



South Carolina AHEC Program Office
Medical University of South Carolina
1 South Park Circle
Suite 203
Charleston, SC 29407

South Carolina AHEC
Recruitment and Retention Programs
1 South Park Circle, Suite 203
Charleston, SC 29407

South Carolina State Loan Repayment Program

South Carolina Area Health Education Consortium (AHEC) is a state agency administratively housed at the Medical University of South Carolina (MUSC). MUSC administers grant and financial activities on behalf of SC AHEC. The purpose of this document is to contract with a mental health professional licensed in the state of South Carolina to practice in an underserved location in exchange for loan repayment. Federal funding for this program comes from HRSA grant #H56HP46820.

The South Carolina AHEC hereby agrees to provide funding to:

Name:

Home Address:

Name of Approved Practice Site:

Address of Approved Practice Site (including 9-digit zip code and HPSA Identification Number):

Contract Period: August 1, 2023 – July 31, 2025

Service Commitment Period: August 1, 2023 – July 31, 2025

Total Contract Amount: \$50,000

Payment Schedule:

Payment 1: \$25,000 paid November 2023

Payment 2: \$25,000 paid November 2024

In return for these loan repayments, applicants must agree to provide mental health services for a period of obligated service through **full or half-time** (*to be updated based on status*) clinical practice in a Mental Health Professional Shortage Area ("HPSA"). An applicant

Medical University of SC (SC AHEC)

www.scahec.net
(843) 792-4431 / (843) 792-4430 Fax
The South Carolina Area Health Education Consortium is an equal opportunity employer.

becomes a participant in the South Carolina State Loan Repayment Program (SC SLRP) only if this contract is signed by the applicant and all other required parties. This contract is contingent upon the availability of funds allocated by HRSA. Should funding not be available, this contract will be reduced or terminated.

Section A: Eligibility Requirements:

SC SLRP participants must meet the following program eligibility requirements:

1. Must be a United States citizen or national.
2. Must **not** have an outstanding contractual obligation for health care professional service to the Federal Government (e.g., an NHSC Scholarship or Loan Repayment Program obligation, or a NURSE Corps Loan Repayment Program obligation), a state loan repayment program (other than the one receiving HRSA grant funds), or other entity unless that service obligation will be completely satisfied before the SLRP contract has been signed. Please note that certain provisions in employment contracts can create a service obligation (e.g., an employer offers a physician a recruitment bonus in return for the physician's agreement to work at that facility for a certain period of time or pay back the bonus).

EXCEPTION Individuals in the Reserve Component of the U.S. Armed Forces or National Guard are eligible to participate in SLRP. In making awards to reservists, SLRP recipients must inform the potential SLRP participant that:

- Placement opportunities may be limited by SLRP in order to minimize the impact that a deployment would have on the vulnerable populations served by the reservist.
- Military training or service performed by reservists will not satisfy the SLRP service commitment.
- If participant's military training and/or service, in combination with the participant's other absences from the service site, exceed 35 workdays per service year, the SLRP service obligation must be extended to compensate for the break in service.
- If the approved SLRP site where the reservist is serving at the time of his/her deployment is unable to reemploy that reservist, SLRP will reassign the participant to another SLRP-approved service site to complete his or her remaining SLRP service commitment. Because it is sometimes difficult to identify short-term assignments, a participant may be asked by the service site to sign an employment contract that extends beyond the completion date of his or her SLRP service commitment.
- If the participant is a reservist and is called to active duty, the amount of time he/she is on active duty (which does not count as SLRP service) must be added to the length of the original SLRP obligation.

3. Must not have:

- Federal judgment liens.

- A current default on any federal payment obligations (e.g., Health Education Assistance Loans, Nursing Student Loans, federal income tax liabilities, Federal Housing Authority Loans, etc.) even if the creditor now considers them to be in good standing;
- Breached a prior service obligation to the federal/state/local government or other entity, even if they subsequently satisfied the obligation; and
- Had any federal or non-federal debt written off as uncollectible or received a waiver of any federal service or payment obligation.

4. Must practice **full-time or half-time** in providing **primary and health care services** at an eligible site.

- **“Full-time”** service is defined in the NHSC statute as a minimum of 40 hours per week, for a minimum 45 weeks per year. The minimum 40 hours per week may be compressed into no less than 4 days per week, with no more than 12 hours of work to be performed in any 24-hour period. Time spent "on-call" will not count toward the 40-hour week, except to the extent that the applicant provides patient care during the “on-call” period. Time worked in excess of the minimum 40 hours per week cannot be applied to any other work week and will not count toward the service obligation.
- **“Half-time”** service is defined in the NHSC statute as a minimum of 20 hours per week (not to exceed 39 hours per week) for a minimum 45 weeks per year.

5. Must work in a HPSA that corresponds to their training and/or discipline. For example, psychiatrists and other licensed mental health care providers must serve in a mental health HPSA.

6. Must agree to use SLRP funds only to repay qualifying educational loans. Qualifying educational loans are government and commercial loans for actual costs paid for tuition and reasonable educational and living expenses related to the education of the participant.

Section B: Terms and Conditions

The terms and conditions of participating in the South Carolina State Loan Repayment Program are set forth below.

- South Carolina AHEC agrees to pay all or part of the principal, interest, and related expenses of the qualifying educational loans of the mental health professional as listed above, for such loans incurred prior to the applicant’s submission of the application leading to this state loan repayment program contract. If the award amount exceeds \$50,000 per year, the individual must agree to serve at a site that is in a high need HPSA that is authorized for placement of a NHSC Scholarship Program participant and the additional funds must come from non-federal sources. In return for repayment of qualifying loans, the mental health professional agrees to provide mental health care services for a minimum of 2 years full-time (or 2 years for half-time at half the award amount) for service at a public or nonprofit private entity that is located in and providing health care services in a federally designated HPSA. If the applicant’s total outstanding

balance of qualifying educational loans is less than the amount payable under the applicant's selected service option, South Carolina AHEC will pay the applicant's outstanding qualifying loans balance.

- The participant agrees to provide full- or half-time clinical service at a site located in and providing health care services in a Mental Health HPSA.
- The participant agrees to accept reimbursement under Medicare, Medicaid and the Children's Health Insurance Program, as appropriate for his/her designated discipline, to utilize a sliding fee scale, and to see all patients regardless of their ability to pay.
- Participants are required to serve at least 45 weeks per year; participants who fail to serve at least 45 weeks for any reason (vacation, sick leave, Continuing Medical Education, etc.) fail to meet this requirement. The remainder of the service year (approximately 7 weeks) may, as authorized by the approved service site(s), be spent away from the practice for holidays, vacation, continuing professional education, illness, or any other reason. Failure to meet the minimum 45 weeks per service year will extend the service obligation end date or result in a breach of the State Loan Repayment Program Contract, as determined by South Carolina AHEC. Please refer to the SC Behavioral Health Loan Repayment Program Handbook.
- Behavioral/Mental Health Providers: Clinicians must work a minimum of 40 hours/week, for a minimum of 45 weeks/service year. At least 20 hours/week must be spent providing patient care at the approved service site(s) during normally scheduled office hours. Of the minimum 20 hours spent providing patient care, no more than 8 hours/week may be spent in a teaching capacity, in an alternative setting to address continuity of care (e.g., shelter) as directed by the approved sites, or performing clinical-related administrative activities up to 4 hours/week. The remaining 20 hours/week must be spent providing patient care at the approved service site(s) or performing 39 service as a behavioral or mental health professional in schools or other community-based settings when directed by the approved site(s).
- Half-time Behavioral/Mental Health Providers: Clinicians must work a minimum of 20 hours/week, for a minimum of 45 weeks/service year. At least 10 hours/week are spent providing patient care at the approved service site(s) during normally scheduled office hours. Of the minimum 10 hours spent providing patient care, no more than 4 hours per week may be spent in a teaching capacity, in an alternative setting to address continuity of care (e.g., hospital, nursing home, and shelter) as directed by the approved site(s) or performing clinical-related administrative activities up to 2 hours/week. The remaining 10 hours/week may be spent providing patient care at the approved service site(s) or performing service as a behavioral or mental health professional in schools or other community-based settings when directed by the approved site(s). If working in an Indian Health Services Hospital or a Critical Access Hospital with an affiliated outpatient clinic (only applies to psychiatrists or physician assistants and nurse practitioners with specialized training in mental health), at least 12 hours/week must be spent providing patient care in the hospital-affiliated outpatient clinic. Of the minimum 12 hours spent

providing patient care, no more than 4 hours per week may be spent in a teaching capacity. The remaining 8 hours/week are spent providing patient care at the Indian Health Services Hospital or a Critical Access Hospital or the Indian Health Services Hospital or a Critical Access Hospital with an affiliated outpatient clinic, or performing clinical-related administrative activities up to 2 hours/week.

- If the participant fails to begin or complete service, he/she will incur a debt to the state in an amount not less than the damages that would be owed under the NHSC LRP default provision (see below).
- Participants will be required to submit documentation from their lender(s) at the time they have been selected for funding and at the 12-month verification step confirming their amount of outstanding student debt and ensuring they have not subsequently paid it off with other funds. At the subsequent 6- and 18-month verification process steps, participants will be required to submit documentation (i.e., account statement from lender and/or payment receipt/confirmation from lender) showing that they have paid down their loan(s) with the funding received from SC SLRP. This must be in the form of account statements from the lender(s) proving a change in loan/debt balance and/or payment receipts/confirmations provided by the lender indicating payments received. Payments will not be disbursed at any interval to participants not completing the full verification process.

Section C: Breach of Written Loan Repayment Contract

SC SLRP recipients must adhere to the NHSC LRP default provision found at 42 U.S.C. § 254o(c)(1). SC SLRP participants are considered to be in default if they do not complete the period of obligated service at an eligible site in accordance with their SC SLRP contract, or otherwise fail to comply with the terms of the contract, even if no monies have yet been disbursed to the participant. That is, if the state does not release SC SLRP funds to a participant until the service obligation is completed, the participant's failure to complete service would still be considered a default that is reportable to HRSA, and he/she would still incur a debt to South Carolina. The amount owed is due to be paid within one year of breach.

If an individual breaches the written contract of the individual by failing either to begin such individual's service obligation or to complete such service obligation, South Carolina AHEC shall be entitled to recover from the individual an amount equal to the sum of—

- (A) the total of the amounts paid by South Carolina on behalf of the individual for any period of obligated service not served;
- (B) an amount equal to the product of the number of months of obligated service that were not completed by the individual, multiplied by \$7,500; and
- (C) the interest on the amounts described in subparagraphs (A) and (B), at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of the breach; except that the amount the state is entitled to recover under this paragraph shall not be less than \$31,000.

Section D: Cancellation, Suspension, and Waiver of Obligation

- Any service or payment obligation incurred by the participant under this contract will be canceled upon the participant's death.
- South Carolina AHEC may waive or suspend the participant's service or payment obligation incurred under this contract if South Carolina AHEC determines, based on a participant's written request and supporting documentation, that the participant's compliance with the terms and conditions of this contract is:
 - impossible or
 - would involve extreme hardship and enforcement would be unconscionable.

The state has a waiver provision to accommodate cases where the participant is unable to complete the service obligation due to illness or other compelling personal circumstances. This waiver provision is not more favorable than the NHSC Loan Repayment (NHSC LRP) waiver provision at 42 U.S.C. § 254(o)(d)(2). That provision allows the Secretary of HHS to waive, in whole or in part, an NHSC LRP service or payment obligation in cases where compliance by the individual would be impossible or would involve an extreme hardship to the individual and enforcement of such obligation with respect to any individual would be unconscionable. The Secretary may also suspend (rather than permanently waive) a participant's obligation for up to 1 year if his/her compliance with the obligation is temporarily impossible or an extreme hardship. Applicants should refer to the SC SLRP Waiver, Leave of Absence, and Other Policies Document.

Section E: Contract Termination

- South Carolina AHEC may allow participants to request termination of their SLRP contract. The participant must make a written request for termination and if applicable return any funds disbursed to him/her, **no later than 30 days before the end of the fiscal year in which the contract was awarded.** Applicants should refer to the SC SLRP Waiver, Leave of Absence, and Other Policies Document.

Applicant Name (Please Print)

Applicant Signature Date

Signature of AHEC Official Date

Signature of Authorized Date
MUSC Official