



## Final Regulation Agency Background Document

<b>Agency name</b>	Department of Health (State Board of)
<b>Virginia Administrative Code (VAC) citation</b>	12 VAC 5-508
<b>Regulation title</b>	Virginia Physician Loan Repayment Program
<b>Action title</b>	Make emergency Virginia Physician Loan Repayment Program regulations permanent
<b>Date this document prepared</b>	January 11, 2007

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*Please provide a brief summary (no more than 2 short paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation. Also, please include a brief description of changes to the regulation from publication of the proposed regulation to the final regulation.*

These new regulations set forth the criteria for eligibility for the Virginia Physician Loan Repayment Program for primary care physicians and psychiatrists; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a designated medically underserved area or an approved state or local institution; and penalties for a recipient's failure to fulfill the practice requirements of the Virginia Physician Loan Repayment Program.

## 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.*

The Virginia Department of Health's Board of Health approved the regulation on October 21, 2006. The title of the regulation is Final Adoption of the Virginia Physician Loan Repayment Program Regulations.

## Legal basis

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter numbers, if applicable, and (2) promulgating entity, i.e., agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.*

Legal authority to promulgate this regulation is in §32.1-122.6:1 of the *Code of Virginia* and the Appropriation Act of 2000, Item 300 C. The scope of these regulations is to regulate a loan repayment program for physicians, psychiatrists, and medical students willing to practice their profession in designated medically underserved areas of the Commonwealth in exchange for payment of their medical educational loans.

See the following web site addresses:

<http://leg1.state.va.us/000/1st/LS602282.htm> ,Code of Virginia site

<http://leg1.state.va.us/001/bud/SubCom/HB30.pdf> ,Appropriation Act site

## Purpose

*Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Detail the specific reasons it is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.*

These regulations set forth the criteria for eligibility for the Virginia Medical Loan Repayment Program for primary care physicians and psychiatrists; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a Virginia Medically Underserved Area (VMUA), as identified by the Board of Health by regulation or a federal Health Professional Shortage Area (HPSA) in Virginia, designated by the Bureau of Primary

Health Care, Health Resources Administration; and penalties for a recipient's failure to fulfill the practice requirements of the Virginia Medical Loan Repayment Program.

These regulations are intended to increase access to health care in medically underserved areas of the Commonwealth. The goal is to reduce the number of medical shortage areas in the Commonwealth and reduce health disparities that exist between race, gender, socio-economic, and age groups that are found within these medically underserved areas.

### Substance

*Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. A more detailed discussion is required under the "All changes made in this regulatory action" section.*

The Appropriation Act of 2000, Item 300 C. provides use of unexpended scholarship funds for this program. The program will provide a positive incentive to recruit primary care physicians, psychiatrists, and medical students to practice in designated medically underserved areas or in approved state or local institutions of the Commonwealth. Therefore, citizens of underserved areas can stay within their communities for health care, communities will be strengthened by having health practitioners living and working in their area, and state institutions seeking practitioners will have a pool of applicants from which to recruit.

### Issues

*Please identify the issues associated with the proposed regulatory action, 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, please indicate.*

The primary advantage to the citizens of the designated underserved areas is that they can stay within their communities for health care. Another advantage is that the communities will be strengthened by having health practitioners living and working in their area. In addition, state and local institutions seeking practitioners will now have a pool of applicants from which they can hire for their physician positions. This regulation has no disadvantages to the citizens of the Commonwealth.

### Changes made since the proposed stage

*Please describe all changes made to the text of the proposed regulation since the publication of the proposed stage. For the Registrar's office, please put an asterisk next to any substantive changes.*

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No changes were made to the text of the proposed regulation.

### All changes made in this regulatory action

*Please detail all changes that are being proposed and the consequences of the proposed changes. Detail new provisions and/or all changes to existing sections.*

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No changes are being proposed.

### Regulatory flexibility analysis

*Please describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.*

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The proposed regulations have been promulgated in the least burdensome regulatory method. They have no adverse impact on small business. To the contrary, health care facilities in underserved communities may also be considered small business, so in effect regulations that provide for scholarship and loan repayment rendered to satisfy work obligations in underserved communities benefits these small businesses by reducing the burden of recruitment.

### Family impact

*Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

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Overall this regulation will have a positive impact of the institution of the family and family stability. Placing medical practitioners in designated underserved communities will save disposable family income by reducing travel costs because travel distance to seek medical care is reduced. Individuals will seek care for their children, their parents, or themselves when needed, and therefore will miss less time from work. Families will have a greater opportunity to be part of a “medical home” within their own community, enhancing continuity of care as well as health outcomes.