for participation. Participating
37 professionals shall possess a fully-executed employment contract, or
38 shall be able to submit sufficient evidence of intent to establish a
39 private practice and subsequently do so, and shall possess all licenses
40 required to practice their chosen profession in the state of New York.
41 Participating professionals shall also be a U.S. citizen or permanent
42 resident, and become a legal resident of New York state within ninety
43 days of beginning employment.

44 § 2999-yy. Application criteria. The entities involved in this program
45 may establish additional application criteria at their discretion,
46 provided that such criteria does not narrow the availability of funds or
47 conflict with the intent of this article.

48 § 2999-zz. Healthcare provider scoring and cohort size. Regardless of
49 funding levels, no more than thirty-two participating professionals may
50 enter the program in any fiscal year. Applications shall be collected
51 throughout the year, with a new cohort of no more than eight participat-
52 ing professionals approved each quarter. Each application received shall
53 receive a score which will be calculated as described herein:

54 1. the maximum score an applicant may receive is fifty. Two independ-
55 ent reviewers, blind to each other's evaluation, will score each appli-
56 cant. The average of the scores given by each reviewer will be the

1 applicant's final score. In the event any two applicants for the same
2 cohort receive the same score, each of their applications will be
3 reviewed a third time and a new average score computed from all three
4 scores received;

5 2. scores will be calculated by taking the discipline specific health
6 professional shortage areas score for the applicant's practice location,
7 and adding a maximum of ten points based on the diversity of medical
8 cases or issues treated at the practice location, and adding a maximum
9 of fifteen points based on the diversity of the patient population in
10 the tract or county where the applicant intends to practice; and

11 3. if a health professional shortage areas score is not available for
12 the applicant's intended practice location then the department shall
13 attempt to estimate one based on the same discipline specific criteria
14 used by the health resources and services administration to generate a
15 health professional shortage areas score.

16 § 2999-aaa. Announcement of results. All applicants granted admission
17 to the program will be notified by email and United States mail within
18 twenty-one business days following the conclusion of the quarter during
19 which their application was received. Following the announcement of
20 awards, applicants may request a debriefing from the department no later
21 than ten calendar days from the date of the announcement. This debrief-
22 ing will be limited to the positive and negative aspects of the specific
23 applicant's application. In the event unsuccessful applicants wish to
24 protest their results they shall follow the protest procedures estab-
25 lished by the office of the state comptroller in effect at the time
26 their protest is entered.

27 § 2999-bbb. Payments and default. Total annual payments shall be
28 disbursed in equal amounts on a monthly basis.

29 1. In the event of default by a participating professional, within one
30 year of defaulting the participating professional shall repay the state
31 of New York the greater of either thirty-one thousand dollars, or the
32 value of the past seven months of loan payments made by the state on
33 behalf of the participating professional. The outstanding balance after
34 one year shall accrue interest at a rate equal to that owed on underpay-
35 ments of New York state income tax. Uncollectable amounts will be
36 referred to the New York state attorney general's office for possible
37 legal action.

38 2. Where default results from an action made by the department the
39 participating professional will not be penalized.

40 § 2. This act shall take effect on the ninetieth day after it shall
41 have become a law. Effective immediately, the addition, amendment and/or
42 repeal of any rule or regulation necessary for the implementation of
43 this act on its effective date are authorized to be made and completed
44 on or before such effective date.