CHAPTER 423

LOANS FOR CANDIDATES FOR PRACTICE OF OSTEOPATHIC MEDICINE

§12001. Purpose

1. Purpose. The purpose of this chapter is to provide for persons who desire to practice osteopathic medicine in this State.
[PL 1981, c. 693, §§ 5, 8 (NEW).]

2. Findings. The provision of financial assistance in securing this type of higher education is an important public purpose. Many qualified youth are deterred by financial considerations from securing this type of higher education resulting in irreparable loss to the State in maintaining the health of its residents.
[PL 1981, c. 693, §§ 5, 8 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW).

§12001-A. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1989, c. 698, §26 (NEW); PL 1989, c. 698, §76 (AFF).]

1. Authority. "Authority" means the Finance Authority of Maine.
[PL 1989, c. 698, §26 (NEW); PL 1989, c. 698, §76 (AFF).]

2. Chief executive officer. "Chief executive officer" means the Chief Executive Officer of the Finance Authority of Maine.
[PL 1989, c. 76 (AFF); PL 1989, c. 698, §26 (NEW).]

SECTION HISTORY

PL 1989, c. 698, §26 (NEW).

§12002. State Osteopathic Loan Fund

(REPEALED)

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1983, c. 806, §88 (AMD). PL 1989, c. 698, §27 (RP).

§12002-A. State Osteopathic Loan Fund

The State Osteopathic Loan Fund is created under the jurisdiction of the authority as a nonlapsing, interest-earning, revolving fund to carry out the purposes of this chapter. Any unexpended balance in the fund carries over for continued use under this chapter. The authority may receive, invest and expend, on behalf of the fund, money from gifts, grants, bequests and donations, in addition to money appropriated or allocated by the State. Loan repayments under this section or other repayments to the authority must be invested by the authority, as provided by law, with the earned income to be added to the fund. Money received by the authority on behalf of the fund, except interest income, must be used for the designated purpose; interest income may be used for the designated purpose or to pay student financial assistance administrative costs incurred by the authority as determined appropriate by the authority. [PL 1991, c. 612, §9 (RPR).]

The authority may allocate a portion of the annual loan repayments for the purpose of recruiting primary care physicians to designated underserved geographic areas of the State. That portion may be used: [PL 1991, c. 612, §9 (NEW).]

1. Generate funds. To generate additional matching funds for recruitment of physicians to designated underserved geographic areas; or
[PL 1991, c. 612, §9 (NEW).]

2. Criteria established. In accordance with criteria established by the authority, to encourage primary care physicians to practice medicine in a designated underserved area.
[PL 1991, c. 612, §9 (NEW).]

The chief executive officer shall include in the authority's biennial budget an appropriate request adequate to fund the loan program. [PL 1991, c. 612, §9 (NEW).]

SECTION HISTORY

PL 1989, c. 698, §28 (NEW). PL 1991, c. 612, §9 (RPR).

§12003. Eligibility for loans

An applicant shall be eligible for a loan under this chapter when the chief executive officer, after consultation with the executive committee of the Maine Osteopathic Association, finds that the applicant: [PL 1989, c. 698, §29 (AMD); PL 1989, c. 698, §76 (AFF).]

1. Residency. Has been a resident of this State for a minimum of 3 years at any time prior to application;
[PL 1981, c. 693, §§5, 8 (NEW).]

2. Qualifications. Is attending or will immediately attend an osteopathic college or university accredited by the American Osteopathic Association;
[PL 1981, c. 693, §§5, 8 (NEW).]

3. Financial resources. Will, in the absence of a loan, be deterred by financial considerations from beginning or completing a course of study at an osteopathic college or university; and
[PL 1981, c. 693, §§5, 8 (NEW).]

4. Return to Maine. Shows a genuine interest in returning to this State to practice osteopathic medicine.
[PL 1981, c. 693, §§5, 8 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1989, c. 698, §29 (AMD).

§12004. Repayment for pre-June 30, 1981 students

1. Agreement. A student commencing professional education between September 1, 1971 and June 30, 1981, as a condition of receiving a loan, shall enter into an agreement with the State that the student, after the completion of an internship, residency, obligated public health service or Armed Forces' service, shall enter in the practice of osteopathic medicine in this State and continue in that practice for a period of one year for each $2,000 of the loan utilized.
[PL 1985, c. 797, §48 (AMD).]

2. Initial interest. The loan must be granted to the applicant with no interest or principal payments until one year after the applicant has ended attendance at that osteopathic college or university.
[RR 2019, c. 2, Pt. B, §20 (COR).]

3. Breach of contract. If a recipient of a loan fails to comply with the terms of the agreement with the State for reasons other than death, the recipient shall immediately be liable to the State for all

loan payments received plus interest on each payment at the rate of 6% each year compounded semiannually.
[PL 1981, c. 693, §§ 5, 8 (NEW).]

4. Repayment process. If a recipient of a loan practices osteopathic medicine in a community in this State for only a part of the total compensatory practice agreed upon, the recipient shall be liable to the State only for the amount granted under the loan plus interest at the rate of 6% each year compounded semiannually. This amount shall be reduced by a credit at the rate of $2,000 plus interest for each year the recipient has actually practiced in the State. The loan shall be repaid within 12 years of graduation.
[PL 1981, c. 693, §§ 5, 8 (NEW).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1983, c. 806, §89 (AMD). PL 1985, c. 797, §48 (AMD). RR 2019, c. 2, Pt. B, §20 (COR).

§12005. Agreement for osteopathic loan students after July 1, 1981 and prior to January 1, 1993

1. Agreement. Any osteopathic loan student commencing professional education on or after July 1, 1981 and prior to January 1, 1993 shall, as a condition precedent to receiving the loan, enter into an agreement with the authority stating that following completion of professional education including internship, residency, fellowship, obligated public health service or obligated national service the student will pay the State an amount of money equal to the loan received.
[PL 1991, c. 832, §9 (AMD).]

2. Repayment. This amount is payable at 9% simple annual interest over a period not to exceed 10 years; however, students may extend the repayment period by one to 10 years with the approval of the chief executive officer for a total repayment period not to exceed 20 years. These payments commence at such time as the student concludes professional education under rules adopted by the authority.
[PL 1991, c. 832, §9 (AMD).]

3. Deferment. Any student who has received a loan under this section who, during the repayment period, either returns to a Maine practice and then leaves the State or initially remains out of state and then returns to a Maine practice may seek a deferment of the annual principal and interest payments while outside the State for a period of time not to exceed 3 years. Interest must be assessed during this time and the student's total debt to the authority, including principal and interest, must be repaid either through return service or cash payments within 10 years from the date that marks the beginning of the repayment period. Requests for deferments must be made to the chief executive officer, who shall make a determination on a case-by-case basis. The decision of the chief executive officer is final.
[PL 1991, c. 832, §9 (AMD).]

4. Forgiveness. Any student who, upon the conclusion of the student's professional education, including, if applicable, internship, residency, fellowship, obligated public health service and obligated national service as defined in section 11802, subsection 7, elects to serve as a practitioner of osteopathic medicine in a designated, underserved area, as determined by the Commissioner of Health and Human Services and as defined in section 11802, subsection 6, in the State is forgiven 25% of the original outstanding indebtedness for each year of that practice.

A. Any student electing to complete an entire residency at any family practice residency program in the State is forgiven 50% of the original outstanding indebtedness upon completion. [PL 1991, c. 612, §11 (NEW).]

B. Any student who practices osteopathic medicine in an underserved geographic area is forgiven the larger of 25% of the original outstanding indebtedness or $10,000 for each year of that practice. [PL 1991, c. 612, §11 (NEW).]

Any student who elects to practice in the State and receive the benefits of these provisions shall provide a reasonable level of service to all patients regardless of their ability to pay, including Medicare and Medicaid patients, and participate in public health clinics where necessary.
[PL 1991, c. 832, §9 (AMD); PL 2003, c. 689, Pt. B, §7 (REV).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1985, c. 756, §§1-3 (AMD). PL 1989, c. 698, §30 (AMD). PL 1989, c. 700, §A62 (AMD). PL 1991, c. 612, §§10,11 (AMD). PL 1991, c. 832, §9 (AMD). PL 2003, c. 689, §B7 (REV).

§12006. Rules

The authority shall establish rules necessary to carry out the purposes of this chapter, except that the Commissioner of Health and Human Services shall develop rules for determining underserved areas for the practice of osteopathic medicine. [PL 1991, c. 612, §12 (RPR); PL 2003, c. 689, Pt. B, §7 (REV).]

SECTION HISTORY

PL 1985, c. 756, §4 (NEW). PL 1989, c. 698, §31 (AMD). PL 1989, c. 700, §A63 (AMD). PL 1991, c. 612, §12 (RPR). PL 2003, c. 689, §B7 (REV).

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