

2010 -- H 7848

LC02053

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO HUMAN SERVICES

Introduced By: Representative Raymond J. Sullivan

Date Introduced: March 02, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 23

4 LONG-TERM CARE SYSTEM REBALANCING TRUST FUND

5 **40-23-1. Legislative findings.** – (a) It has been the intent of the general assembly to
6 create a “rebalanced” long-term care system in Rhode Island that provides a greater level of
7 access to home and community-based settings for long-term care. The provision of such care
8 requires an investment by the state to ensure adequate capacity and a well-trained, qualified
9 workforce.

10 (b) The entrance of the state into a global Medicaid waiver with the United States
11 department of health and human service will provide greater access for persons in the long-term
12 care system to home and community-based options.

13 (c) The 2009 federal stimulus package, also known as the “American Recovery and
14 Reinvestment Plan of 2009”, will include an increase in the rate at which the federal government
15 provides matching funds for Medicaid expenditures.

16 **40-23-2. Definitions.** – The following words and phrases used in the act, unless different
17 meanings are plainly required by the context, shall have the following meanings:

18 (1) “Home and Community-Based Services” means those services provided by the
19 department of human services as long-term care services and defined as home and community

1 based services in the state Medicaid plan.

2 (2) “Office” means the executive office of health and human services.

3 (3) “Secretary” means the secretary of health and human services.

4 (4) “Joint Committee” means the permanent joint committee of the global waiver
5 compact as described in chapter 42-12.4.

6 **40-23-3. Establishment of long-term care system rebalancing trust fund.** – There is
7 hereby created within the general fund a permanent fund entitled the “Long-Term Care System
8 Rebalancing Trust Fund”, which shall be administered by the general treasurer in accordance with
9 the same laws and fiscal procedures as the general funds of the state. The proceeds of which shall
10 be used solely in efforts to expand capacity in the home and community based services in the
11 long-term care system and to provide training assistance for the long-term care workforce.

12 **40-23-4. Use of the long-term care system rebalancing trust fund.** – The secretary
13 shall use the long-term care system rebalancing trust fund solely in efforts to expand capacity in
14 the home and community based services in the long-term care system and to provide training
15 assistance for the long-term care workforce. The secretary is authorized to use the fund for the
16 following purposes:

17 (1) Establishing a loan program for long-term care facilities and employers;

18 (2) Establishing a grant program for long-term care facilities and service providers;

19 (3) Funding the nursing loan assistance program as defined in chapter 16-62.1;

20 (4) Creating educational materials for physicians, seniors and family members; and

21 (5) Other capacity-building or workforce training issues recommended by the joint
22 committee.

23 **40-23-5. Loans from the fund.** – (a) Eligibility for loans from the fund shall be based
24 upon an application process pursuant to rules and regulations promulgated by the secretary;
25 provided, that those rules are approved by the joint committee prior to taking effect. Only long-
26 term care providers that are duly licensed with the state department of health and certified by the
27 department of human services to provide Medicaid services shall be eligible.

28 (b) The maximum amount of a loan from the fund is two hundred fifty thousand dollars
29 (\$250,000) per applicant.

30 (c) Interest rates for loans from the fund shall be established by the secretary; provided,
31 however, that those rates shall be substantially lower than the prevailing rate of interest in this
32 state for comparable loans, and shall not exceed five percent (5%). The term of the loan shall not
33 exceed ten (10) years.

34 (d) The office shall be responsible for the administration of loans from the fund, but may

1 contract with organizations in carrying out the provisions of this chapter.

2 **40-23-6. Grants from the fund.** – Section(a) The secretary shall establish a program of
3 grants to establish and/or expand home and community-based service programs, not to exceed
4 fifty thousand dollars (\$50,000) per grantee, and not to exceed a total expenditure of two hundred
5 fifty thousand dollars (\$250,000).

6 (b) The secretary shall promulgate reasonable rules and regulations establishing
7 eligibility requirements, and provide that grant funds be distributed to entities that meet the
8 following standards:

9 (1) Each grantee shall agree to maintain a patient load consisting of at least seventy-five
10 percent (75%) Medicaid recipients;

11 (2) Each grantee shall demonstrate a need for additional home and community-based
12 services in their service delivery area; and

13 (3) In selecting additional grantees for the remainder of the available funds, priority shall
14 be given to grant proposals which would develop:

15 (i) Home and community-based services for difficult to place patients, including those
16 requiring psychiatric and/or dementia care; and

17 (ii) Twenty-four (24) hours/seven (7) days per week availability, including admission and
18 intake procedures.

19 (c) All grantees must demonstrate that home and community-based services established
20 under this grant program will be licensed in accordance with Rhode Island law, and certified by
21 the department of human services to provide Medicaid services.

22 **40-23-7. Appropriation.** – The general assembly shall appropriate from the general fund
23 to the Long-Term Care System Rebalancing Trust Fund an amount equal to or greater than ten
24 percent (10%) of the additional federal funds received by the state as a result of the increase in the
25 Federal Medical Assistance Percentage in the year 2009.

26 **40-23-8. Report.** – The secretary shall provide a report of the annual activities of the
27 fund to the governor, the general assembly and the long-term care coordinating council no later
28 than November 30, of 2009, and each year thereafter.

29 SECTION 2. Sections 16-62.1-1, 16-62.1-2, 16-62.1-3, 16-62.1-4, 16-62.1-6, 16-62.1-7,
30 16-62.1-8, and 16-62.1-10 of the General Laws in Chapter 16-62.1 entitled "Nursing Loan
31 Repayment Program" are hereby amended to read as follows:

32 **16-62.1-1. Legislative findings.** -- The purpose of this chapter is to provide an incentive,
33 in the form of interest reduction on certain types of education loans, to students who desire to
34 serve the health care needs of individuals in Rhode Island by enrolling in a registered nurse

1 training program or post-graduate education program to prepare them for nursing faculty
2 positions. The general assembly has found and hereby declares that it is in the public interest and
3 essential to the welfare and well being of the inhabitants of the state that a sufficient number of
4 registered nurses be attracted to Rhode Island to serve the health care needs of our population.
5 The general assembly further finds that there is a growing shortage of qualified registered nurses
6 to meet the needs of the state's population. The general assembly determines that it is vital to the
7 welfare of the state's citizenry that an incentive be provided to attract and retain registered nurses
8 in the state to meet their needs.

9 **16-62.1-2. Definitions.** -- For the purpose of this chapter, the following terms shall have
10 the following meanings unless the context clearly requires otherwise:

11 (1) "Authority" means the governmental agency and public instrumentality authorized,
12 created and established pursuant to section 16-62-4.

13 (2) "Eligible registered nurse" means an individual who holds a valid Rhode Island
14 license to practice as a professional registered nurse and who works as a registered nurse, or is
15 employed in a certified nurse education training program in this state and can document that they
16 work at least half time (average of twenty (20) hours per week).

17 (3) "Loan" means a federal Stafford (FFELP) loan made by the authority or one of its
18 participating lenders, issued after July 1, 2000 and not in default.

19 (4) "Eligible employment" shall mean employment as a registered nurse or nurse
20 educator in the state ~~responsible for patient care at any Rhode Island licensed health care facility,~~
21 including, but not limited to, employment by hospitals, nursing homes, and home nursing care
22 providers assisted living residences, adult day services, health care and human service providers
23 and nurse education programs.

24 (5) "Home and community-based care provider" means any licensed health care facility
25 or entity that provides home and community based care as defined by the Rhode Island state
26 Medicaid plan.

27 (6) "Eligible nursing assistant" means an individual who is duly qualified and registered
28 with the department of health as a nursing assistant and who works as a nursing assistant in this
29 state and can document that they work at least half time (average of twenty (20) hours per week).

30 **16-62.1-3. Interest forgiveness on loans** **Interest and loan forgiveness.** – (a) Subject
31 to funds made available by the authority, and matching funds annually appropriated by the
32 general assembly, an ~~An~~ eligible registered nurse shall be eligible to have the interest on his or
33 her loan, or a portion of the loan, forgiven for each year he or she has eligible employment in the
34 state, up to a maximum of four (4) years, and prior to the termination of this program.

1 (b) Subject to funds made available by the long-term care system rebalancing trust fund
2 as created by chapter 40-23 an eligible registered nurse shall be eligible to have the interest on his
3 or her loan or a portion of the loan forgiven for each year he or she has eligible employment with
4 a home and community-based care provider in the state up to a maximum of four (4) years, and
5 prior to the termination of this program

6 **16-62.1-4. ~~Application for loan interest forgiveness~~ Application for loan and/or**
7 **interest forgiveness.** -- Any individual seeking interest forgiveness or loan forgiveness pursuant
8 to the provisions of this chapter shall apply to the authority on forms prescribed by the authority
9 containing any information that the authority deems advisable to fulfill the provisions of this
10 program. The authority's executive director, or his or her designee, shall determine the eligibility
11 of each applicant.

12 **16-62.1-6. Penalty for failure to maintain eligibility.** -- In the event the authority
13 determines that an individual is no longer eligible for the interest or loan forgiveness on his or her
14 loan as provided in this chapter, that individual shall be required to pay the holder of his or her
15 loan forthwith all accrued interest and principal and any late payment penalties which have
16 accrued during the period of the ineligibility.

17 **16-62.1-7. Regulations.** -- The authority may promulgate any regulations that it deems
18 necessary to implement the provisions of this interest and loan forgiveness program.

19 **16-62.1-8. No adverse effect on authority's bond issues or rating.** -- Notwithstanding
20 any provision of this chapter to the contrary, to the extent, if any, that this interest and loan
21 forgiveness program shall have any material adverse effect on the authority's ability to issue
22 negotiable bonds and notes, the authority shall be empowered to suspend this program on a
23 prospective basis, provided that any individual who has previously been determined to be eligible
24 for the program's benefits shall retain their eligibility up to the maximum period prescribed in this
25 chapter.

26 **16-62.1-10. ~~Termination of interest forgiveness on December 31, 2010~~ Termination**
27 **of interest and loan forgiveness on December 31, 2012** -- The interest and loan benefits granted
28 under this program shall cease after December 31, ~~2010~~ 2012, unless extended.

29 SECTION 3. Chapter 16-62.1 of the General Laws entitled "Nursing Loan Repayment
30 Program" is hereby amended by adding thereto the following section:

31 **16-62.1-11. Certified nursing training tuition forgiveness.** -- Subject to funds made
32 available by the Long-Term Care System Rebalancing Trust Fund as created by chapter 40-23, an
33 eligible nursing assistant shall be eligible to be refunded the cost of the tuition for certified
34 nursing assistant training program provided he or she has eligible employment with a home and

1 [community care provider in the state.](#)

2 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HUMAN SERVICES

- 1 This act creates the long-term care system rebalancing trust fund and would extend the
- 2 loan forgiveness program for nursing and C.N.A students.
- 3 This act would take effect upon passage.

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