



Health Care Professional Loan Redemption Program Policies and Procedures Manual

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I. PURPOSE

The purpose of the Health Care Professional Loan Redemption Program (HCPLRP) is to improve access to health care services for underserved populations by encouraging physicians, dentists, psychiatrists, certified nurse midwives, certified nurse practitioners, and physician assistants to practice in State designated underserved areas and Health Professional Shortage Areas (HPSA). The Commissioner of the New Jersey Department of Health (NJDOH) designates State underserved areas for the placement of providers using State funds. The federal Bureau of Primary Health Care Division of Shortage Designations designates federal HPSAs.

In return, the HCPLRP assists providers in repaying qualifying educational loans incurred during medical/dental/graduate school in exchange for specified periods of service at approved placement sites in underserved areas of New Jersey.

II. SERVICE AND REPORTING REQUIREMENTS

a. Service Obligation

HCPLRP participants must sign a contract agreeing to provide two years of full-time clinical service in an approved HCPLRP site. Subject to available funds, participants in good standing may continue their service obligation, either full- or part-time, for a third year and/or fourth year.

Participants must continue to meet the eligibility criteria and must remain in full compliance with their existing HCPLRP service obligation prior to the issuance of a third and/or fourth year contract. No service credit will be given for employment at an approved site before the effective date of an HCPLRP contract. Service credit will commence upon the effective date of the contract. No service credit is given for less than a full year of service. HESAA must approve any changes to an HCPLRP site location or work schedule.

b. Full-Time and Part-Time Clinical Practice

Every HCPLRP participant is required to engage in the full-time clinical practice of the profession for which they were awarded an HCPLRP contract during the initial two years in the program. Full-time clinical practice is defined as a minimum of 35 hours per week. For the third and fourth year of service, HCPLRP providers may opt to work part-time. For more information about full-time and part-time clinical practice, see Section VI of this manual.

c. Required Reports

Quarterly Service Report: The Quarterly Service Report is a data collection system designed to monitor attendance and measure the services provided to underserved populations by HCPLRP participants. Every three months, sites are required to submit Quarterly Service Reports for the participant to HESAA.

Six-Month Probationary Evaluation: During the initial year of service obligation in the HCPLRP, each participant serves a six-month probationary period at an approved placement site. This period of service includes an assessment of the provider's performance and suitability of the placement at the site. At the end of the six-month probationary period, if

participants/sites are compliant, participants receive credit for the six-month period in calculating the first year of required service under the loan redemption contract.

In the event the participant is an owner of the approved site, in lieu of a letter of recommendation, the participant must submit supporting documentation, as requested by the Executive Director, demonstrating their suitability for the program and the placement site. The Executive Director shall take such documentation into consideration in determining the participant's final acceptance into the program.

Annual Employment Certification:

Annual disbursement of loan redemption on behalf of participants are contingent on the sites' timely submission of quarterly service reports and annual certification of the participants' full-time (or part-time, if applicable) employment.

d. Breach of Contract

An HCPLRP participant that does not complete the second full year of service is in breach of the service agreement and must repay 50% of the loan redemption amount received after the first year of service. Repayment is required within one year following the breach of the service agreement. In no event shall service for less than the full year of each period of service entitle the HCPLRP participant to any benefits under the loan redemption program.

Any participant who fails to repay an amount due to HESAA because of breach of their HCPLRP service agreement may be subject to litigation, offset of state tax refunds or rebates, reporting of negative credit information to credit reporting agencies, ineligibility for any student assistance benefits administered by HESAA, any of the information exchange or collection procedures set forth under Article 1 of this part or to the extent loan redemption benefits are federally funded as permitted by federal law, and/or federal collection tools, including but not limited to the Federal Treasury Offset Program. The participant will be liable for the debt incurred, interest on the debt, plus administrative costs and court costs associated with collection of the debt. Any amount not repaid when due will accrue interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

Participants who do not return the Six-Month Provider Evaluation, quarterly service reports, and/or the annual Employer Certification within thirty days of request by HESAA are in breach of the service agreement and their participation in the HCPLRP shall be terminated.

e. National Health Service Corps Loan Repayment Program

Anyone who is participating in the federally administered National Health Service Corps Loan Repayment Program, section 338B of the Public Health Service Act (42 U.S.C.s.254 1-1), is not eligible to participate simultaneously in the HCPLRP.

f. Exit Survey

At the end of each participant's service commitment in the HCPLRP, the participant must complete an exit survey.

III. LOAN REDEMPTION

a. Loan Redemption Amount

HESAA provides loan redemption amounts directly to the student loan holder to repay a successful participant's outstanding qualifying educational loans incurred while enrolled in medical school, dental school, or other eligible health care professional graduate school. The loan redemption amounts are based on the participant's total outstanding balance at the time the participant enters the first HCPLRP agreement. At the end of each full year of service, HCPLRP participants are eligible for loan redemption as follows:

- 18% of the eligible loan balance up to \$36,000 for the first full year of service;
- 26% of the eligible loan balance up to \$52,000 for the second full year of service;
- Up to 28% of the eligible loan balance up to \$56,000 for the third full year of service;
- Up to 28% of the eligible loan balance up to \$56,000 for the fourth full year of service.

The maximum loan redemption over a four-year period of service is \$200,000. Every HCPLRP participant must complete a full year of full-time clinical service in order to be eligible for loan repayment for the first and second years of service. For the third and fourth years of service, participants may complete part-time clinical service. Redemption for part-time service will be made at the completion of the equivalent of a full year of full-time service.

If the eligible qualifying educational loan amounts are less than \$200,000, an additional amount will be added to the annual loan redemption amount equal to the interest paid that year, not to exceed the maximum total permitted loan redemption amount for that year of service. Loan redemption amounts cannot exceed the outstanding balance on qualifying educational loans at the time of payment.

b. Loan Redemption Disbursement Process

Each year HESAA will send participants a loan distribution form at least one month prior to completion of the year's service obligation. The loan distribution form will list the redemption amount each participant is eligible to receive. If a participant is eligible to receive the interest paid on qualifying loans pursuant to Section III.a. of this manual, instructions are provided on what loan information must be requested from the lending institution for the qualifying period of service. HESAA will disburse payments on the participant's behalf directly to the Lenders.

c. Tax Implications

Participants are encouraged to consult a qualified tax advisor regarding the tax ramifications of loan redemptions.

IV. PLACEMENT SITE ELIGIBILITY

- a. A facility must be one of the following:
 - i. Located within a medically underserved area as identified by the Commissioner of Health; or State, county and municipal and private non-profit health care facilities which meet staffing shortage ratios; or
 - ii. Located within a federally designated Health Professional Shortage Area (HPSA) as defined in Section 332 of the Public Health Service Act (see [Health Workforce Shortage Areas](#)); or
 - iii. A clinic which is part of the extramural network of dental clinics established by the Rutgers School of Dental Medicine; or
 - iv. A site that meets the minimum criteria in IV.b. below.

- b. At a minimum all sites must meet the following criteria:
 - i. Provide universal access to populations served regardless of insurance coverage;
 - ii. Do not discriminate on basis of race, color, religion, sexual orientation, gender or national origin;
 - iii. Unless providing services free of charge, participate in the Medicare and Medicaid programs. Sites are not required to participate in more than one Medicaid managed care organization;
 - iv. Provide a sliding fee scale for patients falling under 250% of the federal poverty level; and
 - v. Sites must demonstrate that they provide services to an underserved population based on the percentage of medically underserved patients served in the county.
 1. In a county in which less than 30% of the population are Medicaid enrollees, the site must serve medically underserved populations at a rate equal to or greater than the percentage of residents of the county who are Medicaid enrollees;
 2. In a county in which 30% or more of the population are Medicaid enrollees, the site must serve medically underserved populations at a rate equal to or greater than 80% of the percentage of residents of the county who are Medicaid enrollees.
 3. The percentage of medically underserved persons served by the site is calculated by dividing the number of individuals who are insured by Medicaid by the total number of patients served at the site, then dividing the number of uninsured patients by the total number of patients served at the site, and adding these two numbers.

4. The percentages of Medicaid enrolled in each county are as follows:

County	Percentage of Medicaid Enrollee
Atlantic	25%
Bergen	13%
Burlington	15%
Camden	26%
Cape May	18%
Cumberland	33%
Essex	26%
Gloucester	16%
Hudson	24%
Hunterdon	8%
Mercer	21%
Middlesex	17%
Monmouth	13%
Morris	9%
Ocean	25%
Passaic	30%
Salem	24%
Somerset	11%
Sussex	10%
Union	21%
Warren	15%

Source: New Jersey Department of Human Service

Subsequent to the verification of a proportionate share of Medicaid populations at placement sites, HESAA reserves the right to confirm patient service statistics submitted to the program on a continuing basis.

- c. Enter a contract with the applicant to include the requisite number of hours to equal full- or part-time service as applicable.
- d. If an applicant is the owner of the approved site at which the applicant requests to be placed, the applicant must have been self-employed at the site for a minimum of two years prior to the program participant's application for the program.
- e. Complete evaluation report on the HCPLRP provider after the initial six-month probationary period.
 - i. In the event the participant is an owner of the approved site, in lieu of an evaluation report, the participant must submit supporting documentation demonstrating their suitability for the program and the placement site. The supporting documentation includes but is not limited to the required quarterly reports.

- f. Complete quarterly service reports on patient services rendered. HESAA reserves the right to confirm patient service statistics submitted by placement sites.
- g. Placement sites which have off-site facilities may not assign HCPLRP providers to these off-site facilities unless they are approved as a part of the initial placement site application, or subsequently approved separately.
- h. The maximum number of providers that will be placed in any one approved placement site is contingent on provider productivity standards, availability of program funds, and other applications in process regarding sites of greatest need.

V. PRODUCTIVITY STANDARDS

HCPLRP productivity standards are used as the minimum number of annual patient encounters an HCPLRP provider is required to provide while enrolled in the program (see chart below). The HCPLRP uses these standards to measure productivity of its providers to assess both the ability of the placement site to support the provider and the ability of the provider to meet the program standards. Based on the assessment, as well as the recommendation of the placement site, HESAA will determine either the need for a change of placement or the program participant's unsuitability for the program.

Specialty	HCPLRP Productivity Standards # visits annually
Dentists	2,500-3,000
Pediatric Dentists	2,500-3,000
Family Practice	3,500-4,000
Internal Medicine	3,000-3,500
Ob/Gyn	3,000-3,500
Pediatricians	3,700-4,200
Psychiatrists	3,250-3,750
Physician Assistants	2,500-3,000
Nurse Midwives	2,200-2,700
Nurse Practitioners	<i>see specialty (below)</i>
-Family Practice	1,600
-Obstetrics/Gynecology	2,000
-Pediatrics	1,600

VI. TERMS OF PARTICIPATION

Possess an M.D., D.O., D.D.S., D.M.D., P.A., C.N.M. or C.N.P. degree or certificate.

For Physicians: satisfactory completion of an accredited primary care residency training program- Internal Medicine, Family Practice, Pediatrics, Obstetrics & Gynecology, Psychiatry, or combined Medicine/Pediatrics.

Dentists: graduation from an accredited dental school; for pediatric dentistry, satisfactory completion of residency in pedodontics.

Certified Nurse Practitioners: graduation from a post-baccalaureate or Master's degree program accredited by the National League of Nursing as either a Family Nurse Practitioner, Primary Ambulatory Nurse Practitioner, Primary Healthcare Adult Nurse Practitioner, Pediatric Nurse Practitioner, OB/GYN, or Women's Health Nurse Practitioner.

Certified Nurse Midwives: satisfactory completion of a program accredited by the American College of Nurse/Midwives or the American College of Nurse Midwives Certification Council.

Physician Assistants: satisfactory completion of a Committee on Allied Health Education and Accreditation (CAHEA) approved training program for primary care physician assistants.

Maintain a current license to practice in the State of New Jersey.

Live within the State of New Jersey.

Practice in a placement site approved by HESAA.

Deliver comprehensive health care services.

Effective date of participation begins on the date stated on the contract. No backdating is permitted.

Be a U.S. citizen or U.S. national if the loan redemption is funded by matching dollars from federal/state funds.

Providers are required to work on a full-time basis (35 hours per week) during the initial two years of the program. For the third and fourth years of service, HCPLRP providers may opt to work part-time, extending their service obligation to the equivalent of one year of full-time service.

Full-Time Clinical Practice

Providers must work at least 28 of the minimum 35 hours per week providing direct patient care at the approved placement site during normally scheduled office hours, with the remaining hours spent providing inpatient care to patients of the approved placement site and/or in practice-related administrative activities, which are not to exceed 7 hours per week. Time spent "on-call" will not count toward the 35-hour week.

Ob/Gyn providers (including physicians, certified nurse midwives and Ob/Gyn nurse practitioners), are expected to spend at least 18 hours of the minimum 35 hours per week providing direct patient services during normally scheduled office hours with the remaining 17 hours spent providing inpatient care to patients of the approved placement site, and/or in practice-related administrative activities, with administrative activities not to exceed 7 hours per week. Time spent “on-call” will not count toward the 35-hour week.

Providers may dedicate up to 20% of direct patient care time to resident and/or medical/dental student supervision and teaching, provided it does not reduce their productivity below the accepted standards for primary care physicians/dentists. Exceptions to this must be approved by the Selection Committee.

Part-time Clinical Practice

Providers who have engaged in full-time clinical practice during the initial two years of participation in the program shall be permitted to fulfill the subsequent service obligations on a part-time basis during the third and fourth years with the approval of HESAA and the provider’s employer. The provider may be permitted a total redemption of eligible qualifying loan expenses for the equivalent of four years of full- time service.

Providers in the third and fourth year must have met the productivity standards during the initial two-year contract term for consideration of completing subsequent years on a part-time basis.

Part-time providers must work a minimum of 20 hours per week for at least 45 weeks per year. At least 16 hours are spent providing direct patient care at the approved placement site during normally scheduled office hours, with the remaining 4 hours spent providing inpatient care to patients of the approved placement site and/or in practice-related administrative activities, which are not to exceed 4 hours per week. Time spent “on-call” will not count toward the 20-hour week.

Ob/Gyn providers (including physicians, certified nurse midwives and Ob/Gyn nurse practitioners), are expected to spend at least 11 hours per week, for a minimum of 45 weeks providing direct patient care services during normally scheduled office hours with the remaining 9 hours spent providing inpatient care to patients of the approved placement site, and/or in practice-related administrative activities, with administrative activities not to exceed 9 hours per week. Time spent “on-call” will not count toward the 20-hour week.

Providers may dedicate up to 20% of direct patient care time to resident and/or medical/dental student supervision and teaching, provided it does not reduce their productivity below the accepted standards for physicians/dentists. Exceptions to this requirement must be approved by the Selection Committee.

VII. LEAVE OF ABSENCE

The HCPLRP provider must follow the leave of absence policy at the placement site to which they are assigned.

Once the placement site approves the leave of absence, the provider must notify HESAA in writing within 30 days after beginning such leave. Such notice must include documentation from the placement site approving the leave of absence.

The HCPLRP contract period for the provider will be extended for the same period of time as the leave of absence.

VIII. APPEAL PROCESS

The provider or placement site shall send all appeals to HESAA within 30 days of receipt of the decision made by the Selection Committee or HESAA. The responsible party at the placement site, or the provider, whichever may be the case, shall submit a written appeal of the decision, including any additional information to be reviewed upon appeal.

HESAA will submit the written appeal and all attached documents related to approval to participate in the HCPLRP to the Selection Committee to review at their next scheduled meeting. HESAA will review appeals on all other matters.

The Selection Committee shall prepare a recommendation to HESAA as to whether the appeals sent to the selection committee shall be approved or denied.

Within 30 days of the Selection Committee review or HESAA review as applicable, HESAA's Chief Financial Officer shall send the appellant a decision either approving or denying the appeal.

The decision of HESAA's Chief Financial Officer is the final agency decision.

IX. NEW JERSEY MEDICALLY UNDERSERVED INDEX

These municipalities have been designated as underserved by the Commissioner of the New Jersey Department of Health based on the New Jersey Medically Underserved Index (NJMUI). The state designated underserved areas are used to place primary care participants in the New Jersey Loan Redemption Program (LRP). The NJMUI ranks municipalities with populations of 5,000 or more according to indicators that are potentially indicative of a lack of access to comprehensive and timely primary health care. Populations of 30,000 or more were evaluated according to four economic indicators; the values for health status indicators were generally too small to provide valid statistics. Geographic areas not designated on the NJMUI can be considered on a case by case basis, if adequate documentation is provided to support the designation.

Municipalities with Populations of 5,000 to 29,999*	
Bridgeton city	Fairfield township
Paulsboro borough	Asbury Park city
Salem city	Buena Vista township
Pleasantville city	Lower township
City of Orange township	Phillipsburg township
Egg Harbor city	Keansburg borough
Woodbury city	Mullica township
Middle township	Gloucester city
Maurice River township	Millville city
Glassboro borough	Hammonton town
Fairview borough	Mount Holly township
Long Branch city	Burlington city
Clementon borough	Clayton borough
Harrison town	Egg Harbor township
Garfield city	North Hanover township
Upper Deerfield township	Ocean township
Lodi borough	Riverside township
Pine Hill borough	Union Beach borough
Franklin borough	

Municipalities with Populations of 30,000 or More*	
Newark city	Atlantic city
Camden city	East Orange city
Trenton city	Paterson city
Jersey city	Perth Amboy city
Passaic city	Irvington township
New Brunswick city	Elizabeth city
Union city	Lakewood township
Plainfield city	West New York town
Vineland city	

*As of 1999

Health Professional Shortage Areas (HPSAs), as designated by the Federal Division of Shortage Designations are eligible placement areas for participants in the HCPLRP.