



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB1691

Introduced 2/9/2017, by Sen. Kwame Raoul

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.878 new  
305 ILCS 5/12-4.51 new

Amends the State Finance Act. Creates the Safety-Net Hospital Service Loan Forgiveness Program Fund. Amends the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to establish the Safety-Net Hospital Service Loan Forgiveness Program to make loan repayment disbursements to physicians and medical residents, as defined, who agree to practice in a Safety-Net Hospital. Requires physicians and medical residents who are selected to participate in the Program to agree, by contract, to serve a minimum 3-year full-time service obligation. Requires the Department to make annual disbursements directly to the selected physician or medical resident equivalent to 35% of the average educational debt for indebted graduates in his or her profession not to exceed the balance of the physician or medical resident's qualifying educational loans. Provides that before receiving loan repayment disbursements and as requested, the physician or medical resident must complete a confirmation of practice form verifying that he or she is practicing as required under the Program. Provides that if a physician or medical resident fails to fulfill the required minimum commitment of service, the Department shall collect the total amount paid to the physician or medical resident under the Program plus interest and shall deposit such moneys into the Safety-Net Hospital Service Loan Forgiveness Program Fund. Requires the Department to adopt any rules necessary to implement the Program.

LRB100 10552 KTG 20768 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. The State Finance Act is amended by adding  
5 Section 5.878 as follows:

6 (30 ILCS 105/5.878 new)

7 Sec. 5.878. The Safety-Net Hospital Service Loan  
8 Forgiveness Program Fund.

9 Section 5. The Illinois Public Aid Code is amended by  
10 adding Section 12-4.51 as follows:

11 (305 ILCS 5/12-4.51 new)

12 Sec. 12-4.51. Safety-Net Hospital Service Loan Forgiveness  
13 Program.

14 (a) As used in this Section:

15 "Medical resident" means an individual participating in an  
16 accredited medical residency program in the area of family  
17 practice, internal medicine, obstetrics and gynecology,  
18 pediatrics, or psychiatry.

19 "Physician" means a person licensed under the Medical  
20 Practice Act of 1987 to practice medicine in all its branches  
21 and practices in the area of family practice, internal

1 medicine, obstetrics and gynecology, pediatrics, or  
2 psychiatry.

3 "Program" means the Safety-Net Hospital Service Loan  
4 Forgiveness Program established under this Section.

5 "Qualified educational loan" means a government,  
6 commercial, or foundation loan for actual costs paid for  
7 tuition, reasonable education expenses, and reasonable living  
8 expenses related to the graduate or undergraduate education of  
9 a physician or medical resident.

10 "Safety-Net Hospital" has the meaning ascribed to it in  
11 Section 5-5e.1 of this Code.

12 (b) The Department of Healthcare and Family Services shall  
13 establish a Safety-Net Hospital Service Loan Forgiveness  
14 Program to make loan repayment disbursements to physicians and  
15 medical residents who agree to practice in a Safety-Net  
16 Hospital.

17 (c) To be eligible to participate in the Program, an  
18 individual must:

19 (1) be a physician or medical resident at the time of  
20 application; and

21 (2) submit an application to the Department of  
22 Healthcare and Family Services as prescribed by rule.

23 (d) In considering applications, the Department shall give  
24 preference to applicants who document diverse cultural  
25 competencies. Applicants are responsible for securing their  
26 own qualified educational loans. The Department shall select

1 applicants based on their suitability for practice serving a  
2 Safety-Net Hospital, as indicated by experience or training.

3 (e) A physician or medical resident who is selected to  
4 participate in the Program must sign a contract to agree to  
5 serve a minimum 3-year full-time service obligation.

6 (f) For each year that a selected physician or medical  
7 resident meets the service obligation required under  
8 subsection (e), up to a maximum of 4 years, the Department  
9 shall make annual disbursements directly to the physician or  
10 medical resident equivalent to 35% of the average educational  
11 debt for indebted graduates in his or her profession in the  
12 year closest to his or her selection for which information is  
13 available, not to exceed the balance of his or her qualifying  
14 educational loans. Before receiving loan repayment  
15 disbursements and as requested, the selected physician or  
16 medical resident must complete and return to the Department a  
17 confirmation of practice form provided by the Department  
18 verifying that he or she is practicing as required under  
19 subsection (c) and (e). The selected physician or medical  
20 resident must provide the Department with verification that the  
21 full amount of the loan repayment disbursement received by him  
22 or her has been applied toward the designated loans. After each  
23 disbursement, verification must be received by the Department  
24 and approved before the next loan repayment disbursement is  
25 made.

26 (g) If a physician or medical resident selected to

1 participate in the Program fails to fulfill the required  
2 minimum commitment of service according to subsection (e), the  
3 Department shall collect from the physician or medical resident  
4 the total amount paid to him or her under the Program plus  
5 interest at a rate established by the Department by rule. The  
6 Department shall deposit the moneys collected under this  
7 Section into the Safety-Net Hospital Service Loan Forgiveness  
8 Program Fund established under subsection (h). The Department  
9 shall allow waivers of all or part of the money owed the  
10 Department as a result of a nonfulfillment penalty if emergency  
11 circumstances prevented fulfillment of the minimum service  
12 commitment.

13 (h) The Safety-Net Hospital Service Loan Forgiveness  
14 Program Fund is created as a special fund in the State  
15 treasury. All moneys deposited into the Fund shall be used by  
16 the Department to make loan repayment disbursements to  
17 physicians or medical residents selected to participate in the  
18 Program. The Fund shall consist of the following:

19 (1) Moneys appropriated to the Fund by the General  
20 Assembly.

21 (2) Moneys collected under subsection (g).

22 (3) Earnings attributable to moneys in the Fund.

23 (i) The Department shall adopt any rules necessary to  
24 implement the provisions of this Section.