

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1015**

Introduced by Walz, 15.

Read first time January 05, 2024

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to the Rural Health Systems and Professional  
2 Incentive Act; to amend sections 71-5650 and 71-5652, Reissue  
3 Revised Statutes of Nebraska, and sections 71-5662, 71-5663, and  
4 71-5668, Revised Statutes Supplement, 2023; to restate the purposes  
5 of the Rural Health Systems and Professional Incentive Act; to  
6 change provisions relating to loan repayments, financial assistance  
7 amounts, and loan repayment recipient agreements under the Rural  
8 Health Systems and Professional Incentive Act; to provide for  
9 financial assistance in the form of loan repayments to certain  
10 dentists who agree to provide dental services to medicaid patients  
11 as prescribed; to harmonize provisions; and to repeal the original  
12 sections.  
13 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-5650, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 71-5650 Sections 71-5650 to 71-5670 and section 6 of this act shall  
4 be known and may be cited as the Rural Health Systems and Professional  
5 Incentive Act.

6 Sec. 2. Section 71-5652, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 71-5652 The purposes of the Rural Health Systems and Professional  
9 Incentive Act are to:

10 (1) Create ~~create~~ the Nebraska Rural Health Advisory Commission and  
11 establish its powers and duties; ~~τ~~

12 (2) Establish ~~establish~~ a student loan program that will provide  
13 financial incentives to medical, dental, master's level and doctorate-  
14 level mental health, and physician assistant students who agree to  
15 practice their profession in a designated health profession shortage area  
16 within Nebraska; ~~τ~~

17 (3) Establish ~~establish~~ a loan repayment program that will provide  
18 financial incentives to medical residents who agree to practice their  
19 profession in a designated health profession shortage area within  
20 Nebraska; ~~τ~~ ~~and~~

21 (4) Establish ~~establish~~ a loan repayment program that will require  
22 community matching funds and will provide financial incentives to  
23 eligible health professionals who agree to practice their profession in a  
24 designated health profession shortage area within Nebraska; and ~~τ~~

25 (5) Establish a loan repayment program for certain dentists who  
26 provide dental services to medicaid patients.

27 Sec. 3. Section 71-5662, Revised Statutes Supplement, 2023, is  
28 amended to read:

29 71-5662 (1) To be eligible for a student loan under the Rural Health  
30 Systems and Professional Incentive Act, an applicant or a recipient shall  
31 be enrolled or accepted for enrollment in an accredited medical or dental

1 education program or physician assistant education program or an approved  
2 mental health practice program in Nebraska.

3 (2) To be eligible for the medical resident incentive under the act,  
4 an applicant or a recipient shall be enrolled or accepted for enrollment  
5 in an approved medical specialty residency program in Nebraska.

6 (3) To be eligible for loan repayment under the act, an applicant or  
7 a recipient shall be a pharmacist, a dentist, a physical therapist, an  
8 occupational therapist, a mental health practitioner, a psychologist  
9 licensed under the requirements of section 38-3114 or the equivalent  
10 thereof, a nurse practitioner, a physician assistant, a psychiatrist, or  
11 a physician in an approved specialty and shall:

12 (a) Be ~~be~~ licensed to practice in Nebraska; τ

13 (b) Not ~~not~~ be enrolled in a residency program; τ

14 (c) Not ~~not~~ be practicing under a provisional or temporary  
15 license; τ and

16 (d) Except as provided pursuant to an agreement under section 6 of  
17 this act, enter practice in a designated health profession shortage area  
18 in Nebraska.

19 Sec. 4. Section 71-5663, Revised Statutes Supplement, 2023, is  
20 amended to read:

21 71-5663 (1) The amount of financial assistance provided through  
22 student loans pursuant to the Rural Health Systems and Professional  
23 Incentive Act shall be limited to thirty thousand dollars for each  
24 recipient for each academic year and, except as provided in subdivision  
25 (4)(a) of this section, shall not exceed one hundred twenty thousand  
26 dollars per medical, dental, or doctorate-level mental health student or  
27 thirty thousand dollars per master's level mental health or physician  
28 assistant student.

29 (2) The amount of financial assistance provided through the medical  
30 resident incentive program pursuant to the act shall be limited to forty  
31 thousand dollars for each recipient for each year of residency and,

1 except as provided in subdivision (4)(b) of this section, shall not  
2 exceed one hundred twenty thousand dollars.

3 (3) The amount of financial assistance provided by the state through  
4 loan repayments pursuant to the act is limited as follows:

5 (a) For dentists pursuant to section 6 of this act, up to sixty  
6 thousand dollars per recipient per year of full-time practice and up to a  
7 maximum of three hundred thousand dollars per recipient;

8 (b) For ~~for~~ physicians, psychiatrists, dentists, and psychologists,  
9 up shall be limited to thirty thousand dollars per recipient per year of  
10 full-time practice in a designated health profession shortage area and,  
11 except as provided in subdivision (4)(c) of this section, up to a maximum  
12 of shall not exceed ninety thousand dollars per recipient; and

13 (c) For ~~(b) for~~ physician assistants, nurse practitioners,  
14 pharmacists, physical therapists, occupational therapists, and mental  
15 health practitioners, up shall be limited to fifteen thousand dollars per  
16 recipient per year of full-time practice in a designated health  
17 profession shortage area and, except as provided in subdivision (4)(c) of  
18 this section, up to a maximum of shall not exceed forty-five thousand  
19 dollars per recipient.

20 (4)(a) The total amount of financial assistance provided through  
21 student loans for a doctorate-level mental health student or master's  
22 level mental health student shall be the full amount of such loans for a  
23 person who practices psychiatry, psychology, or mental health practice:

24 (i) For at least five years in a designated health profession  
25 shortage area; and

26 (ii) If all or a majority of such practice consists of the treatment  
27 of members of the community supervision population.

28 (b) The total amount of financial assistance provided through the  
29 medical resident incentive program for a psychiatrist shall be the full  
30 amount of such psychiatrist's qualified educational debts if such person  
31 practices psychiatry:

1 (i) For at least five years in a designated health profession  
2 shortage area; and

3 (ii) If all or a majority of such practice consists of the treatment  
4 of members of the community supervision population.

5 (c) The total amount of financial assistance provided through loan  
6 repayments pursuant to the act for psychiatrists, psychologists, and  
7 mental health practitioners shall be the full amount of such person's  
8 qualified educational debts if such person practices psychiatry,  
9 psychology, or mental health practice:

10 (i) For at least five years in a designated health profession  
11 shortage area; and

12 (ii) If all or a majority of such practice consists of the treatment  
13 of members of the community supervision population.

14 (5) For purposes of this section, community supervision population  
15 means persons on probation, post-release supervision, and pretrial  
16 release.

17 Sec. 5. Section 71-5668, Revised Statutes Supplement, 2023, is  
18 amended to read:

19 71-5668 Except as otherwise provided in section 6 of this act, a  
20 ~~Each~~ loan repayment recipient shall execute an agreement with the  
21 department and a local entity. Such agreement shall be exempt from the  
22 requirements of sections 73-501 to 73-510 and shall include, at a  
23 minimum, the following terms:

24 (1) The loan repayment recipient agrees to practice his or her  
25 profession, and a physician, psychiatrist, dentist, nurse practitioner,  
26 or physician assistant also agrees to practice an approved specialty, in  
27 a designated health profession shortage area for at least three years, or  
28 the period required by subdivision (4)(c) of section 71-5663, and to  
29 accept medicaid patients in his or her practice;

30 (2) In consideration of the agreement by the recipient, the State of  
31 Nebraska and a local entity within the designated health profession

1 shortage area will provide equal funding for the repayment of the  
2 recipient's qualified educational debts except as provided in subdivision  
3 (5) of this section, in amounts up to thirty thousand dollars per year  
4 per recipient for physicians, psychiatrists, dentists, and psychologists  
5 and up to fifteen thousand dollars per year per recipient for physician  
6 assistants, nurse practitioners, pharmacists, physical therapists,  
7 occupational therapists, and mental health practitioners toward qualified  
8 educational debts for up to three years or a longer period as required by  
9 subdivision (4)(c) of section 71-5663. The department shall make payments  
10 directly to the recipient;

11 (3) If the loan repayment recipient discontinues practice in the  
12 shortage area prior to completion of the three-year requirement or the  
13 period required by subdivision (4)(c) of section 71-5663, as applicable,  
14 the recipient shall repay to the state one hundred fifty percent of the  
15 total amount of funds provided to the recipient for loan repayment with  
16 interest at a rate of eight percent simple interest per year from the  
17 date of default. Upon repayment by the recipient to the department, the  
18 department shall reimburse the local entity its share of the funds which  
19 shall not be more than the local entity's share paid to the loan  
20 repayment recipient;

21 (4) Any practice or payment obligation incurred by the loan  
22 repayment recipient under the loan repayment program is canceled in the  
23 event of the loan repayment recipient's death or total and permanent  
24 ~~disability or death~~;

25 (5) For a loan repayment recipient seeking benefits under  
26 subdivision (4)(c) of section 71-5663, the recipient agrees to such other  
27 terms as the department deems appropriate; and

28 (6) Beginning on July 1, 2022, any agreements entered into by  
29 December 31, 2024, shall first use federal funds from the federal  
30 American Rescue Plan Act of 2021 for the purposes of repaying qualified  
31 educational debts prior to using any state or local funds. Agreements

1 using federal funds from the federal American Rescue Plan Act of 2021  
2 shall not require equal funding from a local entity. Any federal funds  
3 from the act committed to agreements during this time period shall be  
4 used by December 31, 2026.

5 Sec. 6. (1) In lieu of the agreement required by section 71-5668, a  
6 loan repayment recipient may execute an agreement with the department  
7 under this section if such loan repayment recipient is a dentist who:

8 (a) Has practiced dentistry for less than five years at the time of  
9 entering into such agreement; and

10 (b) Has not received any prior financial assistance under the Rural  
11 Health Systems and Professional Incentive Act.

12 (2) An agreement under this section shall be exempt from the  
13 requirements of sections 73-501 to 73-510 and shall include, at a  
14 minimum, the following terms:

15 (a) The loan repayment recipient agrees to:

16 (i) Practice dentistry for five years in the State of Nebraska  
17 beginning on the date of the agreement; and

18 (ii) Provide dental services for not less than the number or  
19 percentage of medicaid patients determined by the commission. Such number  
20 or percentage shall be included in the agreement;

21 (b)(i) The department shall make payments directly to the recipient  
22 for the repayment of the recipient's qualified educational debts in  
23 amounts up to sixty thousand dollars per year per recipient toward  
24 qualified educational debts for up to five years; and

25 (ii) The recipient shall prove to the commission that all of such  
26 payments have been used to pay for the qualified educational debts of the  
27 recipient. The commission shall specify in the agreement the manner in  
28 which a recipient can comply with this subdivision (2)(b)(ii);

29 (c) If the loan repayment recipient breaches any term of the  
30 agreement specified in subdivision (a) or (b) of this subsection:

31 (i) The recipient shall pay to the state one hundred percent of the

1 total amount of money provided to the recipient under the agreement and  
2 interest on such amount remaining to be repaid. Such interest shall begin  
3 on the date the recipient breached any term of the agreement and be  
4 calculated at a rate of eight percent simple interest per year; and

5 (ii) The state shall not be obligated to pay any additional money  
6 under the agreement to the recipient; and

7 (d) Any practice or payment obligation incurred by the loan  
8 repayment recipient under the agreement is canceled in the event of the  
9 loan repayment recipient's death or total and permanent disability.

10 Sec. 7. Original sections 71-5650 and 71-5652, Reissue Revised  
11 Statutes of Nebraska, and sections 71-5662, 71-5663, and 71-5668, Revised  
12 Statutes Supplement, 2023, are repealed.