§ 904. Primary care practitioner scholarship 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 primary care practitioner scholarship program to provide financial support to applicants to enter or continue in a primary care practitioner program and who agree to serve in underserved areas of New York state.

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 scholarship awards pursuant to this section.

3. A scholarship recipient shall (a) be a resident of New York state who attends or plans to attend a primary care practitioner program; and (b) agree to practice as a primary care practitioner in an underserved area of New York state.

4. In selecting students to be awarded scholarships, preference shall be given to students who attend or plan to attend a primary care practitioner program located in New York state. Priority in the selection of recipients shall be given to recipients applying for second year funding. Scholarships shall be awarded competitively using selection criteria that include, but are not limited to: academic performance, previous work experience in their chosen profession, and a demonstrated interest or commitment in working with underserved populations or in underserved areas.

5. Within such time as the commissioner shall by regulation provide, a recipient of an award shall agree to practice in an underserved area of this state for a period of eighteen months for each annual award to be received by the recipient. In no case shall the total number of months of service be less than eighteen. The commissioner shall secure from each recipient a written agreement to:

(a) provide primary care services in an area designated as having a shortage of primary care practitioners;

(b) work in a practice site that accepts payment on behalf of

beneficiaries of title XVIII of the federal social security act (medicare) and individuals eligible for medical assistance pursuant to title eleven of article five of the social services law; and

(c) provide thirty-five hours per week of direct patient care in the designated shortage area being served.

6. 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 awards 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 service actually rendered by the recipient. Any amount which the president is entitled to recover under this paragraph shall be paid within the five-year period beginning on the date that the recipient failed to comply with this service condition. Nothing in the written agreement shall affect the terms of employment of the individual who shall negotiate, separate and apart from the program, his or her salary and other forms of employment with an agency, institution or a program in which he or she shall be employed. Any obligation to comply with such provisions as outlined in this section shall be canceled upon the death of the recipient. The commissioner shall promulgate regulations to provide for the waiver or suspension of any financial obligation when compliance would involve extreme hardship.

7. A recipient of an award shall report annually to the New York state higher education services corporation, on forms prescribed by the president, as to the performance of the required services, commencing with the calendar year in which the recipient begins to provide primary care services in an underserved area and continuing until the recipient shall have completed, or until it is determined that he or she shall not

be obligated to complete, the required services. If the recipient shall fail to file any report required hereunder within thirty days of written notice to the recipient, mailed to the address shown on the last application for an award or last report filed, whichever is later, the president of the corporation may impose a fine of up to one thousand dollars. The president shall have the discretion to waive the filing of a report, excuse a delay in filing or a failure to file a report, or waive or reduce any fine imposed for good cause shown.

8. The commissioner is authorized to apply any funds available for purposes of subdivision two of this section for use as matching funds for the federal community scholarship programs grants pursuant to section three hundred thirty-eight L of the public health service act.