

**State of California
Office of Administrative Law**

In re:
Department of Health Care Access and
Information

Regulatory Action:

Title 22, California Code of Regulations

Adopt sections:

Amend sections:

Repeal sections: 97700.1, 97700.2, 97700.3,
97700.4, 97700.5, 97700.6,
97700.7, 97700.8,
97700.13, 97700.15,
97700.17, 97700.18,
97700.19, 97700.20,
97700.21, 97700.23,
97700.25, 97700.26,
97700.27, 97700.29,
97700.31, 97700.32,
97700.33, 97700.35,
97700.41, 97700.43,
97700.45, 97700.47,
97700.49, 97700.51,
97700.53, 97700.55,
97700.57, 97700.59,
97700.61, 97700.63,
97700.65, 97720, 97722,
97724, 97726, 97730,
97731, 97732, 97734,
97735, 97737, 97740,
97743, 97745, 97747,
97750, 97752, 97755,
97757, 97760

**NOTICE OF APPROVAL OF CHANGES
WITHOUT REGULATORY EFFECT**

California Code of Regulations, Title 1,
Section 100

OAL Matter Number: 2024-0910-04

OAL Matter Type: Nonsubstantive (N)

In this non-substantive action, the Department of Health Care Access and Information repeals Title 22, Division 7, Chapter 14 of the California Code of Regulations due to the Health Professionals Education Foundation program's statutory repeal.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100.

Date: October 21, 2024



Sam Micon
Attorney

FOR

For: Kenneth J. Pogue
Director

Original: Elizabeth Landsberg, Director
Copy: Michelle Church-Reeves

NONSUBSTANTIVE

For use by Secretary of State only

STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2024-0910-04	EMERGENCY NUMBER N
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

OCT 21 2024

OFFICE OF ADMIN. LAW
2024 SEP 10 PM 4:04

AGENCY WITH RULEMAKING AUTHORITY
Department of Health Care Access and Information

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Repeal of Health Professions Education Foundation Regulations	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2017-0313-02N
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)
ADOPT
AMEND
TITLE(S) 22
REPEAL 97700.1, 97700.2, 97700.3, 97700.4, 97700.5, 97700.6, 97700.7, 97700.8, see attachment

3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____	<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input checked="" type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____

7. CONTACT PERSON Michelle Church-Reeves	TELEPHONE NUMBER (916) 326-3617	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) michelle.church-reeves@hcai.ca
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Elizabeth Landsberg</i>	DATE 9/5/2024
TYPED NAME AND TITLE OF SIGNATORY Elizabeth A. Landsberg, Director	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

OCT 21 2024

Office of Administrative Law

Standard Form 400 Attachment

B.2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S)

TITLE(S): 22

REPEAL: (cont.) 97700.13, 97700.15, 97700.17, 97700.18, 97700.19, 97700.20,
97700.21, 97700.23, 97700.25, 97700.26, 97700.27, 97700.29, 97700.31, 97700.32,
97700.33, 97700.35, 97700.41, 97700.43, 97700.45, 97700.47, 97700.49, 97700.51,
97700.53, 97700.55, 97700.57, 97700.59, 97700.61, 97700.63, 97700.65, 97720,
97722, 97724, 97726, 97730, 97731, 97732, 97734, 97735, 97737, 97740, 97743,
97745, 97747, 97750, 97752, 97755, 97757, 97760.

HCAi Department of Health Care
Access and Information

2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
hcai.ca.gov



TEXT OF CHANGES WITHOUT REGULATORY EFFECT

(SECTION 100)

CCR, Title 22, Division 7 (Health Planning and Facility Construction):

~~Chapter 14. Health Professions Education Foundation.~~

~~Article 1. Definitions.~~

~~§ 97700.1. Academic Year.~~

~~“Academic year” means a period of time, usually eight or nine months, during which a full-time college or university student would normally be expected to complete the equivalent of two semesters, or three quarters of instruction.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.2. Areas Deficient in Primary Care Services.~~

~~“Areas deficient in primary care services” means medically underserved areas.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 1, Chapter 1307, Statutes of 1987; and Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.3. Associate Degree Nursing Program.~~

~~“Associate degree nursing program” means an education program with two or three year curriculum which includes nursing theory and clinical course work that leads to an associate degree of nursing. Graduates of associate degree programs are eligible to take the state board examination to become registered nurses in California.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

DRAFT: Version July 16, 2024

~~§ 97700.4. Baccalaureate Degree Nursing Program.~~

~~For the purpose of this chapter, "Baccalaureate degree nursing program" means any of the following:~~

- ~~(a) An education program for nurses which requires a minimum of four years for completion and leads to a baccalaureate of science in nursing degree. The curriculum emphasizes nursing theory and clinical practice and also requires general education in the humanities and the behavioral and biological sciences. The general education requirements may be required to be completed after admission to the program, or they may be required prior to admission; or,~~
- ~~(b) An external degree program offered by institutions accredited by the National League for Nursing where students study part time while working as nurses and, at the conclusion of the program, are awarded baccalaureate degrees in nursing.~~

~~Graduates of baccalaureate degree nursing programs are eligible to take the state board examination to become registered nurses in California.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.5. Black.~~

~~For purposes of this chapter, "Black" means a person from any of the Black racial groups of the African continent, who is not also Hispanic/Latino.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.6. Contract or "Agreement."~~

~~"Contract" or "Agreement" means a written agreement between the Office and a recipient of a scholarship or a participant in the loan repayment program which obligates the recipient or participant, in exchange for financial assistance, to practice his or her profession for a specified period of time after graduation in a medically underserved area in the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.7. Default.~~

~~“Default” means the failure to make one or more payments on an educational loan where the governmental or commercial lender has accelerated payments and the total outstanding balance has been made presently due and owing.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.8. Demographically Underrepresented Group.~~

~~“Demographically underrepresented group” includes Blacks, Hispanic/Latinos, and Native Americans. It also includes other minority groups whose representation in any one or more health profession in the state, as determined by the Office, is less than their representation in the general population of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.13. Dentist.~~

~~“Dentist” means a person licensed to practice dentistry under the Dental Practices Act, Business and Professions Code section 1600, et seq.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.15. Direct Financial Assistance.~~

~~“Direct Financial Assistance” means a scholarship or loan repayment made to an individual or school, training institution, lender or note holder, on an individual's behalf.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.17. Direct Patient Care.~~

~~“Direct patient care” means the provision of health care services directly to individuals being treated for, or suspected of having, physical or mental illnesses. Direct patient care includes preventive care. The first line supervision of direct patient care shall also be considered “direct patient care.”~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.18. Director.~~

~~“Director” means Director of the Office of Statewide Health Planning and Development.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 128330, Health and Safety Code.~~

~~**§ 97700.19. Economically Disadvantaged.**~~

~~“Economically disadvantaged” means a person whose gross family income at the time of application and the immediately preceding 2 years, fell below 150 percent of the federally recognized poverty level. For the purpose of determining the poverty level, the Office shall use the table entitled, “Weighted Average Poverty Levels Based on Money Income for Families and Individuals,” published by the U.S. Department of Commerce, Bureau of Census, in the most recent statistical Abstract of the United States. The Office shall adjust the table to account for inflation.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128330, 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.20. Educational Loan.**~~

~~“Educational loan” means a loan of money by a commercial lender or a governmental entity, which requires repayment with interest, and which was obtained by an individual for the purpose of defraying the costs associated with health professions education, or any prerequisite to study in a health profession.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~**§ 97700.21. Family Practice.**~~

~~“Family practice” means the specialty of medicine called family practice which is recognized by the American Medical Association. Physicians in the specialty of family practice complete a three-year residency program certified by the American Board of Family Practice.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.23. Full-Time Student.**~~

~~“Full-time student” means a student who is enrolled in a semester, trimester or quarter program of not less than 12 (twelve) credit hours or units or their equivalent, and can reasonably expect to graduate, if the student progresses in good standing, in the recognized number of academic years it takes a full-time student to graduate.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.25. Graduated Health Professional.**~~

~~“Graduated health professional” means a person who has completed a health education program and is licensed to practice a health profession in the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.26. Graduate Training Program or Postgraduate Training Program.**~~

~~“A graduate training program” or a “postgraduate training program” means an organized course of study, which is not required for basic licensure, in a recognized specialty of medicine, dentistry, optometry, podiatry, or pharmacy (or other health profession), in this state, except in the instance of the immediate postgraduate training requirement (internship) for physicians.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.27. Health Manpower Shortage Area.**~~

~~“Health manpower shortage area” means a medically underserved area.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.29. Hispanic/Latino.**~~

~~For purposes of this chapter, “Hispanic/Latino” means a person whose ancestry can be readily traced to Mexico, Puerto Rico, the Caribbean basin, or any other country of Central or South America where Spanish is the recognized official language. A person shall not be considered Hispanic/Latino solely on the basis of possession of a Spanish surname.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128330, 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.31. Letter of Understanding.**~~

~~“Letter of Understanding” means a document signed by an applicant for financial assistance that indicates the applicant's awareness that the scholarship or loan~~

~~repayment program requires a binding commitment to practice a health profession for a specified period of time in a medically underserved area of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.32. Loan Repayment Commitment.~~

~~“Loan repayment commitment” means a promise by the Office to repay all or part of an educational loan in return for a twelve month period of practice (or longer) by an individual in a medically underserved area.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.33. Loan Repayment Program.~~

~~“Loan repayment program” means that program of the Office wherein the Office may repay government or commercial educational loans of an eligible individual who practices his or her profession for a period of time in a medically underserved area of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.35. Medically Underserved Area.~~

~~“Medically underserved area” means a geographic area designated by the Director of the Office of Statewide Health Planning and Development which meets one of the following sets of criteria:~~

- ~~(a) A medical service study or urban subdivision of a medical service study area as designated by the California Health Manpower Policy Commission which has fewer than one primary care physician per 3,000 persons. Primary care physicians are licensed physicians in California who practice principally in general or family practice, general internal medicine, pediatrics or obstetrics and gynecology.~~
- ~~(b) A primary care health manpower shortage area as designated by the Secretary of the U.S. Department of Health and Human Services under the authority of section 254e of Title 42 of the United States Code Annotated.~~
- ~~(c) A facility determined by the Director to have a shortage of nursing personnel under section 128385 of the Health and Safety Code.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~**§ 97700.41. Native American Indian.**~~

~~For the purposes of this chapter, "Native American Indian" means a person who presents acceptable written documentation as determined by the Director that he/she is either:~~

- ~~(a) a member of an American Indian tribe or band which is under the jurisdiction of the Federal Government as shown on the list of recognized tribes and bands maintained by the Federal Bureau of Indian Affairs, or~~
- ~~(b) has at least one-quarter American Indian Blood quantum of tribes or bands indigenous to the United States and/or Canada.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128330, 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.43. Other Health Professions.**~~

~~"Other health professions" means health professions other than allopathic or osteopathic medicine, dentistry and nursing for which the need, as determined by the Office, is greater than the available supply in medically underserved areas of the state. Other health professions include, but need not be limited to, optometry, podiatry and pharmacy.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128330, 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.45. Other Persons Underrepresented.**~~

~~"Other persons underrepresented" means a person or persons from a group described in section 97700.8 of this chapter.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128330, 128345 and 128350, Health and Safety Code.~~

~~**§ 97700.47. Participating School or Institution.**~~

~~"Participating school or institution" means an accredited university, training institution, school, college or program that has agreed with the Office to provide timely data and information on students who are in attendance and have applied (or are applying) for financial assistance under this chapter.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.49. Persons Who Agree in Writing.~~

~~“Persons who agree in writing” means those persons in the Registered Nurse Education Program, who are not necessarily members of a group demographically underrepresented as defined in section 97700.8, but who agree, in exchange for a scholarship or loan repayment commitment, to practice the profession of nursing after graduation for a specified period of time in a medically underserved area of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.51. “Physician and Surgeon” or “Physician.”~~

~~“Physician and Surgeon” or “Physician” means any person holding a valid and unrevoked physician's and surgeon's certificate or certificate to practice medicine and surgery, issued by the Medical Board or the Board of Osteopathic Examiners of this state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.53. Primary Care Services.~~

~~“Primary care services” means those services routinely provided by physicians who practice principally in general or family practice general internal medicine, pediatrics or obstetrics and gynecology.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.55. Registered Nurse.~~

~~“Registered nurse” means a person licensed to practice nursing under the Nursing Practice Act (Business and Professions Code section 2700, et seq.), and who is authorized to place letters “R.N.” after his/her name.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.57. Registered Nurse Education Program.~~

~~“Registered Nurse Education Program” means the program of educational financial assistance for registered nurses or registered nursing students authorized in article 4 (commencing with section 128375) of chapter 5 of part 3 of division 107 of the Health and Safety Code.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 129385, Health and Safety Code.~~

~~§ 97700.59. Service Obligation.~~

~~“Service obligation” or “obligated service” means that contractual obligation agreed to by a recipient of a scholarship or loan repayment commitment where the recipient agrees to practice his or her profession for a specified period of time in a medically underserved area of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.61. Scholarship.~~

~~“Scholarship” means financial assistance provided to an eligible individual who agrees, in return for the assistance, to practice his or her profession for a specified period of time in a medically underserved area of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

~~§ 97700.63. Underrepresented Minority Groups.~~

~~“Underrepresented minority groups” means Blacks, Hispanic/Latinos, Native American Indians and those groups listed in section 97700.8 of this chapter.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97700.65. Underrepresented Person.~~

~~“Underrepresented person” means a person from a group listed in section 97700.8 of this chapter.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345, 128350 and 128385, Health and Safety Code.~~

Article 2. General Provisions.

§ 97720. Application Process for Financial Assistance.

- (a) ~~Each person desiring a scholarship or loan repayment commitment shall submit a completed application, available from the Office, which will require the following information:~~
- ~~(1) Written documentation that the applicant complies with the provisions of section 97730 if applying for a scholarship, or section 97740 if applying for a loan repayment commitment;~~
 - ~~(2) The dollar amount requested for scholarship expenses, with justification for the amount requested, or the dollar amount requested for loan repayment assistance, with details on outstanding educational loans including the current outstanding loan balances;~~
 - ~~(3) An official copy of college transcripts for all postsecondary institutions attended;~~
 - ~~(4) The applicant's work experience (if any);~~
 - ~~(5) Community background, including any residence in a medically underserved area;~~
 - ~~(6) The applicant's career goals;~~
 - ~~(7) Financial need;~~
 - ~~(8) Length of time before the applicant would be available to provide services in a medically underserved area;~~
 - ~~(9) The medically underserved area where the applicant would propose to practice, and potential employers from whom the applicant would seek employment;~~
 - ~~(10) Community involvement, including extra-curricular activities;~~
 - ~~(11) A personal statement by the applicant indicating any other qualifications, attributes or characteristics which would increase the likelihood the applicant will continue to practice in a medically underserved area after the service obligation has ended;~~
 - ~~(12) A signed Letter of Understanding, which is an acknowledgement by the applicant that financial assistance requires a binding commitment from those applicants selected for a scholarship or loan repayment~~

~~commitment to practice their health professions in a medically underserved area of the state for a specified period of time;~~

~~(13) Health care license number (if applicable); and~~

~~(14) Any other information the applicant believes is relevant.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97722. Selection Process.~~

~~(a) In deciding which applicants will receive financial assistance, the Office shall take into consideration those factors which it determines indicate the greatest probability of program success, the needs of the state in general, and the needs of each specific medically underserved area.~~

~~(b) Special consideration may be given to:~~

~~(1) Allopathic and osteopathic students intending to enter family practice internal medicine, pediatrics or osteopathic general practice;~~

~~(2) Those applicants who indicate an intent to pursue other types of clinical practice or specialized training for which the Office has identified a particular need;~~

~~(3) Those applicants who come from an ethnic group or underrepresented group for which high representational disparity exists in the state;~~

~~(4) With regard to applicants seeking loan repayment, applicants who have the required degree, have completed all needed postgraduate training, have an unrestricted license, and are immediately ready to provide services.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97724. Incompatible Existing Obligations.~~

~~(a) Any applicant who owes a conflicting obligation for professional practice to another entity entered into before filing an application under this chapter shall be ineligible for a scholarship or loan repayment commitment.~~

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.

~~§ 97726. Conditions Under Which a Scholarship or Loan Repayment Obligation May Be Canceled, Reduced, Waived, or Suspended.~~

- ~~(a) Any obligation of a recipient for service or payment shall be canceled upon the death of the recipient.~~
- ~~(b) A recipient may seek a waiver, suspension, reduction, or delay of the service or payment obligations incurred under this chapter by written request to the Office setting forth the bases, circumstances, and causes which support the requested action. The Office may approve a request for a suspension for a period of not more than 1 year. A renewal of this suspension may also be granted.~~
- ~~(c) The Office may waive, suspend, reduce or delay any service or payment obligation incurred by a recipient whenever compliance by the recipient is impossible, or would involve extreme hardship to the recipient, and if the enforcement of the service or payment obligation would be against equity and good conscience. The Office shall give special consideration to the unique requirements of pregnancy.~~
- ~~(d) Compliance by a recipient with a service or payment obligation shall be considered impossible if the Office determines, on the basis of information and documentation, that the participant suffers from a physical or mental disability resulting in the permanent (or near permanent) inability of the recipient to perform the service or other activities which would be necessary to comply with the obligation.~~
- ~~(e) In determining whether to waive, suspend, reduce or delay any or all of the service or payment obligations of a recipient as imposing an undue hardship and being against equity and good conscience, the Office may consider:
 - ~~(1) The recipient's present financial resources and obligations;~~
 - ~~(2) The recipient's estimated future financial resources and obligations;
and,~~
 - ~~(3) The extent to which the recipient has problems of a personal nature, such as physical or mental disabilities, or terminal illness in the immediate family, which so intrude on the recipient's present and future ability to perform as to raise a presumption that the individual will be unable to perform the obligation incurred.~~~~

DRAFT: Version July 16, 2024

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.

Article 3. Scholarships.

§ 97730. Eligibility Criteria for Scholarship Assistance.

~~(a) To be eligible for a scholarship under this chapter, an applicant must:~~

- ~~(1) Be accepted, or be enrolled, as a full-time student in a school or training institution, properly accredited by the appropriate accrediting authority, to prepare the applicant to provide health professional services in the state; and,~~
- ~~(2) Be pursuing, or planning to pursue, a course of study leading to a degree in allopathic or osteopathic medicine, dentistry, nursing or other health profession determined by the Office to be needed in medically underserved areas of the state; and,~~
- ~~(3) Be willing to commit to practice his or her profession, after graduation, for a specific period of time, in a medically underserved area in the state; and,~~
- ~~(4) Except in those instances where the applicant is applying for a scholarship under the Registered Nurse Education Program, be a member of a group listed as a demographically underrepresented group in section 97700.8; and,~~
- ~~(5) Be at least 18 years of age.~~

~~(b) A prospective health professions student need not be accepted by, or enrolled in, a health professions training program to apply for a scholarship. Evidence of acceptance will be required before a scholarship is awarded.~~

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.

§ 97731. Duration of Scholarship Awards.

- ~~(a) Subject to the availability of funds, the Office will award scholarships under this chapter for one academic year at a time.~~
- ~~(b) Subject to the availability of funds, the Office may award additional scholarships for additional academic years (up to a total of four) if:~~

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- ~~(1) The recipient applies for an additional scholarship;~~
- ~~(2) The additional scholarship will not extend the total period of financial assistance beyond four academic years;~~
- ~~(3) The ongoing academic performance of the recipient is reported by the program, school or institution to be acceptable; and,~~
- ~~(4) The recipient otherwise continues to be eligible for participation in the program.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97732. Permissible Scholarship Costs and Amounts.~~

~~(a) A scholarship for each academic year may consist of:~~

- ~~(1) Tuition (which may be limited to a maximum amount, but will never be approved for more than that actually charged by a participating school or institution); and,~~
- ~~(2) Reasonable educational expenses including required fees, books, supplies and educational equipment (also subject to a maximum or actual limitation); and,~~
- ~~(3) A monthly stipend for the period beginning with the first month of each academic year in which the individual is a participant, and ending with the last month of the academic year.~~

~~(b) The Office will periodically publicize and update the maximum amounts that will be permitted for tuition, reasonable educational expenses, and the monthly stipend.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97734. Scholarship Payment and Suspension Provisions.~~

~~(a) The Office may provide scholarship assistance directly to the student, or the Office may enter into an agreement with the participating school or institution at which the student scholarship recipient is enrolled for the direct payment of tuition and reasonable educational expenses on the recipient's behalf.~~

- (b) ~~The monthly stipend will be mailed monthly to the student, at an address of the student's choosing.~~
- (c) ~~The Office may suspend scholarship payments to or on behalf of a student if any of the following occurs:~~
- ~~(1) The participating school or institution approves a leave of absence for the student for health, personal or other reasons, and the leave, or the reasons for the leave, significantly decrease the probability that the student would complete his or her studies in a reasonable period of time;~~
 - ~~(2) The participating school or institution requires the student to repeat course work for which scholarship payments have previously been made. However, if the repeated course work does not delay the recipient's graduation date, scholarship payments shall continue except for any additional costs relating in the repeated course work; or~~
 - ~~(3) The student abandons the course or study in mid-academic year, is suspended by the school, or fails to pursue the course work for any other reason not excused by this Office.~~
- (d) ~~The Office may require a scholarship recipient (or the participating school or institution) to supply any relevant information, during an academic year, which demonstrates satisfactory school performance, and which validates the recipient's continuing eligibility for the scholarship payments.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97735. Obligations of the Scholarship Recipient.~~

- (a) ~~Except for individuals who are members of a group referred to in section 97700.8 of this chapter, and are recipients of a scholarship under the Registered Nurse Education Program, in return for a scholarship under this chapter, each recipient shall be obligated to practice his or her health profession in direct patient care for a specified period of time in a medically underserved area in the state.~~
- (b) ~~Except for recipients who receive a deferral under paragraph (d) of this section, a scholarship recipient shall commence the practice of his or her health profession in a medically underserved area of the state as soon as possible following the completion of the recipient's approved course of study~~

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~~or by such later date as may have been agreed to by the Office and the applicant in writing.~~

- ~~(c) The period which the recipient is obligated to serve shall be 12 months for each academic year for which the recipient received a scholarship under this chapter, or 24 months, whichever is greater.~~
- ~~(d) The Office may defer the beginning date of a service obligation to allow a scholarship recipient to pursue additional postgraduate training. The period of this deferment shall not exceed:
 - ~~(1) Four years for any scholarship recipient receiving a degree from a school of medicine or osteopathy; or,~~
 - ~~(2) One year for any other scholarship recipient, except that this time period may be extended for additional postgraduate training.~~~~
- ~~(e) Each scholarship recipient receiving a degree in medicine or osteopathy who does not intend to apply for a residency shall still complete at least one year of approved postgraduate training to qualify for licensure, before beginning the period of obligated service. This one year of training shall be in:
 - ~~(1) An allopathic flexible first year program with training in family practice, internal medicine, pediatrics, or an allopathic categorical first year program in family practice or internal medicine; or,~~
 - ~~(2) A rotating internship in osteopathic medicine.~~~~
- ~~(f) Any recipient receiving a degree in medicine or osteopathy who fails to complete any postgraduate training that is a minimum requirement of licensure shall be subject to the default penalties of subdivision (a) of section 97737.~~
- ~~(g) A scholarship recipient shall request the approval of the Office before altering the length or type of approved postgraduate training for which the period of obligated service was deferred under this section.~~
- ~~(h) Any recipient whose period of obligated service has been deferred under this section shall begin and complete the obligated service following the completion of the requested or required postgraduate training.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

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§ 97737. Penalties for Non-Compliance by a Scholarship Recipient.

- (a) ~~When a scholarship recipient fails to maintain an acceptable level of academic standing (as established by the participating school or institution), is dismissed from school for disciplinary reasons, or voluntarily terminates the course of study or program for which the scholarship was awarded, then the recipient shall be liable to repay the amount that has been paid by the Office, plus interest. Interest shall be computed at the rate of 7 percent per year. The interest shall begin accruing from the date the Office determines the course of study ceased. Repayment shall be required in quarterly installments, in amounts calculated by the Office to permit total repayment in seven years.~~
- (b) ~~If a scholarship recipient fails to begin or complete the service obligation, the Office shall be entitled to recover from the individual an amount determined by the following formula, plus interest:~~

$$A = F \left(\frac{T - S}{T} \right)$$

- ~~in which "A" is the amount the Office is entitled to recover; "F" is the sum of the amounts paid under this chapter; "T" is the total number of months in the individual's period of obligated service; and "S" is the number of months of such period already served by the individual. Interest shall be charged on the outstanding principal at the rate of 10 percent per year. Interest shall begin to accrue from the date the service obligation was to begin, or when it prematurely ceased, as determined by the Office. Repayment shall be required in quarterly installments, in amounts calculated by the Office to permit total repayment in seven years.~~
- (c) ~~If a scholarship recipient fails to accept payment or instructs the participating school or institution not to accept payment of the scholarship provided by the Office, for any reason not listed in paragraph (a), then the recipient must, in addition to repaying the Office any amounts already provided, plus interest, pay to the Office the amount of \$1,500.00 liquidated damages. The liquidated damages shall be due and owing within 30 days of the date on which the participant fails to accept payment of the scholarship award or instructs the school not to accept payment. Interest shall be computed at the rate of 10 percent per year. Repayment of any scholarship monies, and interest, shall be required in quarterly installments, in amounts determined by the Office to permit repayment in seven years.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

Article 4. Loan Repayment Program.

§ 97740. Eligibility Criteria for the Loan Repayment Program.

(a) ~~To be eligible to participate in the loan repayment program, an applicant shall:~~

- ~~(1) Be a full-time student in a properly accredited school, in the final year of a course of study or program leading to a degree in allopathic or osteopathic medicine, dentistry, nursing, or other health profession determined by the Office to be needed in medically underserved areas of the state; or~~
- ~~(2) Be enrolled in a medical or osteopathic internship, or a medical or osteopathic residency in family practice; or,~~
- ~~(3) Be a licensed health professional in a health profession determined by the Office to be needed in a medically underserved area; and,~~
- ~~(4) Be willing to commit to practice his or her profession, for a specified period of time after licensure, in a medically underserved area of the state.~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

§ 97743. Loan Repayment Program Provisions.

~~(a) Subject to the availability of funds, the Office may contract to repay educational loans in return for services health professionals provide in medically underserved areas. The loan repayment commitment made by the Office shall consist of a promise to repay, on behalf of a program participant, the principal, interest and related expense on outstanding governmental and commercial educational loans, not in default, received by the participants for:~~

- ~~(1) Tuition expenses; and,~~
- ~~(2) Other reasonable educational and living expenses incurred while a participant attended school (subject to approval as to eligibility by the Office).~~

~~(b) The service obligation of the participant shall be 12 months for each loan repayment contract entered into with the Office. However, a service obligation in a medically underserved area shall not be for a period of less than 24 months. The service obligation must be fulfilled on a full-time basis. "Full-time basis" means a forty-hour work week, minus normal time off for vacation (not~~

~~to exceed 4 weeks per year) and sick leave. The service obligation must be in direct patient care.~~

- ~~(c) After each 12 month period when a recipient has fulfilled his or her service obligation, the Office shall pay up to \$20,000 in retirement of the outstanding educational debt. The precise terms and conditions of the loan repayment commitment and the service obligation shall be detailed in the agreement entered into between the Office and the participant.~~
- ~~(d) The Office may enter into a collateral agreement with a lender (or note holder) to repay directly a loan or loans. Repayment shall be conditioned on satisfactory performance of the service obligation by the participant. The repayments shall be made in accordance with a schedule agreed to between the Office and the program participant. The Office may agree to repay all of a particular loan, or only partially repay a loan. If an individual has more than one eligible loan outstanding, the Office may select which loan it will repay. Nothing in this paragraph shall prohibit the Office from paying a participant directly, instead of a lender or note holder.~~
- ~~(e) During the period of service obligation, the participant shall continue to make any required periodic payments on all outstanding loans. The Office shall require periodic reports substantiating service in a medically underserved area (and other information) prior to releasing funds to a participant or a lender (or note holder).~~

~~NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97745. Additional Loan Repayment Commitment Contracts.~~

~~The Office may enter into additional loan repayment commitment contracts if:~~

- ~~(1) The participant requests an additional contract;~~
- ~~(2) The additional loan repayment commitment will not extend the total service obligation beyond 48 months;~~
- ~~(3) The performance of the participant in the medically underserved area is determined by the Office to be acceptable; and,~~
- ~~(4) The participant otherwise continues to be eligible for participation in the program.~~

NOTE: Authority cited: ~~Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~§ 97747. Penalties for Non-Compliance by a Loan Repayment Program Participant.~~

- (a) ~~If a participant or student breaches the contract with the Office by failing to either begin the service obligation or to complete it, the Office shall be entitled to recover from the individual an amount determined by the following formula, plus interest:~~

$$\text{A} = \text{F} \left(\frac{\text{T} - \text{S}}{\text{T}} \right)$$

~~in which "A" is the amount the Office is entitled to recover; "F" is the sum of the amounts paid under this chapter to or on behalf of the individual; "T" is the total number of months in the individual's period of obligated service; and "S" is the number of months of such period already served by the individual. Interest shall be charged on the outstanding principal at the rate of 10 percent per year. Interest shall begin to accrue from the date of the breach, as determined by the Office. Repayment shall be required in quarterly installments, in amounts calculated by the Office to permit repayment in seven years.~~

NOTE: Authority cited: ~~Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~

~~Article 5. Registered Nurse Education Program.~~

~~§ 97750. Eligibility Criteria for Financial Assistance Under the Registered Nurse Education Program.~~

- (a) ~~To be eligible for a scholarship under the Registered Nurse Education Program, an applicant shall:~~
- ~~(1) Be pursuing or planning to pursue, a course of study leading to a baccalaureate degree in nursing;~~
 - ~~(2) Be a member of a group defined in section 97700.8, except that an applicant may not be required to be a member if he or she agrees to practice nursing for a specified period of time in direct patient care in a medically underserved area of the state; and,~~
 - ~~(3) Be nominated by the program director or designee of the baccalaureate degree nursing program to which the applicant has~~

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~~applied (or intends to apply), or the program director or designee of an associate degree nursing program the applicant has attended, if either program director has agreed to make nominations to the Office. In making the nominations, the nursing program directors or their designees shall take into account the following:~~

- ~~(A) The nominee's work experience;~~
- ~~(B) The community background of the nominee, including residence in a medically underserved area;~~
- ~~(C) The nominee's career goals;~~
- ~~(D) Prior academic performance, and potential for future academic success; and,~~
- ~~(E) Financial need.~~

~~If an applicant is not applying to, and has not attended a school that has agreed to make nominations, then the applicant shall provide at least three letters of recommendation from former teachers or other community representatives.~~

- ~~(4) Priority consideration shall be given by the Office to individuals who have graduated from an Associate Degree Nursing Program. Priority shall also be given to full-time students, or less than full-time students who can complete their baccalaureate degree requirements in the shortest time.~~

~~(b) To be eligible for a loan repayment award under the Registered Nurse Education Program, an applicant shall:~~

- ~~(1) Be in the final year of the course of study leading to a baccalaureate degree in nursing; or,~~
- ~~(2) Currently possess a baccalaureate degree in nursing and have a valid license as a registered nurse; and,~~
- ~~(3) Be willing to practice nursing for a specified period of time in direct patient care in a medically underserved area of the state.~~

~~Priority shall be given by the Office to individuals whose commitment or ethnic and cultural background indicates the likelihood of successful long-~~

term employment in a medically underserved area even after the service obligation has ended.

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 128385, Health and Safety Code.

~~§ 97752. Obligation of Registered Nurse Education Program Scholarship Recipient.~~

- (a) ~~Each recipient of a scholarship under the Registered Nurse Education Program, except for those recipients who are members of a group included in section 97700.8 of this chapter, shall agree to practice nursing for a specified period of time in direct patient care in a medically underserved area of the state.~~

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 128385, Health and Safety Code.

~~§ 97755. Loan Repayment Provisions of the Registered Nurse Education Program.~~

- (a) ~~The maximum loan repayment commitments of the Office for the Registered Nurse Education Program shall be \$4,000 for the first 12 months during which a program participant practices nursing in a medically underserved area, then \$4,000, \$5,000 and \$6,000 respectively, for the 2nd, 3rd, and 4th, 12 month periods.~~

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 128385, Health and Safety Code.

~~§ 97757. General Provisions for the Registered Nurse Education Program.~~

~~The provisions of articles 1, 2, 3, 4, and 6 shall be applicable to the Registered Nurse Education Program, unless contrary to a section in this article.~~

NOTE: Authority cited: Section 128360, Health and Safety Code. Reference: Section 128385, Health and Safety Code.

~~Article 6. Appeals.~~

~~§ 97760. Appeals.~~

- (a) ~~Any person adversely affected by any decision of the Office under this chapter may petition the Office for a review of the decision. This petition shall be filed with the Office within 15 business days of the notice of adverse decision, and shall specifically describe the matters which are disputed by the petitioner. The Office~~

~~may immediately respond to the petition, and the response shall be a final administrative decision, or it may refer the matter to an employee appointed to act as a hearing officer.~~

~~(b) If the matter is referred to an employee for a hearing, a hearing shall be scheduled and conducted informally. The formal rules of evidence shall not apply. The employee hearing officer may accept into the record any information or evidence upon which reasonable people could rely. The employee hearing officer shall then prepare a proposed decision, and shall submit it to the Director, or the Director's designee, for final administrative action.~~

~~NOTE: Authority: Section 128360, Health and Safety Code. Reference: Sections 128345 and 128350, Health and Safety Code.~~