
DIGEST

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HB 539 Engrossed

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.

Proposed law 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.

Proposed law authorizes the department to establish one or more program application cycles in a fiscal year. Proposed law further requires the department to publicize through electronic methods notice of any application cycle.

Proposed law 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. Proposed law 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 which includes the following terms and conditions:

- (1) The recipient agrees to maintain his medical license and all required specialty accreditations.
- (2) The recipient agrees 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 agrees to treat patients who are eligible for Medicaid and Medicare.
- (4) The recipient permits 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, his program contract will be terminated.

Proposed law further provides that 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. Proposed law further 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. Proposed law further 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.

Proposed law 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.

Proposed law 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 the 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.

Eff. July 1, 2025.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Make technical changes.