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**SUBSTITUTE SENATE BILL 5498**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Higher Education & Workforce Development (originally sponsored by Senators Mullet, Holy, Rivers, King, Cleveland, Braun, Conway, Pedersen, Shewmake, and C. Wilson)

1 AN ACT Relating to creating the nurse student loan repayment  
2 assistance program under the Washington health corps; amending RCW  
3 28B.115.010, 28B.115.020, 28B.115.030, 28B.115.080, 28B.115.090, and  
4 28B.115.110; adding a new section to chapter 28B.115 RCW; creating a  
5 new section; and providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 28B.115.010 and 2019 c 302 s 1 are each amended to  
8 read as follows:

9 The legislature finds that changes in demographics, the delivery  
10 of health care services, and an escalation in the cost of educating  
11 health professionals has resulted in shortages of health  
12 professionals. A poor distribution of health care professionals has  
13 resulted in a surplus of some professionals in some areas of the  
14 state and a shortage of others in other parts of the state, such as  
15 in the more rural areas and in behavioral health services. The high  
16 cost of health professional education requires that health care  
17 practitioners command higher incomes to repay the financial  
18 obligations incurred to obtain the required training. Health  
19 professional shortage areas are often areas that have troubled  
20 economies and lower per capita incomes. These areas often require  
21 more services because the health care needs are greater due to

1 poverty or because the areas are difficult to service due to  
2 geographic circumstances. The salary potentials for shortage areas  
3 are often not as favorable when compared to nonshortage areas and  
4 practitioners are unable to serve. The legislature further finds that  
5 encouraging health professionals to serve in shortage areas is  
6 essential to assure continued access to health care for persons  
7 living in these parts of the state.

8 The legislature also finds that one in five adults in the United  
9 States experiences mental illness in any given year, but only forty-  
10 one percent of adults with a mental health condition received mental  
11 health services in 2016, according to the national institute of  
12 mental health. The ~~((children's—mental))~~ children and youth  
13 behavioral health work group found that in 2013, only forty percent  
14 of children on medicaid with mental health treatment needs were  
15 receiving services. Individuals seeking behavioral health services  
16 may have trouble receiving the help they need from health care  
17 professionals because behavioral health services are limited due to  
18 workforce shortages of behavioral health providers. The legislature  
19 further finds that encouraging more health care professionals to  
20 practice behavioral health in areas with limited services would  
21 benefit the state by creating greater access to behavioral health  
22 services and by having more health care professionals experienced in  
23 providing behavioral health services.

24 The legislature also finds that all parts of Washington state are  
25 facing a long-standing registered nurse workforce shortage that has  
26 been exacerbated by the COVID-19 pandemic. Workforce shortages lead  
27 to reductions and closures of services and stress on the existing  
28 workforce. The legislature further finds that encouraging more  
29 already-trained registered nurses to move to Washington to practice  
30 would benefit the state by maintaining access to services across the  
31 state.

32 Therefore, the legislature intends to establish the Washington  
33 health corps to encourage more health care professionals to work in  
34 underserved areas by providing loan repayment and conditional  
35 scholarships in return for completing a service commitment.

36 **Sec. 2.** RCW 28B.115.020 and 2022 c 276 s 1 are each amended to  
37 read as follows:

38 Unless the context clearly requires otherwise, the definitions in  
39 this section apply throughout this chapter.

1 (1) "Approved nursing program" means a nursing educational  
2 program that leads to a degree or licensure in nursing that is  
3 approved by the nursing care quality assurance commission under RCW  
4 18.79.070 and is located at an institution of higher education that  
5 is authorized to participate in state financial aid programs under  
6 chapter 28B.92 RCW.

7 (2) "Credentialed health care profession" means a health care  
8 profession regulated by a disciplining authority in the state of  
9 Washington under RCW 18.130.040 or by the pharmacy quality assurance  
10 commission under chapter 18.64 RCW and designated by the department  
11 in RCW 28B.115.070 as a profession having shortages of credentialed  
12 health care professionals in the state.

13 (3) "Credentialed health care professional" means a person  
14 regulated by a disciplining authority in the state of Washington to  
15 practice a health care profession under RCW 18.130.040 or by the  
16 pharmacy quality assurance commission under chapter 18.64 RCW.

17 (4) "Department" means the state department of health.

18 (5) "Eligible education and training programs" means education  
19 and training programs approved by the department that lead to  
20 eligibility for a credential as a credentialed health care  
21 professional.

22 (6) "Eligible expenses" means reasonable expenses associated with  
23 the costs of acquiring an education such as tuition, books,  
24 equipment, fees, room and board, and other expenses determined by the  
25 office.

26 (7) "Eligible student" means a student who has been accepted into  
27 an eligible education or training program and has a declared  
28 intention to serve in a health professional shortage area upon  
29 completion of the education or training program.

30 (8) "Forgiven" or "to forgive" or "forgiveness" means to render  
31 health care services in a health professional shortage area, an  
32 underserved behavioral health area, or as a nurse educator in the  
33 state of Washington in lieu of monetary repayment.

34 (9) "Health professional shortage areas" means those areas where  
35 credentialed health care professionals are in short supply as a  
36 result of geographic maldistribution or as the result of a short  
37 supply of credentialed health care professionals in specialty health  
38 care areas and where vacancies exist in serious numbers that  
39 jeopardize patient care and pose a threat to the public health and  
40 safety. The department shall determine health professional shortage

1 areas as provided for in RCW 28B.115.070. In making health  
2 professional shortage area designations in the state the department  
3 may be guided by applicable federal standards for "health manpower  
4 shortage areas," and "medically underserved areas," and "medically  
5 underserved populations."

6 (10) "Loan repayment" means a loan that is paid in full or in  
7 part if the participant:

8 (a) Renders health care services in a health professional  
9 shortage area or an underserved behavioral health area as defined by  
10 the department; or

11 (b) Teaches as a nurse educator for an approved nursing program.

12 (11) "Nonshortage rural area" means a nonurban area of the state  
13 of Washington that has not been designated as a rural physician  
14 shortage area. The department shall identify the nonshortage rural  
15 areas of the state.

16 (12) "Nurse" or "nursing" has the same meaning as described under  
17 chapter 18.79 RCW.

18 (13) "Nurse educator" means an individual with an advanced  
19 nursing degree beyond a bachelor's degree that teaches nursing  
20 curriculum and is a faculty member for an approved nursing program.

21 (~~(13)~~) (14) "Office" means the office of student financial  
22 assistance.

23 (~~(14)~~) (15) "Participant" means:

24 (a) A credentialed health care professional who has received a  
25 loan repayment award and has commenced practice as a credentialed  
26 health care provider in a designated health professional shortage  
27 area or an underserved behavioral health area;

28 (b) A nurse educator teaching in an approved nursing program; or

29 (c) An eligible student who has received a scholarship under this  
30 program.

31 (~~(15)~~) (16) "Participating employer" means the following  
32 employers that have elected to participate in the nurse student loan  
33 repayment assistance program:

34 (a) A hospital licensed under chapter 70.41 RCW;

35 (b) A psychiatric hospital licensed under chapter 71.12 RCW;

36 (c) A nursing home licensed under chapter 18.52 RCW;

37 (d) An assisted living facility licensed under chapter 18.20 RCW;

38 (e) An ambulatory surgical facility licensed under chapter 70.230  
39 RCW;

- 1        (f) An enhanced services facility licensed under chapter 70.97  
2 RCW;  
3        (g) A federally qualified health center; or  
4        (h) A school-based health center.

5        (17) "Required service obligation" means an obligation by the  
6 participant to:

7        (a) Provide health care services in a health professional  
8 shortage area or an underserved behavioral health area for a period  
9 to be established as provided for in this chapter; or

10        (b) Teach as a nurse educator for a period to be established as  
11 provided for in this chapter.

12        ~~((16))~~ (18) "Rural physician shortage area" means rural  
13 geographic areas where primary care physicians are in short supply as  
14 a result of geographic maldistributions and where their limited  
15 numbers jeopardize patient care and pose a threat to public health  
16 and safety. The department shall designate rural physician shortage  
17 areas.

18        ~~((17))~~ (19) "Satisfied" means paid-in-full.

19        ~~((18))~~ (20) "Scholarship" means a loan that is forgiven in  
20 whole or in part if the recipient renders health care services in a  
21 health professional shortage area or an underserved behavioral health  
22 area.

23        ~~((19))~~ (21) "Sponsoring community" means a rural hospital or  
24 hospitals as authorized in chapter 70.41 RCW, a rural health care  
25 facility or facilities as authorized in chapter 70.175 RCW, or a city  
26 or county government or governments.

27        ~~((20))~~ (22) "Underserved behavioral health area" means a  
28 geographic area, population, or facility that has a shortage of  
29 health care professionals providing behavioral health services, as  
30 determined by the department.

31        **Sec. 3.** RCW 28B.115.030 and 2022 c 276 s 2 are each amended to  
32 read as follows:

33        The Washington health corps is the state's initiative to  
34 encourage health care professionals to work in underserved  
35 communities. In exchange for service, the health care professional  
36 receives assistance with higher education, in the form of loan  
37 repayment or a conditional scholarship. The Washington health corps  
38 consists of the health professional loan repayment and scholarship  
39 program, the behavioral health loan repayment program, the nurse

1 student loan repayment assistance program, and the nurse educator  
2 loan repayment program.

3 (1) The health professional loan repayment and scholarship  
4 program is established for credentialed health professionals and  
5 residents serving in health professional shortage areas.

6 (2) The behavioral health loan repayment program is established  
7 for credentialed health professionals serving in underserved  
8 behavioral health areas.

9 (3) The nurse student loan repayment assistance program is  
10 established for nurses employed by and serving in participating  
11 employer hospitals, nursing homes, facilities, or centers.

12 (4) The nurse educator loan repayment program is established for  
13 nurse educators teaching for approved nursing programs.

14 ((4)) (5) The office is the administrator of the programs under  
15 the Washington health corps. In administering the programs, the  
16 office shall:

17 (a) (i) Select credentialed health care professionals and  
18 residents to participate in the loan repayment portion and in the  
19 scholarship portion of the health professional loan repayment and  
20 scholarship program;

21 (ii) Select credentialed health care participants to participate  
22 in the behavioral health loan repayment program; ((and))

23 (iii) Select nurses to participate in the nurse student loan  
24 repayment assistance program on a quarterly basis; and

25 (iv) Select nurse educators to participate in the nurse educator  
26 loan repayment program;

27 (b) Adopt rules and develop guidelines to administer the  
28 programs;

29 (c) Collect and manage repayments from participants who do not  
30 meet their service obligations under this chapter;

31 (d) Publicize the programs, particularly to maximize  
32 participation among individuals in shortage and underserved areas and  
33 among populations expected to experience the greatest growth in the  
34 workforce;

35 (e) Solicit and accept grants and donations from public and  
36 private sources for the programs;

37 (f) Use a competitive procurement to contract with a fund-raiser  
38 to solicit and accept grants and donations from private sources for  
39 the programs. The fund-raiser shall be paid on a contingency fee  
40 basis on a sliding scale but must not exceed fifteen percent of the

1 total amount raised for the programs each year. The fund-raiser shall  
2 not be a registered state lobbyist; (~~and~~)

3 (g) Administer a process for employers to elect to become  
4 participating employers and collect payments from participating  
5 employers, other than a hospital designated by medicare as a critical  
6 access hospital or sole community hospital or that was designated as  
7 a medicare dependent hospital as of January 1, 2022, that amount to  
8 50 percent of the amounts paid to nurses serving in their employer  
9 hospitals, nursing homes, facilities, or centers and participating in  
10 the nurse student loan repayment assistance program in the previous  
11 quarter; and

12 (h) Develop criteria for a contract for service in lieu of the  
13 service obligation where appropriate, that may be a combination of  
14 service and payment.

15 **Sec. 4.** RCW 28B.115.080 and 2022 c 276 s 5 are each amended to  
16 read as follows:

17 After June 1, 1992, the office, in consultation with the  
18 department and the department of social and health services, shall:

19 (1) Establish the annual award amount for each credentialed  
20 health care profession which shall be based upon an assessment of  
21 reasonable annual eligible expenses involved in training and  
22 education for each credentialed health care profession for both the  
23 health professional loan repayment and scholarship program and the  
24 behavioral health loan repayment program. The annual award amount may  
25 be established at a level less than annual eligible expenses. The  
26 annual award amount shall be established by the office for each  
27 eligible health profession. The awards shall not be paid for more  
28 than a maximum of five years per individual;

29 (2) Determine any scholarship awards for prospective physicians  
30 in such a manner to require the recipients declare an interest in  
31 serving in rural areas of the state of Washington. Preference for  
32 scholarships shall be given to students who reside in a rural  
33 physician shortage area or a nonshortage rural area of the state  
34 prior to admission to the eligible education and training program in  
35 medicine. Highest preference shall be given to students seeking  
36 admission who are recommended by sponsoring communities and who  
37 declare the intent of serving as a physician in a rural area. The  
38 office may require the sponsoring community located in a nonshortage  
39 rural area to financially contribute to the eligible expenses of a

1 medical student if the student will serve in the nonshortage rural  
2 area;

3 (3) Establish the required service obligation for each  
4 credentialed health care profession, which shall be no less than  
5 three years or no more than five years, for the health professional  
6 loan repayment and scholarship program and the behavioral health loan  
7 repayment program. The required service obligation may be based upon  
8 the amount of the scholarship or loan repayment award such that  
9 higher awards involve longer service obligations on behalf of the  
10 participant;

11 (4) Establish the annual award amount and the required service  
12 obligation for nurse educators participating in the nurse educator  
13 loan repayment program. The annual award amount shall be based upon  
14 an assessment of reasonable annual eligible expenses involved in  
15 training and education. The awards shall not be paid for more than a  
16 maximum of five years per individual. The required service obligation  
17 shall be no less than three years or no more than five years. The  
18 required service obligation may be based upon the amount of the loan  
19 repayment award such that higher awards involve longer service  
20 obligations on behalf of the participant;

21 (5) Establish the annual award amount for nurses participating in  
22 the nurse student loan repayment assistance program. The annual award  
23 amount shall be based on a calculation of 50 percent of the sum of  
24 the required monthly student loan payments for 130 percent of the  
25 median participating nurse's loan amount for the duration of the  
26 nurse's participation in the program. The total amount awarded per  
27 fiscal year cannot exceed the appropriation for that fiscal year. The  
28 awards shall not be paid for more than a maximum of five years per  
29 individual. Any nurse employed by a participating employer and  
30 serving in a participating employer hospital, nursing home, facility,  
31 or center is eligible for student loan repayment assistance while  
32 they are employed by and serving in a participating employer  
33 hospital, nursing home, facility, or center;

34 (6) Determine eligible education and training programs for  
35 purposes of the scholarship portion of the health professional loan  
36 repayment and scholarship program;

37 ((+6)) (7) Honor loan repayment and scholarship contract terms  
38 negotiated between the office and participants prior to May 21, 1991,  
39 concerning loan repayment and scholarship award amounts and service  
40 obligations authorized under this chapter or chapter 70.180 RCW.



1       **Sec. 5.** RCW 28B.115.090 and 2022 c 276 s 6 are each amended to  
2 read as follows:

3       (1) The office may grant loan repayment and scholarship awards to  
4 eligible participants from the funds appropriated to the Washington  
5 health corps program. Participants are ineligible to receive loan  
6 repayment under the Washington health corps program if they have  
7 received a scholarship from programs authorized under this chapter or  
8 chapter 70.180 RCW or are ineligible to receive a scholarship if they  
9 have received loan repayment authorized under this chapter.

10       (2) Funds appropriated for the health professional loan repayment  
11 and scholarship program, including reasonable administrative costs,  
12 may be used by the office for the purposes of loan repayments or  
13 scholarships. The office shall annually establish the total amount of  
14 funding to be awarded for loan repayments and scholarships and such  
15 allocations shall be established based upon the best utilization of  
16 funding for that year.

17       (3) One portion of the funding appropriated for the health  
18 professional loan repayment and scholarship program shall be used by  
19 the office as a recruitment incentive for communities participating  
20 in the community-based recruitment and retention program as  
21 authorized by chapter 70.185 RCW; one portion of the funding shall be  
22 used by the office as a recruitment incentive for recruitment  
23 activities in state-operated institutions, county public health  
24 departments and districts, county human service agencies, federal and  
25 state contracted community health clinics, and other health care  
26 facilities, such as rural hospitals that have been identified by the  
27 department, as providing substantial amounts of charity care or  
28 publicly subsidized health care; one portion of the funding shall be  
29 used by the office for all other awards. The office shall determine  
30 the amount of total funding to be distributed between the three  
31 portions.

32       (4) Funds collected from participating employers under RCW  
33 28B.115.030(5)(g) shall be used by the office solely to fund loan  
34 repayment for participants of the nurse student loan repayment  
35 assistance program.

36       **Sec. 6.** RCW 28B.115.110 and 2022 c 276 s 7 are each amended to  
37 read as follows:

38       Participants in the Washington health corps who are awarded loan  
39 repayments shall receive payment for the purpose of repaying

1 educational loans secured while attending a program of health  
2 professional training which led to a credential as a credentialed  
3 health professional in the state of Washington.

4 (1) Participants shall agree to meet the required service  
5 obligation.

6 (2) Repayment shall be limited to eligible educational and living  
7 expenses as determined by the office and shall include principal and  
8 interest.

9 (3) Loans from both government and private sources may be repaid  
10 by the program. Participants shall agree to allow the office access  
11 to loan records and to acquire information from lenders necessary to  
12 verify eligibility and to determine payments. Loans may not be  
13 renegotiated with lenders to accelerate repayment.

14 (4) Repayment of loans established pursuant to the Washington  
15 health corps shall begin no later than (~~ninety~~) 90 days after the  
16 individual has become a participant. Payments shall be made  
17 quarterly, or more frequently if deemed appropriate by the office, to  
18 the participant until the loan is repaid or the participant becomes  
19 ineligible due to discontinued service in a health professional  
20 shortage area, an underserved behavioral health area, as a nurse  
21 employed by a participating employer, or as a nurse educator at an  
22 approved nursing program after the required service obligation when  
23 eligibility discontinues, whichever comes first.

24 (5) Should the participant discontinue service in a health  
25 professional shortage area, an underserved behavioral health area, as  
26 a nurse employed by a participating employer, or as a nurse educator  
27 at an approved nursing program, payments against the loans of the  
28 participants shall cease to be effective on the date that the  
29 participant discontinues service.

30 (6) Except for circumstances beyond their control, participants  
31 who serve less than the required service obligation shall be  
32 obligated to repay to the program an amount equal to the unsatisfied  
33 portion of the service obligation, or the total amount paid by the  
34 program on their behalf, whichever is less. This amount is due and  
35 payable immediately. Participants who are unable to pay the full  
36 amount due shall enter into a payment arrangement with the office,  
37 including an arrangement for payment of interest. The maximum period  
38 for repayment is ten years. The office shall determine the  
39 applicability of this subsection. The interest rate shall be  
40 determined by the office and be established by rule.

1 (7) The office is responsible for the collection of payments made  
2 on behalf of participants from the participants who discontinue  
3 service before completion of the required service obligation. The  
4 office shall exercise due diligence in such collection, maintaining  
5 all necessary records to ensure that the maximum amount of payment  
6 made on behalf of the participant is recovered. Collection under this  
7 section shall be pursued using the full extent of the law, including  
8 wage garnishment if necessary.

9 (8) The office shall not be held responsible for any outstanding  
10 payments on principal and interest to any lenders once a  
11 participant's eligibility expires.

12 (9) The office shall temporarily or, in special circumstances,  
13 permanently defer the requirements of this section for eligible  
14 students as defined in RCW 28B.10.017.

15 (10) The office shall establish an appeal process by rule.

16 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.115  
17 RCW to read as follows:

18 (1) Any funds appropriated by the legislature for the nurse  
19 student loan repayment assistance program, or any other public or  
20 private funds intended for loan repayments under this program,  
21 including funds collected from participating employers under RCW  
22 28B.115.030(5)(g) to fund loan repayment for participants of the  
23 nurse student loan repayment assistance program, must be placed in  
24 the account created by this section.

25 (2) The nurse student loan repayment assistance program account  
26 is created in the custody of the state treasurer. All receipts from  
27 the program must be deposited into the account. Expenditures from the  
28 account may be used only for the nurse student loan repayment  
29 assistance program. Only the office, or its designee, may authorize  
30 expenditures from the account. The account is subject to allotment  
31 procedures under chapter 43.88 RCW, but an appropriation is not  
32 required for expenditures.

33 (3) The first awards from the account cannot be made until two  
34 quarters after funds are appropriated by the legislature for the  
35 nurse student loan repayment assistance program.

36 NEW SECTION. **Sec. 8.** If specific funding for the purposes of  
37 this act, referencing this act by bill or chapter number, is not

1 provided by June 30, 2023, in the omnibus appropriations act, this  
2 act is null and void.

3 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act expire  
4 January 1, 2026.

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