



**Steven M. Thompson Physician Corps  
Loan Repayment Program (STLRP)**

**Grant Guide  
For Fiscal Year 2022-23**

All applicants must agree to the terms and conditions prior to receiving funds. The Department of Health Care Access and Information will not make changes to the terms and conditions specified in this Grant Guide.

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**Section I: STLRP Grant Information**

**Background and Mission**

The Department of Health Care Access and Information (HCAI) works to increase and diversify California’s healthcare workforce by providing scholarships and loan repayments to health professional students and graduates who provide direct patient care in those communities.

STLRP was established in 2003 to increase access to healthcare and promote the retention of primary care physicians in medically underserved areas (MUAs) of California. STLRP is funded through a \$25 surcharge for renewal of allopathic physician licenses in California and through the Managed Care Administrative Fines and Penalties Fund. Physicians and surgeons can receive up to \$105,000 in exchange for providing direct patient care in a MUA or qualified facility in California for a minimum of three years.

**Eligibility Requirements**

**Provider Eligibility Requirements**

To be eligible for a STLRP award, each applicant must:

- Possess a valid and unrestricted MD or DO license to practice your profession in California
- Be in good standing with the Medical Board of California
- Not have any other existing service obligations with other entities, including other HCAI programs
- Not be in breach of any other health professional service obligation
- Have completed a three-year residency
- Have unpaid educational loans
- Commit to providing a three-year full-time (40 hrs./week) service obligation in a medically underserved area or qualifying facility in California
- Provide 32 hours or more per week of direct patient care (**Exception: physicians engaged in the practice of obstetrics, must be providing at least 21 hours of direct patient care**)
- Be practicing outpatient care (**patients must not be admitted to the hospital**)
- Complete and submit the application through the [HCAI Funding Portal](#) by the deadline

**Eligible Disciplines**

STLRP participants must possess an active and valid license (without restrictions or encumbrances) to practice in one of the following, but not limited to, disciplines and specialties in California:

| Discipline                     | Specialty   |
|--------------------------------|---|
| Primary Specialty              | <ul style="list-style-type: none"> <li>• Family Medicine</li> <li>• General Internal Medicine</li> <li>• General Pediatrics</li> <li>• Obstetrics/Gynecology</li> </ul> |
| Specialty Outside Primary Care | <ul style="list-style-type: none"> <li>• Gerontology</li> <li>• Psychiatry</li> <li>• Emergency Medicine</li> <li>• Surgery</li> <li>• Oncology</li> </ul>              |

## Practice Site Eligibility Requirements

For a facility to qualify, it must be in one of the following eligible geographic or site designations:

- Children's Hospital
- Correctional Facility
- County Health Facility
- Federally Qualified Healthcare Center (FQHC) (see [HCAI's FQHC list](#))
- Health Professional Shortage Area – Mental Health (HPSA-MH)
- Health Professional Shortage Area – Primary Care (HPSA-PC)
- Native American Health Center
- Primary Care Shortage Area (PCSA)
- Public School Facility
- Rural Healthcare Center (RHC)
- State-Operated Health Facility
- Substance Use Facility
- Veteran's Facility

Find out if your worksite is located in an eligible area <https://geo.hcai.ca.gov/hpsa-search>

## Eligible Practice Settings

In addition to meeting one or more of the above site eligibility requirements, providers must also work in one of the following eligible practice settings:

- A community clinic that is a primary care clinic, operated by a tax-exempt nonprofit organization or an Indian Tribal Clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's roll pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.
- A physician owned and operated medical practice setting that provides primary care located in a medically underserved area and has a minimum of 50 percent of patients who are uninsured, Medi-Cal beneficiaries, or beneficiaries of another publicly funded program that serves patients who earn less than 250 percent of the federal poverty level.
- Emergency rooms where care is provided to patients that are not admitted to the hospital.
  - **NOTE: to identify which practice setting applies to your practice site, please consult your employer.**

## Debt Eligibility

### Qualifying Educational Loans

- Qualified Lender: Qualifying commercial lending institutions are those subject to examination and supervision by an agency of the United States, or by the state in which the institutions have their place of business.

- Loans (government and commercial) obtained from a qualifying lender for undergraduate and graduate health profession degrees.
- Consolidated and/or refinanced educational loans that clearly delineate the original loans and the degrees conferred.

### **Non-Qualifying Educational Loans**

The following types of debt are **not eligible** for loan repayment under STLRP:

- Parents PLUS loans
- Loans in default
- Loans repaid in full
- Credit card debt
- Loans not in the provider's name
- Personal lines of credit
- Consolidated with mortgage loan
- Consolidated with loans owed by another person

Applicant's educational loans must be in good standing. "Good standing" for the purposes of educational loan debt is defined as not being in default. Applicants may have educational loans that are in deferment and/or forbearance. Applicants who are awarded must continue to make payments during their terms of their contract.

### **Available Funding and Award Amounts**

#### **Available Funding**

STLRP funding comes from licensure fees from the Medical Board of California and Osteopathic Board of California, Managed Care fines and penalties, and special funding. Approximately \$14 million is available for physicians practicing in California.

In the event there is additional state funding available, HCAI has the discretion to make additional awards.

#### **Award Amount**

The maximum award amount for the Steven M. Thompson Physician Corps Loan Repayment Program (STLRP) is **\$105,000**. HCAI may award full, partial, or no funding to an applicant based on the applicant's success in meeting the selection criteria, and the amount of available funds. Applicants will not be awarded more than their total educational debt left on their loan balance.

Applicants may be awarded up to three times. Applicants not selected for an award may apply for the next cycle. For applicants who are selected, upon completion of a first or second three-year service obligation, you would be eligible to apply for up to a third time.

A new application must be submitted to be considered for award, as each service obligation requires a separate contract, therefore obligations may not overlap, nor be considered a continuation of a previous agreement.

#### **Initiating an Application**

The applicant is responsible for providing all necessary information and ensuring that the information contained in the application is accurate.

Applicants must register and submit all applications (including all required forms, documents and/or attachments) through the web-based eApp <https://funding.hcai.ca.gov/>.

New applicants must first register as a user to access the application materials. Returning applicants must use their previous email and password to login. *Section II: Provider eApp Technical Guide* contains information regarding how to register and complete your application.

You may apply for more than one HCAI scholarship or loan repayment program at a time. However, if awarded, you can only contract for one service obligation at a time.

## **Service Obligation**

Grantees must commit to providing a three-year service obligation, working full-time or maintain a full-time practice, in an STLRP-qualifying MUA. "Full-time" means they must provide medical services for a minimum of 40 hours per week with at least 32 of those hours spent providing direct patient care on an outpatient basis. Outpatient means a patient who receives medical treatment without being admitted to a hospital.

**Exception:** OB/GYN physicians must also work a minimum of 40 hours a week, however, they are only required to provide at least 21 hours of direct patient care (DPC) on an outpatient basis.

"Direct Patient Care (DPC)" means the provision of health care services provided directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes both, face-to-face and telehealth-based preventative care and first line supervision. To be considered direct patient care, it must be provided on an outpatient basis only. "Outpatient" means a patient who receives medical treatment without being admitted to a hospital.

The 40 hour per week may be compressed into no less than four days per week, with no more than 12 hours of work in any 24-hour period for a minimum of 45 weeks per year. This does not include hours spent on call.

## **Worksite Absences**

Grantee can take up to seven weeks in a calendar year away from their STLRP approved practice site for any leave of absence approved by their worksite, or otherwise as required in order to comply with applicable federal and state laws. HCAI will execute a contract amendment to extend the Grantee's obligation end date for each day of absence over the allowable seven weeks.

## **Communication Requirements**

Grantee must email HCAI within these specified timeframes for the following reasons:

- **15 calendar days if you:**
  - Have any change in full-time status, including but not limited to, a decrease in the number of hours providing medical services (falling below 32 hours), termination, resignation, or leave of absence in excess of the time permitted outlined under "Worksite Absences."

- **30 calendar days if you:**
  - Have any change in practice site. HCAI will verify if the practice site is eligible. An Employment Verification Form (EVF) must be submitted to their Program Officer via email.
  - Change your name, residential address, phone number and/or email address.
- **90 calendar days if you:**
  - File a petition with HCAI for modification of the amount to be paid or repaid and/or the time of repayment regarding the breached contract.

## Evaluation and Scoring Procedures

HCAI may make multiple awards. Please refer to *Attachment A: Evaluation and Scoring Criteria*. Final awards include consideration of the following elements:

1. At the time of application closing, HCAI will check each application for the presence or absence of required information in conformance with the submission requirements.
2. HCAI may reject applications that contain false or misleading lender statements.
3. HCAI will use the evaluation tool in *Attachment A: Evaluation and Scoring Criteria* to score applications.

## Funding Priorities

HCAI applies the following funding priorities to all eligible and qualified applicants:

1. Applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one of the following criteria:
  - a. Speak a Medi-Cal threshold language.
  - b. Come from economically disadvantage background.
  - c. Have received significant training in cultural and linguistically appropriate service delivery.
  - d. Have three years of experience providing health care services to medically underserved populations or in a medically underserved area.
2. Applicants who have completed a three-year residency in a primary specialty.
3. Applicants who agree to practice in a medically underserved area and serve a medically underserved population.
4. Applicant from rural communities who agree to practice in a physician owned and operated medical practice setting.
5. Applicants who agree to practice in a geriatric care setting and are trained in geriatrics.

## Award Process

HCAI will notify selected applicants (herein referred to as Grantee) after finalizing all award decisions. The award process time can vary depending upon the number of applications received. HCAI will use DocuSign to send contract documents to Grantee for review and signatures.

## Grant Agreement Deliverables

The Grantee shall:

- Submit six (6) Progress Reports through the eApp, during the three-year service obligation. The schedule of those reports is based on your contract start date as follows:

**If contract start date is September 30, 2022:**

| <b>Deliverable</b>    | <b>Date Available</b> | <b>Due Date</b>  |
|-----------------------|-----------------------|------------------|
| Progress Report One   | April 1, 2023         | April 30, 2023   |
| Progress Report Two   | October 1, 2023       | October 31, 2023 |
| Progress Report Three | April 1, 2024         | April 30, 2024   |
| Progress Report Four  | October 1, 2024       | October 31, 2024 |
| Progress Report Five  | April 1, 2025         | April 30, 2025   |
| Progress Report Six   | October 1, 2025       | October 31, 2025 |

**If contract start date is November 30, 2022:**

| <b>Deliverable</b>    | <b>Date Available</b> | <b>Due Date</b>   |
|-----------------------|-----------------------|-------------------|
| Progress Report One   | June 1, 2023          | June 30, 2023     |
| Progress Report Two   | December 1, 2023      | December 31, 2023 |
| Progress Report Three | June 1, 2024          | June 30, 2024     |
| Progress Report Four  | December 1, 2024      | December 31, 2024 |
| Progress Report Five  | June 1, 2025          | June 30, 2025     |
| Progress Report Six   | December 1, 2025      | December 31, 2025 |

**If contract start date is January 31, 2023:**

| <b>Deliverable</b>    | <b>Date Available</b> | <b>Due Date</b>   |
|-----------------------|-----------------------|-------------------|
| Progress Report One   | August 1, 2023        | August 31, 2023   |
| Progress Report Two   | February 1, 2024      | February 29, 2024 |
| Progress Report Three | August 1, 2024        | August 31, 2024   |
| Progress Report Four  | February 1, 2025      | February 28, 2025 |
| Progress Report Five  | August 1, 2025        | August 31, 2025   |
| Progress Report Six   | February 1, 2026      | February 28, 2026 |

**If contract start date is March 31, 2023:**

| <b>Deliverable</b>    | <b>Date Available</b> | <b>Due Date</b>  |
|-----------------------|-----------------------|------------------|
| Progress Report One   | October 1, 2023       | October 31, 2023 |
| Progress Report Two   | April 1, 2024         | April 30, 2024   |
| Progress Report Three | October 1, 2024       | October 31, 2024 |
| Progress Report Four  | April 1, 2025         | April 30, 2025   |
| Progress Report Five  | October 1, 2025       | October 31, 2025 |
| Progress Report Six   | April 1, 2026         | April 30, 2026   |

**Required Grant Documentation**

- Contact Program Officer to receive an Employment Verification form (EVF) to complete **anytime** there is a change in practice site.
- Request and submit a Payee Data Record form (STD204) anytime there is a change in the Grantee's name and or residential address.

**Post Award and Payment Provisions**

1. HCAI expects the Grantee will begin performance of the grant agreement on the start date listed on the grant documents.

2. The State Controller’s Office mails a paper check directly to the Grantee’s address on file. **Note: Please ensure HCAI has your most recent residential address on file to avoid delay in payment.** See *Attachment B: Sample Grant Agreement, Section D: Payment Provisions and Reporting Requirements* for information on the payment schedule.
  
3. HCAI cannot provide tax advice to Grantees. HCAI are not tax professionals and tax consequences may vary depending on the Grantee. For this reason, Grantees should seek professional tax advice.

**Breach Policy**

HCAI reserves the right to recover monies for the Grantee’s failure to perform the obligations set forth in the grant agreement. Refer to *Attachment B: Sample Grant Agreement, Section G: Breach* for detailed information.

**Key Dates**

The key dates for the program year are as follows:

| Event                               | Date  | Time      |
|-------------------------------------|---|-----------|
| Application Available               | May 16, 2022  | 3:00 p.m. |
|                                     |   |           |
| Application Submission Deadline     | October 31, 2022  | 3:00 p.m. |
|                                     |   |           |
| Anticipated Award Notice Date       | August 2022, if application is submitted by June 16, 2022.        | N/A       |
|                                     | September 2022, if application is submitted by July 17, 2022.     | N/A       |
|                                     | October 2022, if application is submitted by August 18, 2022.     | N/A       |
|                                     | January 2023, if application is submitted by October 31, 2022.    | N/A       |
|                                     |   |           |
| Proposed Grant Agreement Start Date | September 30, 2022, if application is submitted by June 16, 2022. | N/A       |
|                                     | November 30, 2022, if application is submitted by July 17, 2022.  | N/A       |
|                                     | January 31, 2023, if application is submitted by August 18, 2022. | N/A       |
|                                     | March 31, 2023, if application is submitted by October 31, 2022.  | N/A       |

**Grant Questions and Answers**

You can find answers to most questions in this Grant Guide. Prospective applicants may submit questions to HCAI at [HWDD-LRP@hcai.ca.gov](mailto:HWDD-LRP@hcai.ca.gov) at any time during the application cycle.

**Contact Us**

For questions related to STLRP and the eApp, please email HCAI staff at [HWDD-LRP@hcai.ca.gov](mailto:HWDD-LRP@hcai.ca.gov).

## Section II: Provider eApp Technical Guide

### Accessing the Application System

HCAI uses the eApp to allow healthcare providers and students to submit applications. This Grant Guide contains information you need to complete and submit an application in the eApp.

To access the eApp, go to <https://funding.hcai.ca.gov/>. To ensure proper functionality in the eApp, use Chrome or Microsoft Edge, as Internet Explorer is no longer supported.

### Registration and Login

All applicants must register in the eApp system before beginning an application. To register as a new user, click the “Create Account” button on the home page and follow the instructions. After submitting your email address and creating a password, you will receive an email with an account activation link. Click the link in the email to return to the eApp and complete your user account.

### Submitting an Application

- By submitting the application, you agree to the grant Terms and Conditions.
- HCAI will not consider late or incomplete applications. For more detailed information, refer to *Key Dates* in this Grant Guide.
- Once you click the “Submit” button, you **cannot** go back to revise the application.
- The eApp will email you a confirmation of submission.

### STLRP Application Components

A submitted application must contain all required information and conform to the Grant Guide format.

The STLRP application has nine sections to complete:

1. General Information
2. Contact Information (**one contact required**)
3. Professional Information
4. Medical Training
5. Employment History and Verification
6. Educational Debt
7. Required Documents
  - **Make sure that file format is an acceptable format and that it can be opened. Examples of acceptable formats are .jpg, .doc, .docx, and .pdf)**
8. Application Certification

Where applicable, each page displays instructions. You can also click the “Help” button located next to your username in the upper right corner of your browser window for additional assistance or explanation. If you need additional assistance, contact STLRP staff at [HWDD-LRP@hcai.ca.gov](mailto:HWDD-LRP@hcai.ca.gov).

## Attachment A: Evaluation and Scoring Criteria

### Awardee Selection Information

HCAI may award full, partial, or no funding to an applicant based on the applicant's success in meeting the scoring criteria, the amount of available funds, and the size of the eligible applicant pool. HCAI will use the Evaluation and Scoring Criteria below to score applications and will grant awards to the highest scored applications. HCAI intends for this application to support multiple counties in California by providing a distribution of awards throughout the state.

| Core Categories                           | Guidelines  | Points               |
|---|---|----------------------|
| <b>Languages Spoken</b>                   | <p><b>25 points:</b> Speaks one or more listed languages fluently/well enough to be able to provide direct care services to clients.</p> <p><b>0 points:</b> Does not speak more than one language.</p>   | <b>25 points max</b> |
| <b>Health Professional Shortage Areas</b> | <p>How many years of experience do you have working or training in Health Professional Shortage Areas (HPSA)?</p> <p><b>25 points:</b> Five or more years</p> <p><b>20 points:</b> Four years</p> <p><b>15 points:</b> Three years</p> <p><b>10 points:</b> Two years</p> <p><b>5 points:</b> One year</p> <p><b>0 points:</b> Less than one year</p>   | <b>25 points max</b> |
| <b>Economically Disadvantaged</b>         | <p>As defined by the Scholarship for Disadvantaged Students program, have you been identified as having a disadvantaged background based on environmental and/or economic factors, or did you receive a federal Exception Financial Need Scholarship?</p> <p><b>25 points:</b> Yes</p> <p><b>0 points:</b> No</p>   | <b>25 points max</b> |
| <b>Extra Points</b>                       | <p><b>5 points:</b> Physician has completed a three-year residency, and the residency was in a primary care specialty.</p> <p><b>5 points:</b> Physician has completed a fellowship in a culturally appropriate service delivery.</p> <p><b>5 points:</b> Physician has completed a medical exchange program during medical school or during post-graduate training wherein services were provided to a patient population that primarily speaks a Medi-Cal threshold language.</p> | <b>15 points max</b> |
| <b>Total Points</b>                       |   | <b>90 points max</b> |

## Attachment B: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE DEPARTMENT OF HEALTH CARE ACCESS  
AND INFORMATION AND  
**[PROVIDER NAME], [DISCIPLINE]**  
GRANT AGREEMENT NUMBER **[GRANT NUMBER]**

THIS GRANT AGREEMENT (“Agreement”) is entered into on **[Agreement Start Date]**  
by and between the State of California, Department of Health Care Access and  
Information (hereinafter “HCAI”) and **[Provider Name]** (hereinafter “Grantee”)

WHEREAS, Article 5 of Part 3 of Division 107 of the California Health and Safety Code  
(commencing with section 128550) established the Steven M. Thompson Physician  
Corps Loan Repayment Program (Program) within the Department of Health Care  
Access and Information (HCAI).

WHEREAS, Grantee applied to participate in the Steven M. Thompson Physician Corps  
Loan Repayment Program, by submitting an electronic application in response to the  
**[Application Year]** Steven M. Thompson Physician Corps Loan Repayment Program  
Application.

WHEREAS, Grantee was selected by HCAI through duly adopted procedures to receive  
grant funds from STLRP.

NOW THEREFORE, HCAI and the Grantee, for the consideration and under the  
conditions hereinafter set forth, agree as follows:

### A. Definitions

1. “Program Application” means the grant application submitted by Grantee and approved by HCAI.
2. “Director” means the Director of the Department of Health Care Access and Information or their designee.
3. “Deputy Director” means the Deputy Director of the Health Workforce Development Division (HWDD) or his/her designee.
4. “Grant Agreement/Grant Number” means this Agreement, Grant Number **[Grant Agreement Number]**, between HCAI and Grantee.
5. “Provider” means the Grantee.

6. "Grant Funds" means the money provided by HCAI to Grantee per this Agreement.
7. "Program" means the **Steven M. Thompson Physician Corps Loan Repayment Program**.
8. "Program Manager" means the HCAI manager responsible for the grant program.
9. "State" means the State of California and includes all its Departments, Agencies, Committees and Commissions.
10. "Direct Patient Care" means the provision of health care services provided directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes both, face-to-face and telehealth-based preventative care and first-line supervision. To be considered direct patient care, it must be provided on an outpatient basis only. "Outpatient" means a patient who receives medical treatment without being admitted to a hospital.
11. "Full-Time Service" is defined as a minimum of 40 hours per week.
12. "Qualified Facility" is a facility within a "Medically Underserved Area" (as defined in California Code of Regulations, title 22, section 97700.35), meaning a geographic area designated by the Director 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 California Health Workforce Education and Training Council 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 professional 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. "Site Designation" means Children's Hospital, Correctional Facility, County Health Facility, Public School Facility, and Veteran's Facility.

## **B. Terms of the Agreement**

This Agreement shall take effect on **[Agreement Start Date]** and shall terminate on **[Agreement End Date]**.

### C. Scope of Work

Grantee agrees to the following Scope of Work as set forth herein. In the event of a conflict between the provisions of this Agreement and the Program Application, the provisions of this Agreement shall prevail.

1. For the period of **[Agreement Start Date]** through **[Agreement End Date]** to provide full-time service in direct patient care on an outpatient basis, including practicing at least 36 months at a qualified facility as a(n) **[Discipline]**.
  - a. Grantee may take up to seven weeks in a calendar year from their approved practice site for any leave of absence approved by their worksite, except otherwise required in order to comply with applicable federal and state laws, without affecting their service obligation.
  - b. Should Grantee take more than seven weeks as stated above and HCAI agrees to this, HCAI and Grantee agree to amend the term of this Agreement to extend the service obligation for each day of absence over the seven weeks.
2. Provide medical services in a practice setting listed in Exhibit 1, a copy of which is attached and incorporated herein by reference and to comply with all terms of the Program as specified in Article 5 of Part 3 of Division 107 of the California Health and Safety Code (commencing with section 128550), which are attached hereto as Exhibits 2, respectively, and incorporated by reference in their current form or as may be amended.
3. Notify HCAI, in writing, of any and all name, mailing address, phone number, or e-mail address changes within 30 days of the change.
4. Grantee must notify HCAI within 30 days of any change in the place of employment. HCAI will verify if the new place of employment is a qualified facility. It is highly recommended for Grantees to contact their Program Representative (identified below) to verify eligibility of a potential new employer before switching places of employment.
5. Submit to HCAI by required deadlines, as determined by HCAI, all requested information during the duration of this Agreement, **[Agreement Start Date]** through **[Agreement End Date]**. HCAI may request information to include, but not limited to, Employment Verification Form, and Progress Reports.
6. Grantee must not have agreed to a contract with another entity to practice professionally for a period during the term of this Agreement in exchange for financial assistance, including tuition reimbursement, scholarships, loans, or loan

repayment. Grantee shall be ineligible to receive a loan repayment under this Agreement until the conflicting obligation to this other entity has been fulfilled.

7. Apply all Grant Funds received to the qualifying educational loan(s) provided by the lending institution(s) listed on the approved Program Application. Grantee must pay all received Grant Funds toward the qualifying educational loans during the term of this Agreement. Work performed, and payments made before the start date of this Agreement will not count towards this requirement.
8. Pay to the lending institution(s) listed in the approved Program Application any interest that accrues during the term of this Agreement.

#### **D. Payment Provisions and Reporting Requirements**

1. During the term of this Agreement, HCAI expects to make three **Annual** payments to the Grantee as indicated below.
2. Payments will be made in accordance with, and within the time specified in, Government Code, Title 1, Division 3.6, Part 3, Chapter 4.5, commencing with Section 927.
3. Service obligation will be monitored via the “regular submission” of Progress Reports by the Grantee on a quarterly basis. HCAI reserves the right to increase or decrease the number of progress reports, if needed. Grantee shall continue to make any required payments on all outstanding student loans. **Nothing in this Agreement relieves the Grantee of the primary responsibility to repay the educational debts listed in the approved Program Application.**
4. The total obligation of HCAI under this Agreement shall not exceed **[\$Award Amount]** to the Grantee and shall be payable as follows:
  - a. **[\$Payment #1]** after participant has completed one year of service obligation in compliance with this Agreement which begins on **[Contract Start Date]**; and is to be completed on **[Contract End Date]**.
  - b. **[\$Payment #2]** after participant has completed two consecutive years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #4]**.
  - c. **[\$Payment #3]** after participant has completed three consecutive years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #6]**.
5. Payments shall be made and is conditioned upon HCAI’s receipt of documentation of the Grantee’s provision of the service obligation, and other documents as required by HCAI. Payment shall be made within 45 calendar days of receipt by HCAI of final progress report. Payments under this Agreement

are not issued with regard to any loan payment due date and may be made at any time within the term of this Agreement.

#### **E. Award may be Exempt from Federal Income Taxes**

HCAI does not provide tax advice and this section may not be construed as tax advice from HCAI. Grantee should seek advice from an independent tax consultant regarding the financial implication(s) of any funds received from HCAI.

Payments made under certain State Loan Repayment Programs may be exempt from federal taxes under 26 U.S.C. § 108(f)(4):

“In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act (enacted by Pub L. 108-357, § 320(a) in 2004), of under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of healthcare services in underserved or health professional shortage areas (as determined by such State).”

HCAI does not withhold any tax from the award.

#### **F. Budget Contingency Clause**

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the Program, this Agreement shall be of no further force and effect. In this event, HCAI shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of the Program, HCAI shall have the option to either cancel this Agreement with no liability occurring to HCAI or offer an amendment to Grantee to reflect the reduced amount.

#### **G. Breach**

1. HCAI expressly reserves the right to pursue all legal and equitable remedies in the event of a breach by Grantee.
2. Grantee's failure to complete their Service Obligation is a material breach of this Agreement. HCAI shall recover the following amounts for Grantee's failure to complete their Service Obligation unless Grantee obtains relief under Section I:

- a. The amounts paid by HCAI to, or on behalf of, the Grantee for any portion of the Service Obligation not actually completed;
  - b. As liquidated damages for damages suffered by HCAI and the State of California as a result of Grantee's breach, an amount equal to the number of months of obligated service not completed by the Grantee multiplied by \$1,500.00.
3. Any amount HCAI is entitled to recover from Grantee's breach shall be paid within six (6) months of the date of HCAI's written notification to Grantee of the breach, unless HCAI agrees to another arrangement in writing.
  4. Grantee will be ineligible to apply for any HCAI Programs in the future if they materially breach their contract unless Grantee obtains relief under Section I.

#### **I. Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service**

1. Any service or payment obligation incurred by the Grantee will be canceled upon the Grantee's death.
2. Grantee may seek a modification, waiver, suspension, reduction, or delay of the service or payment obligations under this Agreement by written request to HCAI setting forth the basis, circumstances, and causes which support the requested action. HCAI may approve a request for a suspension for a period of not more than one year. A renewal of this suspension may also be granted on a case-by-case basis.
3. HCAI may modify, waive, suspend, reduce, or delay any service or payment obligation incurred by a Grantee whenever compliance by the Grantee is impossible, or would involve extreme hardship to the Grantee, and if the enforcement of the service or payment obligation would be against equity and good conscience.
4. Compliance by a Grantee with a service or payment obligation shall be considered impossible if HCAI determines, on the basis of information and documentation, that the Grantee suffers from a physical or mental disability resulting in the permanent (or near-permanent) inability of the Grantee to perform the service or other activities which would be necessary to comply with the obligation.
5. In determining whether to waive, suspend, reduce or delay any or all of the service or payment obligations of a Grantee as imposing an undue hardship and being against equity and good conscience, HCAI may consider:
  - a. The Grantee's present financial resources and obligations;

- b. The Grantee's estimated future financial resources and obligations; and,
- c. The extent to which the Grantee has problems of a personal nature, such as physical or mental disabilities, or terminal illness in the immediate family, which so intrude on the Grantee's present and future ability to perform as to raise a presumption that the individual will be unable to perform the obligation incurred.

## **K. General Terms and Conditions**

1. **Timeliness:** Time is of the essence in this Agreement. Grantee will submit required documentation by the deadlines set by HCAI. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Grantee.
2. **Final Agreement:** This Agreement, along with the Program Application, constitutes the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions. In the event of a conflict between the provisions of this Agreement and the Program Application, the provisions of this Agreement shall prevail.
3. **Cumulative Remedies:** HCAI's failure to exercise or a delay in exercising any right, remedy, power or privilege hereunder shall not operate as a waiver thereof; nor shall any single or partial exercise by HCAI of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.
4. **Ownership and Public Records Act:** All reports and the supporting documentation and data, which are embodied in those documents, collected from Grantee pursuant to this Agreement, shall become the property of the State and subject to the California Public Records Act (Gov. Code §§ 6250 et seq.).
5. **Independence from the State:** Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
6. **Waiver:** The waiver by HCAI of a breach of any provision of this Agreement by the Grantee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify Grantee from any future grant awards for failure to comply with the terms of this Agreement.
7. **Approval:** This Agreement is of no force or effect until signed by both parties. The Grantee may not commence performance until such approval has been obtained.

8. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
9. Assignment: This Agreement is not assignable by Grantee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.
10. Indemnification: Grantee agrees to indemnify, defend and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee in the performance of this Agreement.
11. Disputes: Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:
  - a. Grantee will discuss the problem informally with the HCAI Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director, stating the issues in dispute, the basis for Grantee's position, and the remedy sought. Grantee shall include copies of any documentary evidence and describe any other evidence that supports their position with their submission to the Deputy Director.
  - b. Within ten working days after receipt of the written grievance from the Grantee, the Deputy Director or their designee shall make a determination and respond in writing to the Grantee indicating the decision and reasons for it.
  - c. Within ten working days of receipt of the Deputy Director's decision, Grantee may appeal to the HCAI Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's Decision. The Chief Deputy Director or designee (who shall not be the Deputy Director or their Designee) shall meet with Grantee within 20 working days of receipt of Grantee's appeal. During this meeting, Grantee and HCAI may present evidence in support of their positions.
  - d. Within ten working days after meeting with Grantee, the HCAI Chief Deputy Director or their designee shall respond in writing to the Grantee with their decision. The Chief Deputy Director's decision will be final.
12. Termination for Cause: HCAI may terminate this Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided.

13. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
14. Unenforceable Provision: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

SAMPLE

**L. HCAI and Grantee Contact Information**

The representatives of HCAI and the contact information for each party during the term of this agreement are listed below. Direct all inquiries to:

|   |  |
|---|--|
| State Agency:<br>Department of Health Care Access and Information             | HCAI Program Awarded Under<br><b>[Name of Program]</b>           |
| Section/Unit:<br>Health Workforce Development Division                        | Grantee's First Name, Last Name:<br><b>[Grantee's Full Name]</b> |
| Name:<br><b>[Program Officer Full Name]</b>                                   | Address:<br><b>[Address 1]</b>                                   |
| Address:<br>2020 West El Camino Avenue,<br>Suite 1222<br>Sacramento, CA 95833 | Phone Number 1:<br><b>[Phone 1]</b>                              |
| Phone:<br><b>[Program Officer Main Phone]</b>                                 | Phone Number 2:<br><b>[Phone 2]</b>                              |
| Email:<br><b>[Program Officer Primary Email]</b>                              | Email:<br><b>[Email Address]</b>                                 |

**M. Parties' Acknowledgement:**

*By signing below, the Department of Health Care Access and Information (HCAI) and Grantee acknowledge that this Agreement accurately reflects the understanding of HCAI and Grantee with respect to the rights and obligations under this Agreement.*

\_\_\_\_\_

**[Grantee's Full Name]**

\_\_\_\_\_

**Date**

*For the Department of Health Care Access and Information:*

\_\_\_\_\_

**[Procurement and Contract Services Manager]**

\_\_\_\_\_

**Date**