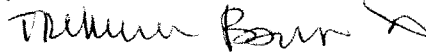


I MINA' TRENTAI UNU LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

Bill No. 236-31(car)

Introduced by:

Judith T. Won Pat, Ed.D. 

2011 JUN 13 PM 2:59
JTW

**AN ACT TO ADD CHAPTER 51 TO TITLE 17 OF
THE GUAM CODE ANNOTATED, RELATIVE TO
THE PHYSICIAN RECRUITMENT AND
RETENTION EDUCATION DEBT REPAYMENT
PROGRAM.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Physician Recruitment and Retention Program. Chapter 51 is hereby
added to Title 17 of the Guam Code Annotated to read:

"CHAPTER 51

**THE PHYSICIAN RECRUITMENT AND RETENTION EDUCATION DEBT
REPAYMENT PROGRAM**

§ 51101. Establishment and Short Title.

§ 51102. Purpose and Intent.

§ 51103. Definitions.

§ 51104. Administration.

§ 51105. PRR Evaluation Committee.

§ 51106. Program and Eligibility.

§ 51107. Program Benefits and Service Obligation.

1 § 51108. Disqualification.

2 § 51109. Tax Rebate.

3 § 51110. Creation of Fund.

4

5 **§51101. Establishment and Short Title.**

6 There is hereby established the Physician Recruitment and Retention Education
7 Debt Repayment Program, and shall be known and may be cited as the Physician
8 Recruitment and Retention Act, or “PRR Act”.

9 **§51102. Purpose and Intent.**

10 The purpose of this act is to improve patient accessibility to healthcare providers
11 through the retention and recruitment of physicians by encouraging eligible health care
12 professionals to serve in shortage areas by providing financial support in the form of loan
13 repayments if the participant serves on Guam.

14 *I Liheslaturan Guåhan* finds that there is a significant shortage of physician specialists
15 around the world, especially on the island of Guam. Access to medical specialists on the
16 island is very limited and must be addressed. *I Liheslatura* recognizes that the recruitment
17 of medical specialists is hampered by the pay given to physicians. *I Liheslatura* further
18 recognizes that given the government of Guam’s current economic shortfall, the
19 government cannot afford to pay close to the national average of medical specialists.
20 American College of Emergency Physicians reports that physician incomes are higher than
21 most occupations in order to allow for the repayment of high levels of debt.

22 It is the intent of *I Liheslatura* to offer other incentives that will attract residents and
23 former residents of Guam who have left the island to pursue a medical degree to come
24 back home and serve our community. One incentive is to offer a medical school debt
25 repayment program. *I Liheslatura* finds that there has been a steady increase, climbing six
26 percent annually, in school tuition and expenses for medical students that have resulted in
27 high levels of graduating student indebtedness which leads medical students to find high
28 paying medical jobs that will assist in the repayment of their educational loans. It is the

1 intent of *I Liheslatura* to offer a medical school debt repayment program for residents and
2 former residents of Guam who are willing to practice in Guam.

3 **§51103. Definitions.**

4 The following words, as used in this Chapter shall have the following meanings:

5 (a) '*the Board*' means the Board of Directors of the Guam Economic
6 Development Authority.

7 (b) '*the Committee*' means the Physician Recruitment and Retention Evaluation
8 Committee.

9 (c) '*Credentialed health care profession*' means a health care profession regulated
10 by the Guam Board of Medical Exams.

11 (d) '*Credentialed health care professional*' means a person regulated by the
12 Guam Board of Medical Exams to practice a health care profession.

13 (e) '*Eligible Expenses*' means reasonable expenses associated with the costs of
14 acquiring a medical education such as tuition, books, equipment, fees, room and
15 board, and other expenses approved by the Board.

16 (f) '*Health care facility*' means any government health care facility to include
17 the Guam Memorial Hospital Authority, the Department of Public Health and Social
18 Welfare, and the Department of Mental Health and Substance Abuse.

19 (g) '*Health professional shortage areas*' means those areas where credentialed
20 health care professionals are in short supply in specialty health care areas as
21 determined by the Physician Specialty Priority Listing established through §51106 of
22 this Chapter.

23 (h) '*Participant*' means a credentialed health care professional who has
24 received a loan repayment award and has commenced practice as a credentialed
25 health care provider in Guam.

26 (i) '*Program*' or '*PRR Program*' means the Physician Recruitment and
27 Retention Education Debt Repayment Program

1 (j) 'Service Obligation' means the obligation by the participant to provide
2 health care services in a health professional shortage area for a period pursuant to
3 §51107 of this Chapter.

4 **§51104. Administration.**

5 The provisions of this Chapter shall be administered by the Board of Directors of the
6 Guam Economic Development Authority. The Board shall promulgate rules and
7 regulations pursuant to and not inconsistent with the provisions of this Chapter, subject to
8 the provisions of the Administrative Adjudication Law. In promulgating rules, and for the
9 administration of the program, the Board shall:

10 (1) Develop guidelines for the administration of the Program;

11 (2) Collect and manage repayments from participants who do not meet their
12 service obligations;

13 (3) Develop criteria for a contract obligating recipients to a service obligation
14 or repayment where appropriate;

15 (4) Publicize the program to maximize participation among individuals in
16 shortage areas and among populations expected to experience the greatest growth in
17 the work force;

18 (5) Solicit and accept grants and donations from public and private sources
19 for the program; and

20 (6) Submit annual reports to *I Liheslaturan Guåhan* to include the number of
21 PRR Program recipients, amounts awarded, list of specialties of recipients,
22 beginning and end fund balances, and administrative costs.

23 **§51105. PRR Evaluation Committee.**

24 There shall be established a Physician Recruitment and Retention Evaluation
25 Committee that shall annually review applications and conduct applicant interviews for
26 the purpose of selecting credentialed and eligible health care professionals to participate in
27 the program. The passing of such interviews and a careful evaluation of the government
28 service award and application packets of the candidates shall be considered in the selection

1 of the scholarship recipients. The Board may prescribe additional qualifications for
2 admission to the scholarship program.

3 The Committee shall be composed of the following:

- 4 (1) The Director of the Department of Public Health and Social Services;
- 5 (2) The Director of the Department of Mental Health and Substance Abuse;
- 6 (3) The Administrator of the Guam Memorial Hospital Authority;
- 7 (4) A doctor selected by the Guam Memorial Hospital Authority Board; and
- 8 (5) A member selected through community-at-large by the Committee.

9 **§51106. Program and Eligibility.**

10 (a) There are established medical debt repayment awards for eligible participants
11 selected under the Physician Recruitment and Retention Education Debt Repayment
12 Program. Prior to the initial consideration of applications for the awards, the Board, in
13 conjunction with the Committee, shall determine health professional shortage areas by
14 establishing the Physician Specialty Priority Listing based on the greatest medical need of
15 the community. The list shall be updated every two (2) years. The awards provided in this
16 Chapter are subject to the following limitations:

17 (1) The applicant must be an eligible credentialed health professional and
18 must have a degree in a health care program and have completed an approved
19 graduate training program and have a current and valid license to practice such
20 health profession in Guam by the time of execution of contract;

21 (2) The applicant must not owe any form of service obligation for health
22 professional service to the federal government, any state, or other entity unless that
23 obligation will be completely satisfied prior to the beginning of service under this
24 program. If the applicant has service obligations owed to the government of Guam
25 pursuant to Chapter 15 of Title 17 of the Guam Code Annotated, such service
26 obligations shall be concurrently fulfilled.

27 (b) The Committee shall select participants of the awards based upon criteria that
28 shall include but not be limited to the following:

1 (1) Applicant training. The individual's training is in a health profession or
2 specialty needed to fulfill a health professional shortage area.

3 (2) Applicant qualifications. The individual's academic standing, prior
4 professional experience in a medically underserved area or health personnel
5 shortage area, board certification, residency achievements, peer recommendations,
6 depth of past residency practice experience, and other criteria related to professional
7 competence or conduct.

8 (3) Applicant service commitment. (a) The individual's commitment to serve
9 in Guam; (b) the availability of the individual for service, with highest consideration
10 being given to individuals who will be available for service at the earliest dates; and
11 (c) the length of the individual's proposed service obligation, with greatest
12 consideration being given to persons who agree to serve for longer periods of time.

13 (4) Applicant residency. First priority shall be given to individuals who have
14 resided in Guam for a period of not less than five (5) consecutive years in such
15 individual's life time. Should no applicants meet the residency requirement, the
16 Committee may grant an award to applicants who do not meet the residency
17 requirement as required within this Item subject to meeting all requirements under
18 Items (1), (2), and (3) of §51106(b) of this Chapter. Proof of residency shall be
19 determined through any two (2) of the following:

20 (i) Copies of filed income tax records for a period of five (5) years;

21 (ii) Certification of validation of income tax filed from the Director of
22 the Department of Revenue and Taxation;

23 (iii) Certified statement from the Guam Election Commission on voter
24 registration for the past three (3) general elections;

25 (iv) Statement of mortgage on principal residence from a financial
26 institution over five (5) year period;

27 (v) Official school transcripts from schools attended on Guam;

28 (vi) Certification of Residency from Mayor's Office; or

1 (vii) Notarized affidavit attesting applicant's residency from two (2)
2 non-relatives, accompanying Mayor's Residency Verification of two (2) non-
3 relatives.

4 **§51107. Program Benefits and Service Obligation.**

5 (a) Benefits. Participants accepted into the program shall receive up to Three
6 Hundred Thousand Dollars (\$300,000) to pay for eligible expenses and loan indebtedness
7 incurred in medical education and training.

8 (b) Service Obligation. Physicians receiving debt repayment assistance shall enter
9 into a contract with the Board verifying the physician's understanding of the obligation to
10 serve pursuant to this Subsection or repay the program according to the terms of the signed
11 contract. Participants shall receive payment from the program for the purpose of repaying
12 educational loans secured while attending a program of health professional training which
13 led to credentialing as a health professional. The contract shall include, but not be limited
14 to, the following terms and conditions:

15 (1) The physician shall agree to actively practice in Guam within three (3)
16 months immediately following acceptance to Program, unless extended by the
17 Board for extenuating circumstances, for a term of two (2) years for every Fifty
18 Thousand Dollars (\$50,000) awarded.

19 (2) The physician shall agree not to discriminate against patients based on the
20 ability to pay, and must accept patients under the Medically Indigent Program.

21 (3) The physician shall permit the Board to monitor compliance with the
22 service requirement in order to verify the terms of the agreement have been met for
23 each payment period.

24 (4) If the physician's license to practice is suspended or revoked, the Board
25 shall have the authority to terminate the physician's participation in the program
26 and demand repayment of all debt repayments rendered to date.

27 (5) A physician who fails to complete the obligations contracted shall
28 reimburse the Program all amounts received under this act, which shall be subject to

1 interest at the annual rate of ten percent (10%), to be repaid over a period not to
2 exceed ten (10) years from the date of termination of the contract. Both the physician
3 and the Board shall make every effort to resolve conflicts in order to prevent a
4 breach of contract.

5 (6) In the event of default, the balance due in monetary terms shall be the
6 amount of award provided less the amount repaid through service credit.

7 (7) The Board may, subject to the terms and conditions of a Memorandum of
8 Understanding with the Department of Revenue and Taxation, garnish the tax
9 refunds due to any participant of this Program and/or the participant's co-signer(s)
10 who has defaulted on the repayment of such award and a judgment has issued. Such
11 garnishment shall not exceed the judgment amount.

12 (8) Loans from both government and private sources may be repaid by the
13 program. Participants shall agree to allow the board access to loan records and to
14 acquire information from lenders necessary to verify eligibility and to determine
15 payments. Financial debts or service obligations which do not qualify for payment
16 include: Public Health and National Health Service Corps scholarship training
17 program, National Health Service Corps scholarship program, and armed forces.

18 **§51108. Disqualification.**

19 Any person, who knowingly or intentionally procures, obtains or aids another to
20 procure or obtain loan repayment under this act through fraudulent means shall be
21 disqualified from participation and shall be liable to the Board for an amount equal to three
22 times the amount obtained.

23 **§51109. Tax Rebate.**

24 A tax rebate shall be awarded pursuant to Chapter 53 of Title 11 of the Guam Code
25 Annotated.

26 **§51109. Creation of Fund.**

27 There is hereby established the Physician Education Debt Repayment Fund ('Fund')
28 in which awards granted to participants of the Physician Recruitment and Retention

1 Program shall be financed. The Fund shall be held in an account separate and apart from
2 all other accounts and funds of the government of Guam and shall not be subject to the
3 transfer authority of *I Magalahen Guåhan*. The Board is authorized to accept for the Fund
4 gifts, devices, bequests, donations and all other kinds of contributions for the purposes of
5 the Fund. Two Million Dollars (\$2,000,000.00) from the Healthy Futures Fund shall be
6 annually transferred to the Physician Education Debt Repayment Fund and any direct
7 appropriations, from any source, by *I Liheslaturan Guahan*.

8 Repayments to the Fund pursuant to §51107 and any unused amounts shall remain
9 in the Fund. Funds in the Physician Education Debt Repayment Fund shall only be used as
10 awards for participants of the Program, except that not more than Fifty Thousand Dollars
11 (\$50,000) shall be used to subsidize the administrative costs for the administration of this
12 program.”

13 **Section 2. Tax Rebates for PRR Program.** Chapter 53 is hereby *added* to Title 11 of
14 the Guam Code Annotated to read:

15 **“CHAPTER 53**

16 **THE PHYSICIAN EDUCATION DEBT REPAYMENT PROGRAM**

17 **TAX REBATES**

- 18
- 19 §53101. Definitions
 - 20 §53102. Tax Rebates for Participants.
 - 21 §53103. Procedure to Claim Rebated Taxes.
 - 22 §53104. Rebate Fund.
 - 23 §53105. Implementation by Tax Commissioner.

24

25 **§53101. Definitions.**

26 As used in this Chapter:

27 (a) ‘*Participant*’ means a credentialed health care professional who has
28 received a loan repayment award pursuant to Chapter 51 of Title 17 GCA.

1 (b) 'Physician Education Qualifying Certificate (PEQC)' means the declaration of
2 a participant, made pursuant to Title 6 GCA §4308, of the awards received pursuant
3 to Chapter 51 of Title 17 GCA.

4 **§53102. Tax Rebates for Participants.**

5 A tax rebate in an amount equal to the award received pursuant to Chapter 51 of
6 Title 17 GCA is hereby established and declared.

7 **§53103. Procedure to Claim Rebated Taxes.**

8 When a tax return is accompanied by a PEQC, the amount of tax due prior to the
9 rebate shall be deposited with the government of Guam when the return is filed.
10 Alternatively, if no payment is due when the tax return is filed, the Tax Commissioner of
11 Guam shall credit the amount of the PEQC to the Rebate Fund from taxes paid by the
12 taxpayer. Unless the Tax Commissioner finds that the rebate is not payable, the rebate shall
13 be withdrawn from the deposit and returned to the taxpayer within one hundred eighty
14 (180) days of the deposit without interest.

15 **§53104. Rebate Fund.**

16 Deposits made pursuant to §53103 of this Chapter shall be covered and deposited
17 into the fund created by §58138 of Title 12 GCA.

18 **§53105. Implementation by Tax Commissioner.**

19 The Tax Commissioner of Guam shall, *no later than* ninety (90) days after the
20 effective date hereof, develop necessary procedures to implement this Chapter, and to that
21 end shall:

22 (a) issue such rules and regulations as he or she may deem necessary to
23 implement this Chapter;

24 (b) promulgate such forms and publications as are necessary to assist eligible
25 taxpayers to take advantage of this Chapter; and

26 (c) develop a procedure to allow the set off of an unpaid tax rebate from a
27 prior year against a current year's tax liability."