



OFFICE OF MANAGEMENT & BUDGET


State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
Fax: (401) 222-6410

MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer 

Date: April 11, 2025

Subject: Amendments to the FY 2026 Appropriations Act (25-H-5076)

Governor's Budget Amendment #11

The Governor requests an amendment to Article 10 of the FY 2026 Appropriations Act, *Relating to Health and Human Services*. The provisions and policy goals underlying these amendments are set forth below, with associated legislative changes and/or additions detailed in the subsequent technical section.

Health Professional Loan Repayment Program. This amendment proposes changes to the Health Professional Loan Repayment Program. The Governor's Recommended budget includes additional funding towards loan repayment assistance, and the amendment includes technical changes to provide for proper administration of the program. The amendment updates language shifting program administration to the Department of Health and removes reference to the now defunct Higher Education Assistance Authority. Other changes provide the Director of the Department of Health the legal ability to recover loan repayments of recipients who are out of compliance with program requirements and charge penalty assessments. The act shall take effect upon passage.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Brian Daniels, Director, Office of Management and Budget
Jonathan Womer, Director of Administration

25-H-5076: RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2026

Article 10 – Relating to Health and Human Services

Page 237, After Line 2: Insert the following new Section 1 and renumber subsequent sections accordingly:

SECTION 1: Sections 23-14.1-2, 23-14.1-3, 23-14.1-4, 23-14.1-5, 23-14.1-6, 23-14.1-6, 23-14.1-8, 23-14.1-9, of the General Laws in Chapter 23-14.1 entitled “Health Professional Loan Repayment Program” are hereby amended to read as follows:

23-14.1-2. Definitions.

For the purpose of this chapter, the following words and terms have the following meanings unless the context clearly requires otherwise:

(1) “Board” means the health professional loan repayment board.

~~(2) “Commissioner” means the commissioner of postsecondary education.~~

~~(3) “Community health center” means a healthcare facility as defined and licensed under chapter 17 of this title.~~

~~(4) “Division Department” means the Rhode Island ~~division of higher education assistance~~ department of health.~~

~~(5) “Director” means the director of the Rhode Island department of health.~~

(5) “Eligible health professional” means a physician, dentist, dental hygienist, nurse practitioner, certified nurse midwife, physician assistant, or any other eligible healthcare professional under § 338A of the Public Health Service Act, 42 U.S.C. § 25 41, licensed in the state who has entered into a contract with the ~~board~~ director to serve medically underserved populations.

(6) “Loan repayment” means an amount of money to be repaid to satisfy loan obligations incurred to obtain a degree or certification in an eligible health profession as defined in subdivision (5).

23-14.1-3. Health professional loan repayment program established.

There is established within the ~~division~~ department, to be administered by the ~~commissioner~~ director, the health professional loan repayment program whose purpose shall be to ~~provide support the~~

recruitment and retention of high-quality health professionals working with underserved populations in identified health professional shortage areas (HPSAs) by providing loan repayment to eligible health professionals to defray the cost of their professional education.

23-14.1-4. Health professional loan repayment board.

(a) There is created the health professional loan repayment board, which shall consist of the director of the department of health and ~~eight~~ nine (89) members appointed by the governor with the advice and consent of the senate. The governor shall give due consideration to any recommendations for nominations submitted to him or her by the department, the Rhode Island Medical Society; the Rhode Island Dental Association; the Rhode Island Health Center Association; the dean of the Brown University Medical School; the dean of the College of Nursing at the University of Rhode Island; the Rhode Island State Nurses' Association; the Hospital Association of Rhode Island; the Rhode Island ~~division of higher education assistance~~ office of the postsecondary commissioner. All appointed members shall serve for terms of three (3) years and shall receive no compensation for their services. Board members shall be eligible to succeed themselves.

(b) The director of the department of health shall serve as chairperson. The board shall elect such other officers as it deems necessary from among its members. All meetings shall be called by the chairperson.

(c) Members of the board shall be removable by the governor pursuant to the provisions of § 36-1-7 and for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.

23-14.1-5. Duties of the board.

The board shall:

(1) Determine which areas of the state shall be eligible to participate in the loan repayment program each year, based on health professional shortage area designations.

(2) Receive and consider all applications for loan repayment made by eligible health professionals.

(3) Conduct a careful and full investigation of the ability, character, financial needs, and

qualifications of each applicant.

(4) Consider the intent of the applicant to practice in a health professional shortage area and to adhere to all the requirements for participation in the loan repayment program.

(5) Submit to the ~~commissioner~~ director a list of those individuals eligible for loan repayment and amount of loan repayment to be granted.

(6) Promulgate rules and regulations to ensure an effective implementation and administration of the program.

(7) Within ninety (90) days after the end of each fiscal year, the board shall approve and submit an annual report to the governor, the speaker of the house of representatives, the president of the senate, and the secretary of state, of its activities during that fiscal year. The report shall provide: an operating statement summarizing meetings or hearings held, including meeting minutes, subjects addressed, decisions rendered, applications considered and their disposition, rules or regulations promulgated, studies conducted, policies and plans developed, approved, or modified, and programs administered or initiated; a consolidated financial statement of all funds received and expended including the source of the funds, a listing of any staff supported by these funds, and a summary of any clerical, administrative or technical support received; a summary of performance during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the committee; a summary of any training courses held pursuant to this chapter; a briefing on anticipated activities in the upcoming fiscal year, and findings and recommendations for improvements. The report shall be posted electronically on the websites of the general assembly and the secretary of state pursuant to the provisions of § 42-20-8.2. The director of the department of administration shall be responsible for the enforcement of the provisions of this subsection.

(8) Conduct a training course for newly appointed and qualified members within six (6) months of their qualification or designation. The course shall be developed by the chair of the board, be approved by the board, and be conducted by the chair of the board. The board may approve the use of any board and/or staff members and/or individuals to assist with training. The training course shall include instruction in the

following areas: the provisions of chapter 46 of title 42, chapter 14 of title 36, chapter 2 of title 38; and the board's rules and regulations. The director of the department of administration shall, within ninety (90) days of June 16, 2006, prepare and disseminate training materials relating to the provisions of chapter 46 of title 42, chapter 14 of title 36, chapter 2 of title 38.

23-14.1-6. Duties of the ~~commissioner~~ director.

The ~~commissioner~~ director shall:

(1) Grant loan repayments to successful applicants as determined by the board.

(2) Enter into contracts, on behalf of the ~~division~~ department with each successful applicant, reflecting the purpose and intent of this chapter.

(3) Be authorized to implement legal proceedings against eligible health professionals participating in the Rhode Island health professional loan repayment program determined by the director to be in default or breach of contract.

23-14.1-8. Contracts required.

Prior to being granted loan repayment, each eligible health professional shall enter into a contract with the ~~division~~ department agreeing to the terms and conditions upon which the loan repayment is granted. The contract shall include any provisions that are required to fulfill the purposes of this chapter and those deemed advisable by the ~~commissioner~~ director.

23-14.1-9. Penalty for failure to complete contract.

~~(a) If the recipient of a loan repayment fails, without justifiable cause, to practice pursuant to the terms and conditions of his or her contract with the division, a penalty for the failure to complete the contract will be imposed. If the recipient fails to complete the period of obligated service, he or she shall be liable to the state of Rhode Island for:~~ If the eligible health professional fails to begin or fails to complete service, they will incur a debt to the State in an amount not less than the damages that would be owed under the National Health Service Corps Loan Repayment Program default provisions pursuant to 42 U.S.C. 6(A), Subchapter II, Part D, Subpart iii, § 254o. Upon determination by the director, if that the eligible health professional has failed to fulfill the terms and conditions of the contract, and no exception has been

determined under subsection (d) the eligible health professional shall pay an amount equal to the sum of the following:

(1) ~~An amount equal to the total paid on behalf of the recipient; and~~ The total of the amounts paid by the director on behalf of the eligible health professional for any period of obligated service not served; and

(2) ~~An unserved obligation penalty equal to the number of months of obligated service not completed by the recipient multiplied by one thousand dollars (\$1,000).~~ An amount equal to the number of months of obligated service not served, multiplied by \$7,500; and

(3) 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 to recover will not be less than \$31,000.

(b) ~~If the recipient fails to complete one year of service, he or she shall be liable to the state of Rhode Island for:~~

~~(1) An amount equal to the total paid on behalf of the recipient; and~~

~~(2) An unserved obligation penalty equal to the number of months in the full period multiplied by one thousand dollars (\$1,000).~~ All payments pursuant to subsections 23-14.1-9 (a) (1), (2), and (3) hereof shall be made to the state of Rhode Island, for the benefit of the Rhode Island health professional loan repayment program, within one year after being notified by the director in writing that the eligible health professional has failed to abide by the terms and conditions of their contract. The director is authorized to recover payments and/or penalties and return the funds to the Rhode Island health professional loan repayment program to avoid having the amounts deducted from the department's federal grant by the federal grant funding authority. Eligible health professionals are considered to be in default or breach if they do not complete the period of obligated service at an eligible site in accordance with their contract, or otherwise fail to comply with the terms of their contract, even if no monies have yet been disbursed to or on behalf of the participant.

~~(c) Any amount owed shall be paid to the state of Rhode Island within one year of the date that the~~

~~recipient is in breach of contract.~~

(~~d~~) (c) Where the ~~commissioner~~ director, subject to the approval of the board and/or as defined in regulation, determines that there exists justifiable cause for the failure of a recipient to practice pursuant to the terms and conditions of the contract, he or she may relieve the recipient of the obligation to fulfill any or all of the terms of the contract.