STATE OF NEW YORK

1875

2025-2026 Regular Sessions

IN SENATE

January 14, 2025

Introduced by Sen. WALCZYK -- read twice and ordered printed, and when printed to be committed 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:

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

ARTICLE 29-L
MEDICAL PROFESSIONALS ACROSS RURAL NEW YORK STATE STUDENT LOAN REPAYMENT FUND
Section 2999-nn. Creation of fund and cooperating agencies.
2999-oo. Administration of funds.
2999-pp. Administration agreement.
2999-qq. Responsibilities upon effective date of agreement.
2999-rr. Documentation.
2999-ss. Commitment.
2999-tt. Participating professionals.
2999-uu. Compensation.
2999-vv. Continued qualification.
2999-ww. Conditions barring participation.
2999-xx. Minimum qualifications for participation.
2999-yy. Application criteria.
2999-zz. Healthcare provider scoring and cohort size.
2999-aaa. Announcement of results.
2999-bbb. Payments and default.

§ 2999-nn. Creation of fund and cooperating agencies. The department, within amounts appropriated, shall establish the medical professionals across rural New York state student loan repayment fund pilot program,

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

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in association with the empire state development corporation. The department is also directed to consult with the Fort Drum regional health planning organization and the Iroquois healthcare association as it deems appropriate. Funds shall be transferred by the commissioner of taxation and finance to the department for use as described herein.

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

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

2. invested by the department in accordance with the investment guidelines of the comptroller during said custodial period. All investment income shall be credited to, and shall be deposited in, the fund.

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

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

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

2. the department shall maintain books and records pertaining to all monies received and disbursed pursuant to this section and the agreement;

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

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

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

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

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

8. after two years, the department shall submit a report to the governor and legislature detailing the performance participation and impact of the pilot program; and

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

§ 2999-rr. Documentation. Payments from the fund shall be made pursuant to a written agreement between the department and the participating professional, specifying the terms of the payments. The agreement shall be in such form and content as shall be acceptable to the comptroller and department, and may include such further written documentation and/or agreements as shall be required in the judgment of the comptroller and department. Terms may include rescission of payments if a participating professional does not comply with this section or the terms of the participating professional's agreement with the department.

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

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

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

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

1. home care service workers, clinical laboratory practitioners, clinical laboratory technologists, clinical laboratory cytotechnologists, clinical laboratory technicians, or histological technicians;

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

3. midlevel practitioners such as a physical therapist, physiotherapist, mechanotherapist, dentist, dental hygienist, dental assistant, nurse practitioner, psychiatric nurse practitioner, physician assistant, or psychiatrist who is a diplomate of the American board of psychiatry and neurology or is eligible to be certified by that board or is certified by the American osteopathic board of neurology and psychiatry or is eligible to be certified by that board;

4. speech-language pathologists or audiologists, occupational therapists, or respiratory therapists;

5. licensed pharmacists;

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

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

§ 2999-uu. Compensation. Participating professionals shall be compensated in the form of payments against their student loans made in the following amounts:

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

2. fifty percent of total qualifying debt annually, up to a maximum annual amount of ten thousand dollars for professionals listed in subdivision two of section twenty-nine hundred ninety-nine-tt of this article;

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

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

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

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

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

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

§ 2999-ww. Conditions barring participation. Participating professionals shall not:

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

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

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

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

§ 2999-zz. Healthcare provider scoring and cohort size. Regardless of funding levels, no more than thirty-two participating professionals may enter the program in any fiscal year. Applications shall be collected throughout the year, with a new cohort of no more than eight participat-

ing professionals approved each quarter. Each application received shall receive a score which will be calculated as described herein:

1. the maximum score an applicant may receive is fifty. Two independent reviewers, blind to each other's evaluation, will score each applicant. The average of the scores given by each reviewer will be the applicant's final score. In the event any two applicants for the same cohort receive the same score, each of their applications will be reviewed a third time and a new average score computed from all three scores received;

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

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

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

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

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

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

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