

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:

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,

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

LBD05470-01-5

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

6 § 2999-oo. Administration of funds. Monies in the fund shall be:

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

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

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

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

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

33 2. the department shall maintain books and records pertaining to all
34 monies received and disbursed pursuant to this section and the agree-
35 ment;

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

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

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

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

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

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

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

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

16 § 2999-ss. Commitment. Professionals shall be eligible to participate
17 in this program provided that in addition to any other requirements set
18 forth in this article they:

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

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

25 § 2999-tt. Participating professionals. The following professionals
26 shall be eligible to receive the benefits of this fund:

27 1. home care service workers, clinical laboratory practitioners, clin-
28 ical laboratory technologists, clinical laboratory cytotechnologists,
29 clinical laboratory technicians, or histological technicians;

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

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

41 4. speech-language pathologists or audiologists, occupational thera-
42 pists, or respiratory therapists;

43 5. licensed pharmacists;

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

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

53 § 2999-uu. Compensation. Participating professionals shall be compen-
54 sated in the form of payments against their student loans made in the
55 following amounts:

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

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

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

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

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

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

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

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

34 § 2999-ww. Conditions barring participation. Participating profes-
35 sionals shall not:

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

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

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

48 § 2999-yy. Application criteria. The entities involved in this program
49 may establish additional application criteria at their discretion,
50 provided that such criteria does not narrow the availability of funds or
51 conflict with the intent of this article.

52 § 2999-zz. Healthcare provider scoring and cohort size. Regardless of
53 funding levels, no more than thirty-two participating professionals may
54 enter the program in any fiscal year. Applications shall be collected
55 throughout the year, with a new cohort of no more than eight participat-

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

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

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

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

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

32 § 2999-bbb. Payments and default. Total annual payments shall be
33 disbursed in equal amounts on a monthly basis.

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

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

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