

2025 Regular Session

HOUSE BILL NO. 539

BY REPRESENTATIVE BERAULT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PHYSICIANS: Creates a program and fund administered by the La. Dept. of Health for the purpose of recruiting specialist physicians to practice medicine in the state

1 AN ACT

2 To amend and reenact R.S. 40:1205.7 and to enact R.S. 40:1205.8, relative to physicians;
3 to provide for the establishment of a loan repayment program for certain physicians;
4 to provide for the administration and funding of the program; to provide for
5 eligibility requirements; to provide for terms and conditions of a loan repayment
6 contract; to provide for definitions; to provide for promulgation of rules; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 40:1205.7 is hereby amended and reenacted and R.S. 40:1205.8 is
10 hereby enacted to read as follows:

11 §1205.7. ~~Rules~~ Loan repayment program for physician specialists

12 A. As used in this Section, the term "physician specialist" shall mean a doctor
13 of allopathic or osteopathic medicine licensed and qualified to practice in Louisiana
14 who graduated from an accredited residency program in his specialty. For purposes
15 of this Section, the term "specialty" shall mean a practice that focuses on a specific
16 area of medicine or a group of patients in order to diagnose, manage, prevent, or treat
17 certain types of symptoms and conditions and shall include but not be limited to
18 internal medicine, pediatrics, obstetrics, gynecology, psychiatry, and emergency
19 medicine.

1 B.(1) There is hereby established in the department a loan repayment
2 program, hereafter referred to in this Section as the "program", for qualifying
3 physician specialists practicing in the state. Subject to available funding in a fiscal
4 year, the department may establish one or more application cycles in a fiscal year.
5 The department shall publicize through electronic methods notice of any application
6 cycle.

7 (2) In addition to any rules promulgated pursuant to R.S. 40:1205.8 for the
8 program, the department shall promulgate program rules pursuant to the
9 Administrative Procedure Act for all of the following:

10 (a) Identification of areas in the state in need of additional physician
11 specialists.

12 (b) Establishment of program applications and required documentation.

13 (c) Selection criteria, including a preference for applicants who will practice
14 in areas identified pursuant to Subparagraph (a) of this Paragraph.

15 (d) Loan payment verification criteria.

16 C. The department shall coordinate the administration of the program.

17 D. A qualifying applicant shall meet all of the following criteria:

18 (1) Be a physician specialist.

19 (2) Be a United States citizen or a United States national.

20 (3) Not have an outstanding contractual obligation to provide a health
21 professional service to the federal government or any other entity unless that service
22 obligation will be completely satisfied before a contract pursuant to the provisions
23 of this Section has been signed.

24 (4) Not have breached a health professional service contract.

25 (5) Not have defaulted on his educational loans at any time, unless corrective
26 actions have been made and the loans are in good standing at the time the application
27 is made.

28 (6) Not have a lien levied against his property for a debt to the United States
29 government.

1 (7) Not be in arrears on child support payments.

2 E. Subject to the availability of funds for the program in a fiscal year, a
3 qualifying applicant accepted into the program shall be eligible to receive up to thirty
4 thousand dollars per year in loan repayments, up to a maximum of one hundred fifty
5 thousand dollars. Disbursement of funds will occur quarterly upon receipt of loan
6 payment verification for loan payments made in the prior quarter.

7 F. A recipient of loan repayment assistance pursuant to the provisions of this
8 Section shall enter into a contract with the department. The contract shall include
9 but not be limited to the following terms and conditions:

10 (1) The recipient shall agree to maintain his medical license and all required
11 specialty accreditations.

12 (2) The recipient shall agree to work for not less than five years in the state
13 on a full-time basis in his specialty with a minimum of thirty-two hours per week
14 providing clinical or surgical services.

15 (3) The recipient shall agree to treat patients who are eligible for Medicaid
16 and Medicare.

17 (4) The recipient shall permit the department to monitor his practice to
18 determine compliance with the terms of the contract.

19 G.(1) If the recipient dies or becomes totally or permanently disabled, the
20 recipient's program contract shall be terminated.

21 (2) If the recipient is convicted of or pleads guilty or no contest to a felony
22 or misdemeanor or if the appropriate licensing board has determined that the
23 recipient has committed an act of gross negligence in the performance of service
24 obligations or has suspended or revoked the license to practice, the department shall
25 have the authority to terminate the recipient's service in the program and demand
26 repayment of the assistance rendered to date.

27 (3) If the recipient breaches his contract, he shall be liable for an amount
28 equal to the sum of all of the following:

1 (a) An amount equal to the total amount paid by the department to, or on
2 behalf of, the recipient for loan repayment for any period of obligated service not
3 served.

4 (b) An amount equal to the number of months of obligated service not
5 completed times \$7,500.

6 (c) Interest on amounts provided in Subparagraphs (a) and (b) of this
7 Paragraph which shall be calculated at the judicial interest rate pursuant to R.S.
8 13:4202, from the date of breach.

9 G. The department may seek, accept, and expend funds from any source,
10 including private business, industry, foundations, and other groups, as well as any
11 available federal or other governmental funding for purposes of funding the program.
12 Funds received pursuant to the provisions of this Subsection shall be deposited into
13 the Health Workforce Needs Fund established in Subsection H of this Section unless
14 the terms and conditions of the funding or of agreements pertaining thereto require
15 otherwise.

16 H. There is hereby established in the state treasury as a special fund the
17 Health Workforce Needs Fund, hereafter referred to in this Subsection as the "fund".
18 Monies appropriated or transferred to the fund shall be deposited by the state
19 treasurer after compliance with the requirements of Article VII, Section 9(B) of the
20 Constitution of Louisiana relative to the Bond Security and Redemption Fund.
21 Monies in the fund shall be invested in the same manner as monies in the state
22 general fund. Interest earned on investment of monies in the fund shall be deposited
23 in and credited to the fund. Unexpended and unencumbered monies in the fund at
24 the end of the fiscal year shall remain in the fund. Monies in the fund shall be
25 appropriated to the department for administration of the provisions of this Section.

26 §1205.8 Rules

27 The secretary shall promulgate rules and regulations necessary to carry out
28 the provisions of this Part in accordance with the Administrative Procedure Act.

1 Section 2. This Act shall become effective July 1, 2025. If vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on the day
3 following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 539 Original

2025 Regular Session

Berault

Abstract: Establishes a loan repayment program administered by the La. Dept. of Health ("department") for qualifying physician specialists practicing in Louisiana.

Proposed law defines "physician specialist" for the purposes of proposed law to mean a doctor of allopathic or osteopathic medicine licensed and qualified to practice in the state who graduated from an accredited residency program in his specialty. Further defines "specialty" to mean a practice that focuses on a specific area of medicine or a group of patients in order to diagnose, manage, prevent, or treat certain types of symptoms and conditions and includes but is not limited to internal medicine, pediatrics, obstetrics, gynecology, psychiatry, and emergency medicine.

Subject to available funding in a fiscal year, proposed law authorizes the department to establish one or more program application cycles in a fiscal year. Requires the department to publicize through electronic methods notice of any application cycle. Additionally requires the department to promulgate program rules pursuant to the Administrative Procedure Act for all of the following:

- (1) Identification of areas in the state in need of additional physician specialists.
- (2) Establishment of program applications and required documentation.
- (3) Selection criteria, including a preference for applicants who will practice in areas identified as in need of additional physician specialists.
- (4) Loan payment verification criteria.

Proposed law requires a qualifying applicant to meet all of the following criteria:

- (1) Be a physician specialist.
- (2) Be a U.S. citizen or a U.S. national.
- (3) Not have an outstanding contractual obligation to provide a health professional service to the federal government or any other entity unless that service obligation will be completely satisfied before a contract has been signed.
- (4) Not have breached a health professional service contract.
- (5) Not have defaulted on his educational loans at any time, unless corrective actions have been made and the loans are in good standing at the time the application is made.
- (6) Not have a lien levied against their property for a debt to the U.S. government.

- (7) Not be in arrears on child support payments.

Proposed law provides that, subject to the availability of funds for the program in a fiscal year, a qualifying applicant accepted into the program is eligible to receive up to \$30,000 per year in loan repayments, up to a maximum of \$150,000. Further provides that disbursement of funds will occur quarterly upon receipt of loan payment verification for loan payments made in the prior quarter.

Proposed law requires a recipient of loan repayment assistance pursuant to the program to enter into a contract with the department. Requires the contract to include the following terms and conditions:

- (1) The recipient to agree to maintain his medical license and all required specialty accreditations.
- (2) The recipient to agree to work for not less than five years in the state on a full-time basis in his specialty with a minimum of 32 hours per week providing clinical or surgical services.
- (3) The recipient to agree to treat patients who are eligible for Medicaid and Medicare.
- (4) The recipient to permit the department to monitor his practice to determine compliance with the terms of the contract.

Proposed law provides that if the recipient dies or becomes totally or permanently disabled, the his program contract will be terminated.

If the recipient is convicted of or pleads guilty or no contest to a felony or misdemeanor or if the appropriate licensing board has determined that the recipient has committed an act of gross negligence in the performance of service obligations or has suspended or revoked the license to practice, proposed law grants the department the authority to terminate the recipient's service in the program and demand repayment of the assistance rendered to date.

Proposed law provides that if the recipient breaches his contract, he shall be liable for an amount equal to the sum of all of the following:

- (1) An amount equal to the total amount paid by the department to, or on behalf of, the recipient for loan repayment for any period of obligated service not served.
- (2) An amount equal to the number of months of obligated service not completed times \$7,500.
- (3) Interest on amounts paid to a recipient by the department and amounts for incomplete service calculated at the judicial interest rate pursuant to present law from the date of breach.

Proposed law authorizes the department to seek, accept, and expend funds from any source, as well as any available federal or other governmental funding for purposes of funding the program. Requires any such funds received to be deposited into the Health Workforce Needs Fund (fund) unless the terms and conditions of the funding or of agreements pertaining thereto require otherwise.

Proposed law establishes the fund in the state treasury as a special fund. Requires monies appropriated or transferred to the fund to be deposited by the state treasurer after compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund. Provides that monies in the fund shall be invested in the same manner as monies in the state general fund and interest earned on investment of monies in the fund shall be deposited in and credited to the fund. Provides

that any unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Proposed law requires monies in the fund to be appropriated to the department for administration of the provisions of proposed law.

Present law authorizes the secretary of the La. Dept. of Health to promulgate rules and regulations for administration of present law. Proposed law retains present law.

(Amends R.S. 40:1205.7; Adds R.S. 40:1205.8)