§ 903. Primary care physician loan repayment program. 1. The commissioner, in collaboration with the commissioner of education and the president of the higher education services corporation, is authorized and directed to establish a physician loan repayment program to encourage medical students to enter primary care specialties and to serve underserved areas and populations.

2. The commissioner is authorized, within amounts available pursuant to subdivision nineteen-a of section twenty-eight hundred seven-c and section twenty-eight hundred seven-l of this chapter, to make loan repayment awards as follows:

(a) beginning January first, nineteen hundred ninety-four, to any resident who first entered a primary care medical training program on or after January first, nineteen hundred ninety-four in the second or third year of such program; provided such resident agrees to practice primary care in an underserved area in New York state for one year for each such annual award received, with such practice beginning immediately after completion of such residency training. Such resident shall be eligible for an award of up to ten thousand dollars per year and beginning January first, nineteen hundred ninety-seven of up to fifteen thousand dollars per year; and

(b) beginning January first, nineteen hundred ninety-five, to a primary care physician, emergency medicine physician or other physician specialty determined by the commissioner to be in short supply, licensed to practice medicine in New York state, who agrees to practice for at least two years in an underserved area. Such physician shall be eligible for a loan repayment award of up to ten thousand dollars per year and beginning January first, nineteen hundred ninety-seven of up to fifteen thousand dollars per year for each of the first two years of practice in such area; provided, however, if such physician agrees to practice for an additional two years in such area, then such physician shall be eligible for an award of up to fifteen thousand dollars per year and beginning January first, nineteen hundred ninety-seven of up to twenty thousand dollars per year for each of the second two years of such practice.

3. Loan repayment awards made to a physician pursuant to subdivision

two of this section shall not exceed the total qualifying outstanding debt of the physician from student loans to cover tuition and other related educational expenses, made by or guaranteed by the federal or state government, or made by a lending or educational institution approved under title IV of the federal higher education act. Loan repayment awards shall be used solely to repay such outstanding debt.

4. Within such time as the commissioner shall by regulation provide, a recipient of an award shall have practiced as a primary care physician in an underserved area in the state of New York or, in the case of a recipient of an award after completion of residency training, the recipient shall have practiced in an underserved area for that number of months calculated by multiplying by twelve the number of annual awards received by the recipient. If a recipient fails to comply fully with such conditions, the president shall be entitled to receive from such recipient an amount to be determined by the formula:

$$A = \frac{2B(t-s)}{t}$$

In which "A" is the amount the president is entitled to recover, "B" is the sum of all payments made to the recipient and the interest on such amount which would be payable if at the times such awards were paid they were loans bearing interest at the maximum prevailing rate; "t" is the total number of months in the recipient's period of obligated services; and "s" is the number of months of services actually rendered by the recipient. Any amount which the president is entitled to recover under this subdivision shall be paid within the five-year period beginning on the date that the recipient failed to comply with this condition. Any obligation to comply with such provisions shall be canceled upon the death of the recipient. The commissioner of health shall promulgate regulations to provide for the waiver or suspension of any financial obligation when compliance would involve extreme hardship.

5. The commissioner is authorized to apply any funds available for purposes of subdivision two of this section for use as matching funds for federal grants for the purpose of assisting states in operating loan repayment programs pursuant to section three hundred thirty-eight I of

the public health service act.

6. The commissioner, in consultation with the council, shall promulgate regulations necessary to effectuate the provisions and purposes of this section.