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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 411 Session of  
2017

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INTRODUCED BY RAFFERTY, BLAKE, GREENLEAF, BAKER, YUDICHAK,  
COSTA, SCHWANK, HUTCHINSON AND BROWNE, FEBRUARY 27, 2017

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REFERRED TO EDUCATION, FEBRUARY 27, 2017

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in medical education loan assistance,  
6 further providing for definitions and for Pennsylvania  
7 Medical Education Loan Assistance Program; and establishing a  
8 loan forgiveness program for physician assistants.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 Section 1. Section 2203-A of the act of March 10, 1949  
12 (P.L.30, No.14), known as the Public School Code of 1949, is  
13 amended by adding a definition to read:

14 Section 2203-A. Definitions.

15 The following words and phrases when used in this article  
16 shall have the meanings given to them in this section unless the  
17 context clearly indicates otherwise:

18 \* \* \*

19 "Physician assistant." An individual licensed to practice as  
20 a physician assistant under the Osteopathic Medical Practice Act  
21 or the Medical Practice Act of 1985.

1 \* \* \*

2 Section 2. Sections 2211-A and 2213-A of the act are amended  
3 to read:

4 Section 2211-A. Pennsylvania Medical Education Loan Assistance  
5 Program.

6 The agency shall establish and administer the Pennsylvania  
7 Medical Education Loan Assistance Program as set forth in  
8 sections 2212-A and 2213-A to provide financial assistance to  
9 individuals who acquire the required degree or diploma in  
10 medicine, professional nursing, biomedicine or life sciences  
11 and the education required by law for licensure as physician  
12 assistants and to recruit these individuals to practice their  
13 professions in Pennsylvania.

14 Section 2213-A. Loan forgiveness program.

15 (a) Establishment of program.--

16 (1) The agency shall administer a loan forgiveness  
17 program for nursing school applicants on a Statewide basis.  
18 The agency may provide loan forgiveness as provided in  
19 subsection (b) for recipients of loans who by contract with  
20 the agency agree to practice professional nursing in this  
21 Commonwealth upon attainment of the required license.

22 (2) The agency shall administer a loan forgiveness  
23 program for applicants enrolled at schools in this  
24 Commonwealth to become licensed physician assistants on a  
25 Statewide basis or applicants who graduated from schools in  
26 this Commonwealth from January 1, 2007, and are employed as  
27 licensed physician assistants. The agency may provide loan  
28 forgiveness as provided in subsection (c) for recipients of  
29 loans who by contract with the agency agree to practice as  
30 physician assistants in this Commonwealth as provided in

1     subsection (c).

2     (b) Loan forgiveness for nursing.--Agency-administered,  
3 federally insured student loans for higher education provided to  
4 a nursing school applicant may be forgiven by the agency as  
5 follows:

6           (1) The agency may forgive 50% of the loan, not to  
7 exceed \$50,000, if a loan recipient enters into a contract  
8 with the agency that requires the recipient upon successful  
9 completion of an approved nursing program and licensure as a  
10 registered nurse to practice nursing in this Commonwealth for  
11 a period of not less than three consecutive years.

12           (2) Loan forgiveness awards made pursuant to paragraph  
13 (1) shall be forgiven over a period of three years at an  
14 annual rate of 33 1/3% of the award and shall be made from  
15 funds appropriated for this purpose.

16           (3) The contract entered into with the agency pursuant  
17 to paragraph (1) shall be considered a contract with the  
18 Commonwealth and shall include the following terms:

19           (i) An unlicensed recipient shall apply for a  
20 registered nurse's license to practice in this  
21 Commonwealth at the earliest practicable opportunity upon  
22 successfully completing a degree in nursing.

23           (ii) Within six months after licensure, a recipient  
24 shall engage in the practice of nursing in this  
25 Commonwealth according to the terms of the loan  
26 forgiveness award.

27           (iii) The recipient shall agree to practice in a  
28 licensed health care facility in the provision of direct  
29 patient care on a full-time basis.

30           (iv) The recipient shall permit the agency to

1 determine compliance with the work requirement for nurses  
2 and all other terms of the contract.

3 (v) Upon the recipient's death or total or permanent  
4 disability, the agency shall nullify the service  
5 obligation of the recipient.

6 (vi) If the recipient is convicted of or pleads  
7 guilty or no contest to a felony or if the licensing  
8 board has determined that the recipient has committed an  
9 act of gross negligence in the performance of service  
10 obligations or has suspended or revoked the license to  
11 practice, the agency shall have the authority to  
12 terminate the recipient's service in the program and  
13 demand repayment of the amount of the loan as of the date  
14 of the conviction, determination, suspension or  
15 revocation.

16 (vii) Loan recipients who fail to begin or complete  
17 the obligations contracted for shall pay to the agency  
18 the amount of the loan received under the terms of the  
19 contract pursuant to this section. Providing false  
20 information or misrepresentation on an application or  
21 verification of service shall be deemed a default.  
22 Determination as to the time of default shall be made by  
23 the agency.

24 (4) Notwithstanding 42 Pa.C.S. § 8127 (relating to  
25 personal earnings exempt from process), the agency may seek  
26 garnishment of wages in order to collect the amount of the  
27 loan following default under paragraph (3)(vii).

28 (c) Loan forgiveness for physician assistants.--Agency-  
29 administered, federally insured student loans for higher  
30 education provided to an applicant enrolled at a school in this

1 Commonwealth to become a licensed physician assistant in this  
2 Commonwealth may be forgiven by the agency as follows:

3 (1) The agency may forgive 50% of the loan, if a loan  
4 recipient enters into a contract with the agency that  
5 requires the recipient:

6 (i) upon successful completion of an approved  
7 physician assistant program and licensure as a physician  
8 assistant to practice in this Commonwealth for a period  
9 of not less than seven consecutive years; or

10 (ii) who graduated after January 1, 2007, from a  
11 program and is employed as a licensed physician assistant  
12 in this Commonwealth to practice in this Commonwealth for  
13 a period of not less than seven consecutive years.

14 (2) Loan forgiveness awards made under paragraph (1)  
15 shall be forgiven over a period of 10 years at an annual rate  
16 of 10% of the award and shall be made from funds appropriated  
17 for this purpose.

18 (3) The contract entered into with the agency under  
19 paragraph (1) shall be considered a contract with the  
20 Commonwealth and shall include the following terms:

21 (i) An unlicensed recipient shall apply for a  
22 physician assistant license to practice in this  
23 Commonwealth at the earliest practicable opportunity upon  
24 successfully completing a relevant degree.

25 (ii) Within six months after licensure, a recipient  
26 shall be employed as a physician assistant in this  
27 Commonwealth according to the terms of the loan  
28 forgiveness award.

29 (iii) The recipient shall agree to practice in a  
30 licensed health care facility in the provision of direct

1 patient care on a full-time basis.

2 (iv) The recipient shall donate 40 hours of  
3 volunteer time over the term of the contract.

4 (v) The recipient shall permit the agency to  
5 determine compliance with the terms of the contract.

6 (vi) Upon the recipient's death or total or  
7 permanent disability, the agency shall nullify the  
8 service obligation of the recipient.

9 (vii) If the recipient is convicted of or pleads  
10 guilty or no contest to a felony or if the licensing  
11 board has determined that the recipient has committed an  
12 act of gross negligence in the performance of service  
13 obligations or has suspended or revoked the license to  
14 practice, the agency shall have the authority to  
15 terminate the recipient's service in the program and  
16 demand repayment of the amount of the loan as of the date  
17 of the conviction, determination, suspension or  
18 revocation.

19 (viii) Loan recipients who fail to begin or complete  
20 the obligations contracted for shall pay to the agency  
21 the amount of the loan received under the terms of the  
22 contract under this section. Providing false information  
23 or misrepresentation on an application or verification of  
24 service shall be deemed a default. Determination as to  
25 the time of default shall be made by the agency.

26 (4) Notwithstanding 42 Pa.C.S. § 8127, the agency may  
27 seek garnishment of wages in order to collect the amount of  
28 the loan following default under paragraph (3)(viii).

29 Section 3. This act shall take effect in 60 days.