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Final Regulation Agency Background Document

Agency name	Virginia Department of Health
Virginia Administrative Code (VAC) citation(s)	12VAC5-525
Regulation title(s)	Final Regulations for Physician Assistant Scholarship Program
Action title	Implement Regulations for Physician Assistant Scholarships
Date this document prepared	January 9, 2019

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1 VAC7-10), and the *Virginia Register Form, Style, and Procedure Manual for Publication of Virginia Regulations*.

Brief Summary

Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The final regulations will bring the Board of Health into compliance with § 32.1-122.6:03 of the Code of Virginia, which requires the establishment of an annual physician assistant scholarship program for students who intend to enter an accredited physician assistant program. Currently no implementation regulations exist. The substantive elements are modeled after similar regulatory incentive programs administered by the Agency.

Acronyms and Definitions

Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.

Statement of Final Agency Action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

On January 9, 2019, The State Health Commissioner approved the Final Regulations for the Physician Assistant Scholarship Program.

Mandate and Impetus

Please list all changes to the information reported on the Agency Background Document submitted for the previous stage regarding the mandate for this regulatory change, and any other impetus that specifically prompted its initiation. If there are no changes to previously-reported information, include a specific statement to that effect.

There were no changes to previously reported information.

Legal Basis

Please identify (1) the agency or other promulgating entity, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency or promulgating entity's overall regulatory authority.

The regulation is promulgated under the authority of § 32.1-122.6:03 of the Code of Virginia. Section 32.1-122.6:03 of the Code of Virginia requires the Board to establish an annual physician assistant scholarship program and mandates that the Board promulgate regulations in order to administer the program.

Purpose

Please explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it's intended to solve.

Chapter 806 of the 1997 Virginia Acts of Assembly amended and reenacted § 32.1-122.6:03 of the Code of Virginia to require the establishment of an annual physician assistant scholarship program for students who intend to enter an accredited physician assistant program and mandated the Board of Health to adopt regulations governing the implementation of such a scholarship program. There is no record within the Agency of any past regulatory action to implement the required regulations. Permanent regulations are necessary to support the implementation of § 32.1-122.6:03. The intent of this regulatory action is to implement the regulatory action required by § 32.1-122.6:03 and to help protect the health of citizens by addressing the shortage of trained medical professionals in the Commonwealth.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

This regulatory action will implement a new regulatory chapter which will create a physician assistant scholarship program. The substantive elements of this program will be modeled after similar regulatory programs administered by the Agency. Substantive elements that will be created include:

Definitions – Will provide clarification on key or frequently used terms in the regulatory text.

Advisory Committee – Will establish that an Advisory Committee as appointed by the Board of Health shall make all scholarship recommendations.

Eligibility for scholarships – Will provide eligibility requirements including acceptance in or enrollment in an approved education program, at least a 3.0 cumulative GPA if already enrolled in a program, application, financial need and no active military obligation.

Conditions of scholarships – Will provide guidance and provisions on the contract requirements, calculations of the service obligation, employment requirements, transfer of practice site, default, waiver, partial, hardship, and default payments.

Number of applications, Amounts of scholarships & How to apply- Will provide information and provisions regarding applicant renewals, minimum and maximum award amounts, location of application form and deadline dates for submission of applications.

Selection criteria – Will provide information regarding preferential consideration of applications, including Virginia residents, residents of medically underserved areas and minority students.

Scholarship contract – Will provide information regarding the required elements of the scholarship contract.

Practice site selection – Will provide information regarding where a participant in the program will be able to perform his service obligation.

Functional elements of the repayment program – Will provide program information regarding reporting requirements, breach of contract, and deferments and waivers.

Issues

Please identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

The primary advantage of the proposed regulatory action to the public will be an increase in the availability of primary care providers in medically underserved communities within the Commonwealth. Additionally, these medically underserved communities will be better positioned to retain qualified primary care providers because of the obligation created by accepting the scholarship funds. The Virginia Department of Health sees no disadvantage to the public, the agency or the Commonwealth associated with the proposed regulatory action.

Requirements More Restrictive than Federal

Please list all changes to the information reported on the Agency Background Document submitted for the previous stage regarding any requirement of the regulatory change which is more restrictive than applicable federal requirements. If there are no changes to previously-reported information, include a specific statement to that effect.

There were no changes to previously reported information

Agencies, Localities, and Other Entities Particularly Affected

Please list all changes to the information reported on the Agency Background Document submitted for the previous stage regarding any other state agencies, localities, or other entities that are particularly affected by the regulatory change. If there are no changes to previously-reported information, include a specific statement to that effect.

Other State Agencies Particularly Affected

No other State Agencies will be particularly affected by the proposed regulation.

Localities Particularly Affected

No locality will be particularly affected by the proposed regulation.

Other Entities Particularly Affected

No other entities will be particularly affected by the proposed regulation.

Public Comment

Please summarize all comments received during the public comment period following the publication of the previous stage, and provide the agency response. Ensure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency or board. If no comment was received, enter a specific statement to that effect.

No comments were received following the proposed stage.

Detail of Changes Made Since the Previous Stage

*Please list all changes made to the text since the previous stage was published in the Virginia Register of Regulations and the rationale for the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. * Please put an asterisk next to any substantive changes.*

Current chapter-section number	New chapter-section number, if applicable	New requirement from previous stage	Updated new requirement since previous stage	Change, intent, rationale, and likely impact of updated requirements
N/A	10	<u>Participant</u> means an eligible registered physician assistant student of an approved physician	<u>Recipient</u> means an eligible registered physician assistant student of an approved physician	Modified the term "Participant" to "Recipient" for consistency

		<u>assistant program who enters into a contract with the commissioner and participates in the scholarship program.</u>	<u>assistant program who enters into a contract with the commissioner and participates in the scholarship program.</u>	throughout the regulation to assist readers in understanding the regulations.
N/A	20	<u>All scholarship awards shall be made by the physician assistant scholarship committee appointed by the board. The physician assistant scholarship committee shall consist of eight members: four deans or directors of physician assistant programs or their designees, two former scholarship recipients, and two members with experience in the administration of student financial aid programs. Committee appointments shall be for two-year terms, and members shall not serve for more than two successive terms</u>	<u>All scholarship awards shall be made by the physician assistant scholarship committee appointed by the board. The physician assistant scholarship committee shall consist of eight members: four deans or directors of physician assistant programs or their designees, two former scholarship award recipients, and two members with experience in the administration of student financial aid programs. Committee appointments shall be for two-year terms, and members shall not serve for more than two successive terms.</u>	Added the word award to scholarship throughout "scholarship award" to highlight the monetary significance.
N/A	30	<u>In order to be considered for a scholarship, an applicant shall: 1. Be a United States citizen, national, or a qualified alien pursuant to 8 USC § 1621; 2. Be accepted for enrollment or enrolled in an approved PA program in the Commonwealth of Virginia preparing him for examination for licensure as a PA in the Commonwealth of Virginia; 3. If already enrolled in an approved PA program in the Commonwealth, the student must have a cumulative grade point average of 3.0; 4. Submit a completed application form and appropriate grade transcript prior to the established deadline dates; 5. Demonstrate financial need, which is verified by the school's financial aid</u>	<u>In order to be considered for a scholarship, an applicant shall: 1. Be a United States citizen, national, or a qualified alien pursuant to 8 USC § 1621; 2. Be accepted for enrollment or enrolled in an approved PA program in the Commonwealth of Virginia preparing him for examination for licensure as a PA in the Commonwealth of Virginia; 3. If already enrolled in an approved PA program in the Commonwealth, the student must have a cumulative grade point average of [at least] 3.0; 4. Submit a completed application form and appropriate grade transcript prior to the established deadline dates; 5. Demonstrate financial need, which is verified by</u>	Clarify that cumulative grade point average must be at least 3.0.

		<u>officer or authorized person, as part of the application process; and 6. Not have an active military obligation. An applicant who fails to meet all of these requirements shall be ineligible for a scholarship.</u>	<u>the school's financial aid officer or authorized person, as part of the application process; and 6. Not have an active military obligation. An applicant who fails to meet all of these requirements shall be ineligible for a scholarship.</u>	
N/A	40	<u>If upon graduation a participant leaves the Commonwealth or fails to engage or ceases to engage in primary care medical practice in Virginia before all employment conditions of the scholarship award are fulfilled, the participant shall repay the award amount reduced by the proportion of obligated years served plus the applicable interest and penalty.</u>	<u>If upon graduation a recipient leaves the Commonwealth, fails to engage, or ceases to engage in primary care medical practice in Virginia before all employment conditions of the scholarship award are fulfilled, the recipient shall repay the award amount reduced by the proportion of obligated years served plus the applicable interest and penalty. The penalty is twice the amount of the scholarship award received plus interest, less any service obligation completed.</u>	Clarification of the penalty if scholarship obligation is not completed.
N/A	50	<u>Scholarships are awarded for single academic years. However, the same student may, after demonstrating satisfactory progress in his studies, which is demonstrated by a cumulative grade point average of 3.0, apply for and receive scholarship awards for a succeeding academic year or years. No student shall receive scholarships for more than a total of four years.</u>	<u>Scholarships are awarded for single academic years. However, the same student may, after demonstrating satisfactory progress in his studies, which is demonstrated by a cumulative grade point average of at least 3.0, apply for and receive scholarship awards for a succeeding academic year or years. No student shall receive scholarships for more than a total of four years.</u>	Defined the maximum number of scholarships that each applicant is eligible to receive.
N/A	60	<u>The number of scholarships awarded shall be dependent upon the amount of money appropriated by the General Assembly, the amount of funds available within the Physician Assistant Scholarship Fund</u>	<u>The amounts and number of scholarship awards shall be determined annually as provided in the Appropriation Act and based on the number of qualified applicants. Each recipient shall receive an award of up to \$5,000 per</u>	Clarification of award amount, number of scholarships available and how awards are determined.

		<u>administered by the board, and the number of qualified applicants. Each participant shall receive an award of \$5,000 per year.</u>	<u>year, based on the availability of funds</u>	
N/A	70	<u>Eligible applicants shall submit a complete application made available by the department on the department's website. A complete application shall include documentation of all eligibility requirements. The deadline for submission of the application shall be announced by the department on the department's website.</u>	<u>Eligible applicants shall submit a complete application made available by the department on the department's website at http://www.vdh.virginia.gov. A complete application shall include documentation of all eligibility requirements. The deadline for submission of the application shall be announced by the department on the department's website.</u>	Included website where eligibility guidelines are located.
N/A	90	<u>3. Agreement to begin continuous full-time employment within 180 days of the recipient's graduation;</u>	<u>3. Agreement to begin continuous full-time employment within 180 days of the recipient's completion of training;</u>	Clarification of obligation start date.
N/A	100	<u>Each recipient shall perform his service obligation at a practice site in either a health professional shortage area or a Virginia medically underserved area. The participant shall agree to provide health services without discrimination, regardless of a patient's ability to pay. Maps of health professional shortage areas and Virginia medically underserved areas shall be available on the department's website.</u>	<u>Each recipient shall perform his service obligation at a practice site in either a health professional shortage area or a Virginia medically underserved area. The recipient shall agree to provide health services without discrimination, regardless of a patient's ability to pay. Maps of health professional shortage areas and Virginia medically underserved areas shall be available on the department's website at http://www.vdh.virginia.gov.</u>	Included website where maps of Health Professional Shortage Areas can be found to assist recipients in fulfilling their obligation.

N/A	105	<u>Should any participant find that he is unable to fulfill the service commitment at the practice site to which he has committed to practice, he may request approval of a change of practice site. Such requests shall be made in writing. The department in its discretion may approve such a request. All practice sites, including changes of practice sites, shall be selected with the approval of the commissioner.</u>	<u>Failure of the recipient to transfer to another site shall be deemed to be a breach of the contract. In the event of a breach of contract and in accordance with the terms of the contract, the recipient shall make default payments as described in 12VAC5-510-30.</u>	Included failure to transfer to an eligible practice site as a breach of contract and the penalties if a recipient does not follow the transfer process.
N/A	110	<u>A. Each participant shall provide information as required by the department to verify compliance with the practice requirements of the PA scholarship program (e.g., verification of employment in a primary care setting form once every six months).</u>	<u>A. Each recipient shall provide information as required by the department to verify compliance with the practice requirements of the PA scholarship program (e.g., verification of employment in a primary care setting form once every 180 days).</u>	Modified six months to 180 days for consistency throughout the regulations.
N/A	120	<u>The recipient fails to begin or complete the term of obligated service under the terms and conditions of the scholarship contract;</u>	<u>2. The recipient leaves the Commonwealth of Virginia prior to completing studies or service obligation;</u>	Clarified that if a recipient leaves the Commonwealth prior to completing their training or service obligation, that also constitutes a breach of contract.
N/A	130	<u>A. If the participant is in default due to death or permanent disability so as not to be able to engage in primary care practice in a region designated as a HPSA or VMUA in the Commonwealth, the participant or his personal representative may be relieved of his obligation under the contract to engage in practice, upon repayment of the total amount of scholarship received plus applicable interest. For participants</u>	<u>In the event that a recipient is unable to find employment at an approved practice site, or complete physician assistant school, a recipient may request a deferment of service obligation to secure employment at an approved practice site or to complete physician assistant school in Virginia. A. If the recipient is in default due to death or permanent disability so as not to be able to engage in</u>	Included clarification of what events are eligible for deferment, waivers and variances and how to submit a request.

	<p><u>completing part of the obligation prior to becoming permanently disabled or in the event of death, the total amount of scholarship funds owed shall be reduced by the proportion of obligated years served. The obligation to make restitution may be waived by the board upon application of the participant or the participant's personal representative to the board. C. All requests for deferments, waivers, or variances must be submitted in writing to the department for consideration and final disposition by the board.</u></p>	<p><u>primary care practice in a region designated as a HPSA or VMUA in the Commonwealth, the recipient or his personal representative may be relieved of his obligation under the contract to engage in practice, upon repayment of the total amount of scholarship award received plus applicable interest. For recipients completing part of the obligation prior to becoming permanently disabled or in the event of death, the total amount of scholarship funds owed shall be reduced by the proportion of obligated years served. The obligation to make restitution may be waived by the board upon application of the recipient or the recipient's personal representative to the board.</u></p> <p><u>C. All variance, waiver, or deferment requests must be submitted in writing to the Department and be approved by the board. These requests shall be submitted on a Variance/Hardship Form, which is located on the VDH-OHE website at http://www.vdh.virginia.gov.</u></p>	
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Detail of All Changes Proposed in this Regulatory Action

*Please list all changes proposed in this action and the rationale for the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. * Please put an asterisk next to any substantive changes.*

Current chapter-section number	New chapter-section	Current requirement	Change, intent, rationale, and likely impact of updated requirements

	number, if applicable		
N/A	10	None.	<p>Intent: This section provides definitions for technical terms utilized throughout the regulatory chapter of the regulation.</p> <p>Rationale: To assist readers in understanding the regulations.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	20	None.	<p>Intent: This section establishes that an eight-member scholarship committee appointed by the board will determine the scholarship awards. The physician assistant scholarship committee shall consist of eight members: four deans or directors of physician assistant programs or their designees, two former scholarship award recipients, and two members with experience in the administration of student financial aid programs. Committee appointments shall be for two-year terms, and members shall not serve for more than two successive terms.</p> <p>Rationale: To assist in the fair distribution of funds.</p> <p>Impact: Greater clarity of the regulations and to provide members of the public with equitable opportunities.</p>
N/A	30	None.	<p>Intent: This section establishes eligibility criteria for the scholarship program. In order for an applicant to qualify for the scholarship award, the applicants shall meet all of the requirements. An applicant who fails to meet all of these requirements shall be ineligible for the scholarship award.</p> <p>Rationale: To assist readers in understanding how to qualify for the scholarship.</p> <p>Impact:</p>

			Greater clarity of the regulations. Ease of reading for members of the public.
N/A	40	None.	<p>Intent: This section establishes the conditions including requirement for a signed contract with commissioner, minimum requirements for service obligation, and terms for failure of completing condition of scholarship.</p> <p>Rationale: To outline the conditions of receiving and participating in the scholarship program.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	50	None.	<p>Intent: This section establishes the number of applications per student.</p> <p>Rationale: To delineate the maximum number of scholarship awards that each student can receive.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	60	None.	<p>Intent: This section establishes the scholarship award amount and how awards are determined.</p> <p>Rationale: To provide clarity to the applicant about the dollar amount of scholarship awards.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	70	None.	<p>Intent: This section establishes an application process for applicants to apply for the scholarship and website where eligibility guidelines are located.</p> <p>Rationale: To assist readers in understanding the scholarship process.</p> <p>Impact:</p>

			Greater clarity of the regulations. Ease of reading for members of the public.
N/A	80	None.	<p>Intent: This section establishes selection criteria, which will serve as guidance to the scholarship committee in selecting the scholarship recipients.</p> <p>Rationale: To assist readers in understanding the scholarship award selection criteria.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	90	None.	<p>Intent: This section provides content of the scholarship contract that is to be signed by the recipient and commissioner as well as what triggers the obligation start date.</p> <p>Rationale: To provide the elements of the scholarship contract.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	100	None.	<p>Intent: This section provides criteria to use for practice site selection and establishes minimal criteria that the practice site must meet to serve as an eligible practice site to repay service obligation. In addition, it includes a website where maps of Health Professional Shortage Areas can be found to assist recipients in fulfilling their obligation.</p> <p>Rationale: To provide standards to use for the practice site selection.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	105	None.	<p>Intent: This section provides the process by which an applicant can change practice sites and provides direction about how to change a practice site once a participant begins their service obligation.</p>

			<p>It addition, it also includes information on failure to transfer to an eligible practice site as a breach of contract and the penalties if a recipient does not follow the transfer process.</p> <p>Rationale: To provide direction to the reader about how to change practice sites.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	110	None.	<p>Intent: This section provides the reporting requirements that each recipient must fulfill during their participation in the scholarship program.</p> <p>Rationale: To provide reporting requirements each recipient must fulfill.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	120	None.	<p>Intent: This section establishes those conditions that constitute a breach of contract and provides for the terms of reimbursement of the Commonwealth by the recipient in the case of a breach of contract or default. If the recipient leaves the Commonwealth prior to completing their training or service obligation, that also constitutes a breach of contract.</p> <p>Rationale: To provide clarity on what constitutes breach of contract.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	130	None.	<p>Intent: This section establishes a deferment and waiver process by which a deferment may be considered. In addition, it includes what events are eligible for deferment, waivers and variances and how to submit a request.</p> <p>Rationale:</p>

			<p>To assist readers in understanding the deferment and waiver process.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>
N/A	140	None.	<p>Intent: This section establishes a process by which a participant may be reimbursed by the Commonwealth upon fulfilling service obligation after repaying the Commonwealth for default.</p> <p>Rationale: To assist readers in understanding the process for repayment if service obligation is fulfilled after default payments.</p> <p>Impact: Greater clarity of the regulations. Ease of reading for members of the public.</p>