



Health Care Professional Loan Redemption Program Questions & Answers

Eligibility Requirements

1. Which primary care disciplines are eligible to participate in the HCPLRP program?
To see a list of primary care disciplines eligible to participate in the HCPLRP [click here](#).
2. I am not a United States Citizen. Am I eligible to participate in the HCPLRP?
Providers do not need to be a United States citizen to participate in the State-funded HCPLRP, as long as they meet all applicable eligibility criteria and requirements.
3. I do not live in New Jersey. Am I eligible to participate in the HCPLRP?
Providers do not have to be a resident of New Jersey when applying to the program. However, before the provider can be enrolled into the program, the provider must be a resident of New Jersey.
4. What are qualifying educational loans?
Qualifying educational loans are government and commercial student loans incurred for the graduate degree(s) that qualify participants for this program. Federal student loans such as Direct Loans, FFELP Loans, and Perkins Loans are eligible.

Student loans borrowed by someone else on the participant's behalf (e.g., Parent PLUS loans), loans the participant borrowed or co-signed on behalf of someone else, and non-student loans (e.g., home equity loans, even if used to pay for a degree) are not eligible for redemption under this program. Student loans that have already been paid off are not eligible for reimbursement under this program.

5. What is full-time practice for the HCPLRP?
Full-time practice is defined as:
 - Except for Ob/Gyn providers, 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 primary care 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 the 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.

6. What is part-time practice for the HCPLRP?

Part-time practice is defined as:

- 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 student 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. Except for Ob/Gyn providers, 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 primary 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 the 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.

7. What is a Health Professional Shortage Area?

Health Professional Shortage Areas are designated by the Secretary of Health and Human Services as areas or facilities that have a shortage of health professionals. For more information, [click here](#).

8. What are the eligibility criteria for a placement site to participate in the HCPLRP?
To see eligibility criteria for placement sites, [click here](#).

Applications

9. When and how do I apply to the HCPLRP as a placement site?
Placement sites may apply for approval at any time. Interested and eligible placement sites should [click here](#) for guidance and [click here](#) for the application. However, all sites must also submit an application at the time a provider applies to participate in the program. Sites that were previously approved, or currently employ Program participants, need to re-apply for each new applicant to ensure that the site sees enough patients to support an additional participant.
10. When and how do I apply to the HCPLRP as a provider?
Subject to available funds, provider applications are available on HESAA's website and are accepted on an ongoing basis. There is no deadline to apply, but the application will be closed when all available funds have been committed.
11. I am interested in applying to the HCPLRP but do not have an approved HCPLRP placement site. What do I do?
If an applicant does not have an approved HCPLRP placement site, the applicant can still apply to the HCPLRP. The HCPLRP staff can provide assistance in job placement by circulating the provider's resume to placement sites currently eligible to participate in the program. However, the placement site would still have to re-apply for approval with the applicant's provider application to ensure the site sees enough patients to support an additional provider. If an approved HCPLRP placement site is interested in the provider, the site will contact the provider directly to initiate the interview process.
12. What documentation do I need to submit with my application?
- Resume
 - If you graduated from a High School in New Jersey, high school diploma.
 - Diploma from Graduate Health Program
 - Residency Certificate of Completion, if applicable
 - New Jersey Professional License
 - New Jersey State issued ID
 - Transcript(s) for each school attended to earn your health care professional degree
 - Student Loan Summary*: Detailed documentation of eligible student loans, including the lender's name, current balance, account number(s), and loan disbursement dates
** Please Note: If your eligible student loans have been consolidated, you must also provide the loan details for all of the original underlying loans included in your consolidation loans, including the account number(s) and the loan disbursement dates for each underlying loan*
 - Billing Statement within the last 30 days.
 - Employment Contract
 - Work schedule on company letterhead
 - Placement Site Application*
 - ***Please Note** – The following items must be submitted with the placement site application:
 - Copies of all signed Medicaid Managed Care contracts verifying participation. (The HCPLRP does not need a full copy of each contract; a copy of the front and signed last pages of each contract is sufficient.)

- A copy of the current Sliding Fee Schedule on company letterhead to include an effective date. (If the practice does not have a Sliding Fee Schedule, one should be established in order to qualify as a HCPLRP site. Please contact the HCPLRP office to obtain a Sliding Fee Schedule guide).

13. What do I do if I have consolidated my loans?

If you have consolidated your graduate qualifying educational loans, you must submit a copy of the original graduate loan documents prior to consolidation demonstrating the original loan dates and original loan amounts. If undergraduate and graduate school loans were consolidated together, the HCPLRP will only repay the graduate portion of the loan. Undergraduate education loans are not eligible for loan redemption under the HCPLRP. If an eligible qualifying educational loan is consolidated with any other debt other than your educational loans (i.e. mortgage, child's loan, etc.), the entire loan will not be eligible for loan redemption.

Service Obligation

14. How long is my service obligation?

The maximum period of service is four years. The HCPLRP requires an initial two-year service obligation and participants are required to serve full-time for the first two years of service. After completion of the initial two years, participants in good standing may continue their service obligation for a third year and/or fourth year. HCPLRP participants that do not fulfill the initial two-year commitment are required to pay back 50% of the amount of student loans HESAA paid off for them within one year after breaching the HCPLRP contract.

15. Do I have to reapply to the HCPLRP each year?

If you are accepted into the program, you do not have to reapply to the HCPLRP each year. However, you must continue to meet the eligibility criteria and must be in full compliance with your existing HCPLRP service obligation prior to the issuance of a third and/or fourth year contract.

16. Is there any penalty if I terminate my HCPLRP contract prior to completing my service obligation?

Loan redemptions are issued upon the completion of each year of service. HCPLRP participants that do not fulfill the initial two-year commitment are required to pay back 50% of the amount of student loans HESAA paid off for them within one year after breaching the HCPLRP contract. Participants that do not fulfill the third or fourth year of service will not receive their loan disbursement for that service year.

17. What happens if I have to take a leave of absence during my service obligation?

Providers that utilize a leave of absence must submit written notification to HESAA detailing the last day of work, the dates associated with the type of time used (i.e. vacation time, sick time, Continuing Medical Education (CME) etc.) and the date returned to work. The contract for the provider will be adjusted if the provider was on a leave of absence as approved by their placement site.

18. Can I change practice sites during my commitment?

HCPLRP providers may change practice sites during their service obligation as long as they change to an approved HCPLRP placement site. Providers are required to notify HESAA of any changes in their practice sites that occur during their service obligation and the new placement

site would need to apply for approval to ensure the site sees enough patients to support an additional participant.

19. I began working at an approved placement site prior to applying to the HCPLRP. Can I receive service credit for the time I worked at the approved placement site?
No service credit will be given for employment at an approved placement site prior to the effective date on the HCPLRP contract. Service credit will commence upon the effective date on the contract.

Student Loan and Financial Considerations

20. Will I receive a salary/benefits from my employer while enrolled in the HCPLRP?
Participating HCPLRP providers are responsible for negotiating their employment contracts with employers. Packages should be comparable to the prevailing rate in the surrounding area.
21. Do I need to continue to pay my student loans while participating in the HCPLRP?
Yes, you must continue to make your regular student loan payment while participating in the HCPLRP.
22. Do I have to pay New Jersey State Income tax on loan redemption payments?
HESAA does not offer legal or tax advice. Please consult an attorney, accountant, and/or tax advisor for specific guidance. As of July 2023, the New Jersey Division of Taxation's guidance for New Jersey Gross Income Tax (GIT) states as follows: "cancellation of debt (COD) or forgiveness of debt income is not subject to tax. For example, student loan debt forgiveness." For more details, you can review the New Jersey Division of Taxation's guidance here: <https://www.state.nj.us/treasury/taxation/ppploan.shtml>.

Please note, HESAA is not responsible for any changes or updates to this external tax guidance due to changes in law or interpretation after the date provided.

23. Do I have to pay federal income tax on loan redemption payments?
HESAA does not provide legal advice on possible tax obligations resulting from receipt of NFLRP benefits. Beneficiaries of NFLRP remain personally responsible for, and should consult with their tax advisors for advice on, any tax obligations resulting from benefits paid on their behalf.

Appeals Process

24. What can I do if my application is rejected?
Ineligible applicants will be advised on how to become an eligible provider or placement site via correspondence from HESAA. Applicants can either comply with the written instructions or appeal the decision within 30 days of the written notification.