

# Primary Care Practitioner Loan Redemption Program of New Jersey Policies and Procedures Manual



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

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## **A. INTRODUCTION**

### **1. Purpose of the Primary Care Practitioner Loan Redemption of New Jersey (NJLRP)**

The purpose of the Primary Care Practitioner Loan Redemption Program of New Jersey (NJLRP) is to improve access to primary health care services for underserved populations by encouraging physicians, dentists, certified nurse midwives, certified nurse practitioners and physician assistants to practice in state designated underserved areas and Health Professional Shortage Areas (HPSA). The Commissioner of the New Jersey Department of Health (NJDOH) designates state underserved areas for the placement of providers using state funds. The federal Bureau of Primary Health Care Division of Shortage Designations designates Health Professional Shortage Areas (HPSAs) to place providers using matching dollars from federal/state funds.

In return, the NJLRP assists providers in the repayment of qualifying educational loans incurred during medical/dental/graduate school in exchange for specified periods of service at approved placement sites in underserved areas in New Jersey.

## **B. SERVICE/REPORTING REQUIREMENTS**

### **1. Two-Year Service Obligation Requirement**

NJLRP participants must sign a contract agreeing to provide two years of full-time clinical service in an approved NJLRP site located in a state designated underserved area or a Health Professional Shortage Area (HPSA). Subject to available funds, participants in good standing may continue their service obligation for a third year and/or fourth year. Participants must continue to meet the eligibility criteria and must be in full compliance with their existing NJLRP service obligation prior to the issuance of a third and/or fourth year contract. No service credit will be given for employment at an approved site before the effective date of a NJLRP contract. Service credit will commence upon the effective date of the contract. The program must approve any changes to a NJLRP site location or work schedule.

### **2. Full-Time and Part-Time Clinical Practice**

Every NJLRP participant is required to engage in the full-time clinical practice of the profession for which he or she was awarded a NJLRP contract during the initial two years on the program. Full-time clinical practice is defined as a minimum of 35 hours per week. For the third and fourth year of service NJLRP providers may opt to work part-time. For more information about full-time and part-time clinical practice, see policy number 020.

### **3. Quarterly Service Reports/Six Month Probationary Evaluation/Annual Evaluation**

**Quarterly Service Report:** The Quarterly Service Report is a data collection system designed to monitor attendance and measure the services provided to underserved populations by NJLRP participants. Every three months sites are required to submit Quarterly Service Reports for the participant to the NJLRP.

**Six-Month Probationary Evaluation:** During the initial year of service obligation in the NJLRP, each participant serves a six-month probationary period at an approved placement site. This period of service includes an assessment of the provider's performance and suitability of the placement at the site. At the end of the six month probationary period if participants/sites are compliant, participants receive credit for the six-month period in calculating the first year of required service under the loan redemption contract.

**Annual Evaluation:** Approved NJLRP sites are required to submit an annual evaluation report for each participant on an annual basis.

Disbursement of loan repayments to participants are contingent on the sites' timely submission of quarterly service reports and annual evaluation reports at the end of each year of service.

**4. Breach of NJLRP Contract**

A NJLRP participant seeking to nullify the contract before completing a second full year of service shall be required to pay 50 % of the redeemed portion of indebtedness in not more than one year following the nullification of the agreement. In no event shall service in a State designated underserved area or HPSA for less than the full year of each period of service entitle the NJLRP participant to any benefits under the loan redemption program.

Any participant who fails to repay an amount due the NJLRP may be subject to litigation, offset of state tax refunds or rebates, reporting negative credit information to credit reporting agencies, ineligibility for any student assistance benefits administered by HESAA, any of the information exchange or collection procedures set forth under Article 1 of this part or to the extent loan redemption benefits are federally funded as permitted by federal law, federal collection tools, including but not limited to the Federal Treasury Offset Program. The participant will be liable for the debt incurred, interest on the debt, plus administrative costs and court costs associated with collection of the debt. Any amount not repaid when due will accrue interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

**5. National Health Service Corps Loan Repayment Program Participants Not Eligible**

Anyone who is participating in the federally administered National Health Service Corps Loan Repayment Program, section 338B of the Public Health Service Act (42 U.S.C.s.254 1-1), is not eligible to participate simultaneously in the NJLRP.

**6. NJLRP Exit Survey**

At the end of the participant's service commitment in the NJLRP, an exit survey is to be completed by the participant to assess his or her experience while enrolled in the program.

## **C. METHOD OF DISBURSING LOAN PAYMENTS**

### **1. NJLRP Loan Repayments**

The NJLRP will provide funds to program participants to repay their outstanding qualifying educational loans incurred while enrolled in medical, dental or professional graduate school. The loan redemption amounts are based on the participant's total outstanding balance at the time the participant enters the first NJLRP agreement (the "Loan"). At the end of each full year of service, NJLRP participants are eligible for loan repayments as follows:

- 18% of the Loan up to \$21,600 for the first full year of service;
- 26% of the Loan up to \$31,200 for the second full year of service;
- Up to 28% of the Loan up to \$33,600 for the third full year of service;
- Up to 28% of the Loan up to \$33,600 for the fourth full year of service.

The maximum loan repayment over a four year period of service is \$120,000. All loan repayments must be used to repay the approved qualifying educational loans. Every NJLRP participant must complete a full year of full-time clinical service in order to be eligible for loan repayment for the first and second year of service. If funding is available for the third and fourth years of service, part-time clinical service is an option extending the service obligation over a period of two years for each year. Loan repayments will not be made on a pro rata basis for completion of less than a full year of service. Payments for part-time service will be made at the completion of the equivalent of a full year of service.

If the Loan is less than \$120,000, a pro-rated amount of interest costs for the Loan will be added to each annual payment. Other than the pro-rated interest costs, loan repayments cannot exceed the outstanding balance on qualifying educational loans at the time of payment.

### **2. NJLRP Loan Distribution Form/Check Disbursements**

Each year the NJLRP will send participants a loan distribution form at least one month prior to completion of each year's service obligation. The loan distribution form will list the repayment amount each participant is eligible to receive. If a participant is eligible to receive the interest paid on qualifying loans pursuant to section C. 1. above, instructions are provided on what loan information must be requested from the lending institution for the qualifying period of service. The NJLRP will disburse check payments on the participant's behalf directly to the Lender. If a participant is entitled to pro-rated interest amounts and submits verification documents to substantiate that all qualifying loans have been paid in full, then the pro-rated amount will be paid directly to the participant.

### **3. Tax Liabilities**

Participants are encouraged to consult a qualified tax advisor regarding the tax ramifications of loan repayments.

# PROGRAM POLICIES

Under the direction of the Steering Committee, the following policies oversee the operation of the NJLRP to ensure that business is conducted in accordance with the NJLRP's mission, goals and objectives.





**Percentage Medically Underserved at Site:**

**Percentage Uninsured patients at site** =  $\frac{\text{Number of Uninsured at site during period reported}}{\text{Total number of patients at site during period reported}}$

**Percentage Medicaid patients at site** =  $\frac{\text{Number of Medicaid Patients at site during period reported}}{\text{Total number of patients at site during period reported}}$

*Percentage Medically Underserved at Site = Percentage Uninsured at Site + Percentage Medicaid at Site*

3. Provide comprehensive primary care and preventive medical/dental services to patients to include in addition to ambulatory care facility, access to inpatient services, nursing homes, hospice, etc.
4. Professional staffing patterns appropriate to scope of practice.
5. Documentation of resources adequate to support the position through revenues, grants and/ or other appropriate income sources.
6. Conclude a contract with the applicant to include:
  - A mutually acceptable annual salary.
  - A mutually agreed upon work schedule.
  - A mutually acceptable benefit package, including vacation, and health insurance.
  - Support for a relevant continuing education experience.
  - Initial term for 2 years with satisfactory performance, with two annual renewals thereafter, again contingent on satisfactory performance and availability of funding.
7. Complete evaluation report on the NJLRP provider after the initial six month probationary period and at the end of each year of service prior to contract renewal.
8. Complete quarterly service reports on patient services rendered. The NJLRP reserves the right to confirm patient service statistics submitted to the program by placement sites.
9. Placement sites which have off-site facilities may not assign NJLRP providers to these off-site facilities unless they are approved as a part of the initial placement site application, or subsequently approved separately. Such assignments must be consistent with a pattern which will assure quality and continuity of care, and the provider may not spend any less than two full days at any one site. Any variation from this pattern will require a request for waiver from the NJLRP.
10. The maximum number of providers that will be placed in any one approved placement site is contingent on provider productivity standards; availability of program funds; and other applications in process regarding sites of greatest need.

11. NJLRP productivity standards are used as the **minimum** number of annual patient encounters a NJLRP provider is required to provide while enrolled on the program (see chart below). The NJLRP uses these standards to measure productivity of its providers and placement sites. If a NJLRP provider is unable to meet the NJLRP productivity standards during their first year of service, the provider and placement site will receive a written warning. If a provider's productivity falls below the NJLRP standards at the end of the second, third or fourth year of service, the NJLRP will reassess the approval status of the provider and/or placement site. The NJLRP will determine if the provider should be granted contract renewal at an approved NJLRP placement site location.

<b>Specialty</b>	<b>NJLRP Productivity Standards # visits annually</b>
Dentists	2,500-3,000
Pedodontists	2,500-3,000
Family Practice	3,500-4,000
Internal Medicine	3,000-3,500
Ob/Gyn	3,000-3,500
Pediatricians	3,700-4,200
Physician Assistants	2,500-3,000
Nurse Midwives	2,200-2,700
Nurse Practitioners	<i>see specialty (below)</i>
<i>-Family Practice</i>	1,600
<i>-Obstetrics/Gynecology</i>	2,000
<i>-Pediatrics</i>	1,600



9. Providers are required to work on a full-time basis (35 hours per week) during the initial two years on the program. For the third and fourth year of service NJLRP providers may opt to work part-time, extending their service obligation over a period of two years each year.

#### **Full-Time Clinical Practice**

- a. Providers must work at least 28 of the minimum 35 hours per week providing direct patient care at the approved placement site during normally scheduled office hours with the remaining hours spent providing inpatient care to patients of the approved placement site and/or in practice-related administrative activities, which are not to exceed 7 hours per week. Time spent “on-call” will not count toward the 35 hour week.
- b. Ob/Gyn providers (including physicians, certified nurse midwives and Ob/Gyn nurse practitioners), are expected to spend at least 18 hours of the minimum 35 hours per week providing primary care services during normally scheduled office hours with the remaining 19 hours spent providing inpatient care to patients of the approved placement site, and/or in practice-related administrative activities, with administrative activities not to exceed 7 hours per week. Time spent “on-call” will not count toward the 35 hour week.
- c. Providers may dedicate up to 20% of this time to resident and/or medical/dental student supervision and teaching, provided it does not reduce their productivity below the accepted standards for primary care physicians/dentists. Exceptions to this must be approved by the Selection Committee.

#### **Part-time Clinical Practice**

Providers who have engaged in full-time clinical practice during the initial two years of participation in the program shall be permitted to fulfill the subsequent service obligations on a part-time basis during the third and fourth year with the approval of the NJLRP and the provider’s employer. The provider may be permitted a total redemption of eligible qualifying loan expenses for the equivalent of four years of full time service.

Providers in the third and fourth year must have met the productivity standards during the initial two year contract term for consideration of completing subsequent years on a part-time basis.

- a. Part time providers must work a minimum of 20 hours per week for at least 45 weeks per year. At least 16 hours are spent providing direct patient care at the approved placement site during normally scheduled office hours with the remaining 4 hours spent providing inpatient care to patients of the approved placement site and/or in practice-related administrative activities, which are not to exceed 4 hours per week. Time spent “on-call” will not count toward the 20 hour week.
- b. Ob/Gyn providers (including physicians, certified nurse midwives and Ob/Gyn nurse practitioners), are expected to spend at least 11 hours per week, for a minimum of 45 weeks providing primary care services during normally scheduled office hours with the remaining 9 hours spent providing inpatient care to patients of the approved placement site, and/or in practice-related administrative activities, with administrative activities not to exceed 9 hours per week. Time spent “on-call” will not count toward the 20 hour week.
- c. Providers may dedicate up to 20% of this time to resident and/or medical/dental student supervision and teaching, provided it does not reduce their productivity below the accepted standards for primary care physicians/dentists. Exceptions to this must be approved by the Selection Committee.

10. Placement sites must accept the NJLRP productivity standards as the **minimum** number of annual patient encounters a NJLRP provider is required to see while enrolled on the program (see chart below). The NJLRP will use these standards to measure productivity of its providers and placement sites. If a NJLRP provider is unable to meet the NJLRP productivity standards during their first year of service, the provider and placement site will receive a written warning. If a provider's productivity falls below the NJLRP standards at the end of the second, third or fourth year of service, the NJLRP will reassess the approval status of the placement site. The NJLRP will determine if the provider should be granted contract renewal at the placement site location

<b>Specialty</b>	<b>NJLRP Productivity Standards # visits annually</b>
Dentists	2,500-3,000
Pedodontists	2,500-3,000
Family Practice	3,500-4,000
Internal Medicine	3,000-3,500
Ob/Gyn	3,000-3,500
Pediatricians	3,700-4,200
Physician Assistants	2,500-3,000
Nurse Midwives	2,200-2,700
Nurse Practitioners	<i>see specialty (below)</i>
-Family Practice	1,600
-Obstetrics/Gynecology	2,000
-Pediatrics	1,600



# PRIMARY CARE PRACTITIONER LOAN REDEMPTION PROGRAM OF NEW JERSEY

## PROGRAM POLICIES

**SUBJECT:** PROVIDERS      **TITLE:** LEAVE OF ABSENCE  
**CODE:** 021              **ADOPTED:** May 17, 1995      **AMENDED:** May 21, 2003

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1. The NJLRP provider follows the leave of absence policy at the placement site to which he/she is assigned.
2. Should placement site leave policies require make-up time for any period the provider is absent, the NJLRP office must be notified, and contract period for the provider will be extended for the same period of time.
3. Should the provider request additional leave for personal reasons (i.e.: pursuing interests, training, locum tenens, etc.), the following shall prevail:
  - The individual responsible for the provider at the placement site must approve any such leaves, and the specific opportunity the provider intends to pursue, and so inform the NJLRP office in writing.
  - This special leave of absence may not exceed two months in any contract year.
  - The contract for the provider will be extended an equal period of time, and the payment schedule adjusted accordingly.
  - The provider is personally responsible for satisfying any licensure and liability insurance needs relevant to the leave of absence.
4. Providers that utilize maternity leave/family leave must submit written notification to the NJLRP detailing the type of time used (i.e.: vacation time, sick time, etc.) and the date returned to work. The contract for the provider will be adjusted upon review and approval by the NJLRP.



# PRIMARY CARE PRACTITIONER LOAN REDEMPTION PROGRAM OF NEW JERSEY

## PROGRAM POLICIES

**SUBJECT:** APPEALS      **TITLE:** APPEAL PROCESS  
**CODE:** 030      **ADOPTED:** November 22, 1993      **AMENDED:** June 16, 2009  
**AMENDED:** February 24, 2021

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1. All appeals shall be sent to the NJLRP Director within 30 days of receipt of the decision made by the Selection Committee. The responsible party at the placement site, or the provider, whichever may be the case, shall submit a written appeal of the decision, including any additional information to be reviewed upon appeal.
2. The NJLRP Director will submit the written appeal and all attached documents to the Selection Committee to review at their next scheduled meeting.
3. Upon review, the Selection Committee shall prepare a recommendation to the Higher Education Student Assistance Authority Chief Financial Officer as to whether the appeal shall be approved or denied.
4. Within 30 days of the Selection Committee review, based on the recommendation of the Selection Committee, the Higher Education Student Assistance Authority Chief Financial Officer shall send the appellant a decision either approving or denying the appeal.
5. The decision of the Higher Education Student Assistance Authority Chief Financial Officer is the final agency decision.



**PRIMARY CARE PRACTITIONER LOAN REDEMPTION PROGRAM OF NEW  
JERSEY**

**PROGRAM POLICIES**

**SUBJECT:** CONTRACT PENALTY

**TITLE:** NON-COMPLETION OF SECOND YEAR

**CODE:** 040

**ADOPTED:** May 21, 2003

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1. Participants seeking to nullify the contract before completing a second full year of service shall be required to pay 50% of the redeemed portion of indebtedness in no more than one year following nullification of the agreement.





## Primary Care Practitioner Loan Redemption Program of New Jersey

### NEW JERSEY MEDICALLY UNDERSERVED INDEX - 1999

These municipalities have been designated as underserved by the Commissioner of New Jersey Department of Health based on the New Jersey Medically Underserved Index (NJMUI). The state designated underserved areas are used to place primary care participants in the New Jersey Loan Redemption Program (LRP). The NJMUI ranks municipalities with populations of 5,000 or more according to indicators that are potentially indicative of a lack of access to comprehensive and timely primary health care. Populations of 30,000 or more were evaluated according to four economic indicators; the values for health status indicators were generally too small to provide valid statistics. Geographic areas not designated on the NJMUI can be considered on a case by case basis, if adequate documentation is provided to support the designation.

<b>Municipalities with Populations of 5,000 to 29,999</b>	
<b>Bridgeton city</b>	<b>Fairfield township</b>
<b>Paulsboro borough</b>	<b>Asbury Park city</b>
<b>Salem city</b>	<b>Buena Vista township</b>
<b>Pleasantville city</b>	<b>Lower township</b>
<b>City of Orange township</b>	<b>Phillipsburg township</b>
<b>Egg Harbor city</b>	<b>Keansburg borough</b>
<b>Woodbury city</b>	<b>Mullica township</b>
<b>Middle township</b>	<b>Gloucester city</b>
<b>Maurice River township</b>	<b>Millville city</b>
<b>Glassboro borough</b>	<b>Hammonton town</b>
<b>Fairview borough</b>	<b>Mount Holly township</b>
<b>Long Branch city</b>	<b>Burlington city</b>
<b>Clementon borough</b>	<b>Clayton borough</b>
<b>Harrison town</b>	<b>Egg Harbor township</b>
<b>Garfield city</b>	<b>North Hanover township</b>
<b>Upper Deerfield township</b>	<b>Ocean township</b>
<b>Lodi borough</b>	<b>Riverside township</b>
<b>Pine Hill borough</b>	<b>Union Beach borough</b>
<b>Franklin borough</b>	

<b>Municipalities with Populations of 30,000 or More</b>	
<b>Newark city</b>	<b>Atlantic city</b>
<b>Camden city</b>	<b>East Orange city</b>
<b>Trenton city</b>	<b>Paterson city</b>
<b>Jersey city</b>	<b>Perth Amboy city</b>
<b>Passaic city</b>	<b>Irvington township</b>
<b>New Brunswick city</b>	<b>Elizabeth city</b>
<b>Union city</b>	<b>Lakewood township</b>
<b>Plainfield city</b>	<b>West New York town</b>
<b>Vineland city</b>	

Health Professional Shortage Areas (HPSAs), as designated by the Federal Division of Shortage Designations are eligible placement areas for participants in the NJLRP.

To learn more about the Primary Care Practitioner Loan Redemption Program of New Jersey, we invite you to visit our website at <https://www.hesaa.org/Pages/LoanRedemptionPrograms.aspx>