

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 711

**DATE:** March 5, 2001

**Version:** As introduced

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**Subject:** Rural Health Initiatives

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### Overview

This bill modifies provisions of the summer health care intern and rural hospital planning and transition grant programs, extends for two years the rural hospital capital improvement grant program, establishes and appropriates money for two new loan forgiveness programs, and permanently extends medical assistance coverage for telemedicine consultations. The bill also appropriates money for the summer health care intern program, the rural hospital capital improvement grant program, and rural hospital financial assistance grants.

### Section

- 1 **Criteria.** Amends § 144.1464, subd. 2. Strikes language specifying the hourly wage that hospitals and clinics must use to calculate their share of the costs of employing the summer health care intern. (Hospitals and clinics must pay one-half the costs of employing the summer health care intern; under current law, the costs are based on an overall hourly wage that is at least the minimum wage but cannot exceed \$6 per hour.)
- 2 **Grants authorized.** Amends § 144.147, subd. 2. Adds expenses associated with addressing the health care work force shortage to the list of permitted uses of a rural hospital planning and transition grant.
- 3 **Expiration.** Amends § 144.148, subd. 8. Extends for two years the sunset for the rural hospital capital improvement grant program (making the program expire June 30, 2003).
- 4 **Health care technicians in rural hospitals.** Creates new § 144.1498. Establishes a loan forgiveness program for health care technicians who practice in rural hospitals.  
**Subd. 1. Definitions.** Defines the following terms for the purposes of the health care technician loan forgiveness program: clinical laboratory scientist, clinical laboratory technician, health care technician, qualified loans, radiologic technologist, designated rural area, and rural hospital.  
**Subd. 2. Creation of account.** Establishes an account in the general fund for a loan forgiveness

program for health care technicians who agree to practice in a rural hospital.

**Subd. 3. Eligibility.** Establishes eligibility criteria for the health care technicians loan forgiveness program. Requires the applicant to be enrolled in a program of study designed to prepare the person to become a health care technician and to submit an application before the completion of the education program. For fiscal year 2002, applicants may have graduated from a health care technician program in calendar year 2001. Requires the applicant to agree to serve for a minimum of one year in a rural hospital, beginning no later than March 31 of the first year following completion of the education program.

**Subd. 4. Loan forgiveness.** (a) Allows the commissioner to accept up to 25 applicants per year. Requires applicants to secure their own loans. Sets criteria that the commissioner must consider when accepting applicants and establishes the amount of annual loan repayment. For each year, up to a maximum of two years, the annual repayment is \$2,500 for each year of service, not to exceed \$5,000 or the balance of the qualified loans, whichever is less.

(b) Before loan repayment is made, requires the participant to verify that he or she is practicing as required under this section and that the full amount of loan repayment was applied toward the qualified loan. Specifies that applicants who move from one rural hospital to another remain eligible for loan repayment.

**Subd. 5. Penalty for nonfulfillment.** Requires the commissioner to collect and deposit into the health care technician loan forgiveness account, 100 percent of any loan repayments made, plus interest, if a participant does not fulfill the minimum one-year service commitment required under subdivision 3.

**Subd. 6. Waiver of obligation.** Cancels payment and service obligations in the event of a participant's death. Specifies the circumstances in which the commissioner may waive or suspend payment or service obligations.

5 **Nurses in rural hospitals.** Creates new § 144.1499. Establishes a loan forgiveness program for nurses who practice in rural hospitals.

**Subd. 1. Definition.** Defines the following terms for the purposes of the rural hospital nurse loan forgiveness program: designated rural area, qualified loans, and rural hospital.

**Subd. 2. Creation of account.** Establishes an account in the general fund for a loan forgiveness program for nurses who agree to practice in a rural hospital.

**Subd. 3. Eligibility.** Establishes eligibility criteria for the rural hospital nurse loan forgiveness program. Requires the applicant to be enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse and to submit an application before the completion of the education program. For fiscal year 2002, applicants may have graduated from a nursing education program in calendar year 2001. Requires the applicant to agree to serve for a minimum of one year in a rural hospital, beginning no later than March 31 of the first year following completion of the education program.

**Subd. 4. Loan forgiveness.** (a) Allows the commissioner to accept up to 25 applicants per year. Requires applicants to secure their own loans. Sets criteria that the commissioner must consider when accepting applicants and establishes the amount of annual loan repayment. For each year, up to a maximum of two years, the annual repayment is \$3,000 for each year of service, not to exceed \$6,000 or the balance of the qualified loans, whichever is less.

(b) Before loan repayment is made, requires the participant to verify that he or she is practicing as required under this section and that the full amount of loan repayment was applied toward the qualified loan. Specifies that applicants who move from one rural hospital to another remain eligible for loan repayment.

**Subd. 5. Penalty for nonfulfillment.** Requires the commissioner to collect and deposit into the

nurse loan forgiveness account, 100 percent of any loan repayments made, plus interest, if a participant does not fulfill the minimum one-year service commitment required under subdivision 3.

**Subd. 6. Waiver of obligation.** Cancels payment and service obligations in the event of a participant's death. Specifies the circumstances in which the commissioner may waive or suspend payment or service obligations.

6 **Telemedicine consultations.** Amends § 256B.0625, subd. 3b. Makes permanent the provision to extend medical assistance (MA) coverage to telemedicine consultations.

7 **Appropriations.** Appropriates money for the summer health care intern program and various rural health initiatives.

**Subd. 1. Summer health care intern program.** Makes an appropriation of \$400,000 from the general fund to the commissioner of health for the summer health care intern program. Effective July 1, 2001, changes funding for the program from the health care access fund to the general fund.

**Subd. 2. Rural hospital planning and transition grant program.** Makes an appropriation of \$500,000 from the general fund to the commissioner of health for the rural hospital planning and transition grant program. Effective July 1, 2001, changes funding for the program from the health care access fund to the general fund.

**Subd. 3. Rural hospital capital improvement grant program.** Makes a one-time appropriation of \$10 million from the general fund to the commissioner of health for the rural hospital capital improvement grant program. Effective July 1, 2001, changes funding for the program from the health care access fund to the general fund.

**Subd. 4. Rural hospital financial assistance grants.** Makes an appropriation of \$400,000 from the general fund to the commissioner of health for the rural hospital financial assistance grant program. Effective July 1, 2001, changes funding for the program from the health care access fund to the general fund.

**Subd. 5. Health care technician loan forgiveness program.** Makes an appropriation of \$187,500 from the general fund to the commissioner of health for the health care technician loan forgiveness program.

**Subd. 6. Rural hospital nurse loan forgiveness program.** Makes an appropriation of \$225,000 from the general fund to the commissioner of health for the rural hospital nurse loan forgiveness program.

8 **Effective date.** Makes sections 3 and 6 effective the day following final enactment.