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# Wisconsin's Health Professions Loan Assistance Programs

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Physicians, Nurse Practitioners,  
Physician Assistants & Certified Nurse Midwives

## OVERVIEW

The Wisconsin Health Professions Loan Assistance Program (HPLAP) was established to assist rural and underserved communities in recruiting and retaining primary care health and dental professionals. Health care providers who agree to work in federally designated shortage area are eligible for up to \$50,000 in education loan repayment assistance through this competitive program. Physicians working in rural, non-shortage areas are also eligible for \$50,000.

The HPLAP has two funding sources, with slightly different criteria. One portion of the program is funded solely by State funds and another portion uses federal funds. Most of the specifications for the awards provided under these two funding sources are the same. However, those awards that are partially funded by federal matching dollars have some additional requirements, which are noted below.

**NOTE: Applications are due each year in the Fall**

**Wisconsin Office of Rural Health**  
310 N. Midvale Blvd, Suite 301  
Madison, Wisconsin 53705



## Terms and Eligibility

### Physicians

### PA's, NP's, CNM's

#### General Terms

<i>Maximum Award</i>	\$50,000 (see Supplement information below)	\$25,000
<i>Service Obligation</i>	3 years in a federally designated Health Professional Shortage Area or rural area-see below (from the date of the contract)	3 years in a federally designated Health Professional Shortage Area (from the date of the contract)
<i>Annual Repayment</i>	One third of the total award paid each year	One third of the total award paid each year

*Rural Physician Loan Assistance Program*

Physicians and psychiatrists are eligible for either:

- Up to \$50,000 if practicing in a rural or urban Health Professional Shortage Area, **or**
- Up to \$50,000 if practicing in a rural area but **not** in a Health Professional Shortage Area.

Rural, as defined in S. 36.63 (1) (c) Stats, means the following:

- A city, town, or village in this state that has a population of less than 20,000 and that is at least 15 miles from any city, town, or village that has a population of at least 20,000.
- An area in this state that is not an urbanized area, as defined by the federal bureau of the census.

The service obligation is 3 years. Payments may be made in installments of 33.3% of the total award each year.

#### Eligibility

<i>Applicants</i>	<p><u>Primary care physicians, MD or DO</u></p> <ul style="list-style-type: none"> <li>• Family Practice</li> <li>• General Internal Medicine</li> <li>• General Pediatrics</li> </ul> <p><u>Obstetricians</u></p> <p><u>Psychiatrists</u></p> <p>All physicians must also:</p> <ul style="list-style-type: none"> <li>• Meet the definition of a physician as "an individual possessing the degree of doctor of medicine or doctor of osteopathy or an equivalent degree as determined by the board, and holding a license granted by the board", as defined by Wisconsin Statutes</li> <li>• Show evidence of board certification or board eligibility in an eligible specialty above</li> </ul> <p><u>Note:</u> Being a Wisconsin resident or a graduate of a Wisconsin school is not required.</p>	<p><u>Primary care physician assistant</u></p> <ul style="list-style-type: none"> <li>• Graduate of an accredited PA program (see <u>Note</u>)</li> <li>• Licensure by the State of Wisconsin (see <u>Note</u>)</li> </ul> <p><u>Certified nurse midwife</u></p> <ul style="list-style-type: none"> <li>• Licensure by the State of Wisconsin (see <u>Note</u>)</li> </ul> <p><u>Primary care nurse practitioner</u> - meet (a) <u>or</u> (b) below:</p> <p>(a) Meet the requirements of S. 632.895(a), Stats.</p> <p>(b) Be licensed as a registered nurse in Wisconsin under Ch. 441 or the laws of another state and satisfy <u>any</u> of the following:</p> <ul style="list-style-type: none"> <li>• Certification as a primary care nurse practitioner or clinical nurse specialist by the Amer. Nurses' Credentialing Ctr., the Nat'l Certification Corp., the Nat'l Certification Board of Pediatric Nurse Practitioners and Nurses, the Amer. Acad. of Nurse Practitioners, or by a certifying body approved by the Amer. Board of Nursing Specialties (see <u>Note</u>)</li> <li>• Completion of an educational program approved by one of the certifying bodies listed above and be eligible, or will be upon completion of the minimum time-in-practice requirement, to take the professional certification examination as an advanced practice nurse (see <u>Note</u>)</li> </ul> <p><u>Note:</u> Includes proximate or anticipated graduation, licensure or certification. Being a Wisconsin resident or a graduate of a Wisconsin school is not required.</p>
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*Shortage Areas*

Primary care:

- Federally-designated primary care health professional shortage areas (HPSAs)
  - Federally qualified health centers or community health centers

*Shortage Areas cont.*

	<ul style="list-style-type: none"> <li>American Indian reservations or trust lands of an American Indian tribe</li> </ul> <p><b>Psychiatry:</b></p> <ul style="list-style-type: none"> <li>Federally-designated mental health professional shortage areas (HPSAs), excluding state or county mental hospitals and state or federal prisons <ul style="list-style-type: none"> <li>Federally qualified health centers or community health centers</li> </ul> </li> <li>American Indian reservations or trust lands of an American Indian tribe</li> </ul> <p>(A map and list of eligible shortage areas is available from the Wisconsin Office of Rural Health and from the Health Resources and Services Administration website: <a href="http://hpsafind.hrsa.gov/">http://hpsafind.hrsa.gov/</a>)</p>
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*Practice Sites*

	<ul style="list-style-type: none"> <li>All practice sites must be primary care sites.</li> <li>For awards partially funded by federal dollars (see <b>OVERVIEW</b>), sites must also provide a sliding fee scale for persons with incomes up to 200% of the federal poverty level and applicant must be a U.S. citizen.</li> </ul>
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**Loan Repayment**

*Qualifying Loans*

	Health education assistance, Plus, national direct student, Stafford, health professions student, supplemental for students, state educational financial aid office guaranteed student, university-sponsored student, trust fund, scholastic, foundation, and any other loans determined to be exclusively for educational purposes, obtained by the applicant from a public or private lending institution for education related to obtaining a medical, PA, NP, or CNM degree. Home equity loans and personal loans from individuals, such as friends or family members, and Primary Care Loans are not considered qualifying loans.
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*Principal Balance*

	<ul style="list-style-type: none"> <li>May include capitalized interest that has been appropriately made for the allowable student loans</li> <li>Award based on balance as of the application date</li> </ul>
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*Payments*

	<ul style="list-style-type: none"> <li>Made once per year at the beginning of each of the three years of the service obligation period</li> <li>Two-party checks are made out to the lender(s), signed by the recipient, and forwarded to the lender(s)</li> <li>Recipients must document within 60 days of issuance that the check(s) has been applied to the loans</li> <li>Payments can be made for principal and interest or principal only</li> <li>Payments cannot be applied to back interest or penalties</li> </ul>
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*Tax Liability*

	<ul style="list-style-type: none"> <li>Awards are <b>not</b> taxable at either the federal or state levels</li> </ul>
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**Application**

*Annual Deadline*

	<b>Complete applications are due in the Office of Rural Health each Fall. (see website for details: <a href="http://www.worh.org/loan-repayment">http://www.worh.org/loan-repayment</a>)</b>
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*Establishing Priorities Among Competing Applicants*

	<p><b>Practicing in an eligible area does not guarantee an award. Should there be more applicants than available funds, the following criteria are used to rank applications:</b></p> <p><i>Factors Related to the Practice Area</i></p> <ul style="list-style-type: none"> <li><u>Extremely high need for medical care</u> - Eligible areas with higher needs are given greater priority. Need is determined from the area's HPSA score; a higher score indicates a greater need.</li> <li><u>Per capita income</u> - Areas with lower values are given greater priority.</li> <li><u>Financial and other support for applicant recruitment &amp; retention</u> – Applicants providing evidence of greater employer and community support are given greater priority.</li> <li><u>Geographic distribution</u> - Applications are evaluated against previous awards and other current applicants to assure a relatively wide geographic distribution of awards.</li> </ul> <p><i>Factors Related to the Applicant</i></p> <ul style="list-style-type: none"> <li><u>Educational loan balance</u> - Applicants with higher loan balances are given greater priority.</li> <li><u>Applicant retention</u> - Applicants with a greater likelihood to remain in the area for the loan repayment obligation period and after are given greater priority, illustrated in their personal essay.</li> </ul>
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## **Agreement**

### *General Provisions*

- Contract between recipient and the University of Wisconsin Board of Regents for a three year service obligation.
- Recipients must practice primary care (excluding psychiatrists) exclusively in the service area and site chosen and specified. Primary care does not include urgent or emergent care settings.
- Recipients must work full-time (40 hours/week including at least 32 clinic hours/week; adjustments made for obstetricians and CNMs)
- Recipients must work full time at least 45 weeks per year
- Recipients must treat Medicare, BadgerCare and/or Children's Health Insurance Program patients
- Payments to recipients must be applied to the appropriate loans
- Recipients must document that the terms of the agreement are being met. This will be assured by the Wisconsin Office of Rural Health through phone, mail, and on-site contacts.

### *Federal Matching Funds - Additional Provisions*

- For awards partially funded by federal dollars (see OVERVIEW), additional provisions apply:
- Recipients must accept Medicare, BadgerCare and/or Children's Health Insurance Program assignment and must utilize the site's sliding fee scale for those persons with incomes up to 200% of the federal poverty level
  - Recipients must be U.S. citizens and have no judgment liens against their property for a debt to the U.S.

### *Penalties for Breach of Agreement*

- The total of the amounts paid to, or on behalf of, the provider for loan payments for any period of obligated service not served; and
- An amount equal to the number of months of obligated service not completed multiplied by \$7,500; and
- Interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of breach except that the amount the Office of Rural Health is entitled to recover shall not be less than \$31,000.00.

### *Waiver of Penalties*

- Recipient is unable to perform professional duties due to permanent physical or mental impairment
- Verified by appropriate board-certified specialist(s)

### *Suspension of Agreement*

- Under certain conditions, agreement can be suspended without penalty, for a limited period of time
- Extended leave required which exceeds the maximum seven weeks off allotted each year
- Examples: Extended illness or family leave, termination of employment requiring job search in and relocation to another eligible practice site

### *Additional Considerations*

While not a stipulation of the contract with the State of Wisconsin program, the federal National Health Service Corps (NHSC) Loan Repayment Program prohibits concurrent obligations to another entity. Therefore, recipients cannot participate in both the NHSC and Wisconsin programs simultaneously.

## **Contact Information**

For additional information, please contact:

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Madison, Wisconsin 53705  
(608) 261-1888 or 1-800-385-0005  
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Further information and the online application is available at: <http://www.worh.org/loan-repayment>