

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 10-0625.01 Jerry Barry

HOUSE BILL 10-1138

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING THE PROGRAM TO REPAY EDUCATIONAL LOANS OF**
102 **HEALTH CARE PROFESSIONALS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill changes the name of the state health care professional loan repayment program to the Colorado health services corps (health services corps), the name of the health care community board to the Colorado health services advisory council, and the name of the health care professional loan repayment fund to the Colorado health services corps

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
3rd Reading Unam ended
April 14, 2010

SENATE
2nd Reading Unam ended
April 13, 2010

HOUSE
3rd Reading Unam ended
February 18, 2010

HOUSE
Am ended 2nd Reading
February 17, 2010

fund. Contracts for health care professional loan repayments entered into by collegeinvest or the primary care office in the department of public health and environment (primary care office) under the prior name of the program are still valid obligations.

The bill specifies the manner in which the health services corps may make a lump sum payment on an eligible professional's education loans pursuant to a contract. The bill exempts the selection of health care professionals from the competitive bidding requirements of the procurement code. The bill repeals the \$35,000 per year limit on the amount of education loan repayment that a health professional may receive under the health services corps.

The bill requires the primary care office to report specified information to the governor and specified committees of the general assembly on or before December 1, 2011, and every other December 1 thereafter.

The bill makes conforming amendments due to the name changes.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 25-20.5-701 (2), Colorado Revised Statutes, is
3 amended to read:

4 **25-20.5-701. Legislative declaration.** (2) It is therefore the
5 intent of the general assembly in enacting this part 7 to create a state loan
6 repayment HEALTH SERVICE CORPS program that uses state and federal
7 moneys and contributions from communities and private sources to help
8 repay the outstanding education loans that many health care professionals
9 hold. In exchange for repayment of these loans, the health care
10 professionals will commit to provide health care services in communities
11 with underserved health care needs throughout the state.

12 **SECTION 2.** 25-20.5-702 (1), (4), (5), and (8), Colorado Revised
13 Statutes, are amended, and the said 25-20.5-702 is further amended BY
14 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to
15 read:

16 **25-20.5-702. Definitions.** As used in this part 7, unless the

1 context otherwise requires:

2 (1) ~~"Community board"~~ "ADVISORY COUNCIL" means the ~~health~~
3 ~~care community board~~ COLORADO HEALTH SERVICE CORPS ADVISORY
4 COUNCIL created pursuant to section 25-20.5-704.

5 (1.5) "COLORADO HEALTH SERVICE CORPS" MEANS THE LOAN
6 REPAYMENT PROGRAM CREATED AND OPERATED PURSUANT TO THIS PART
7 7.

8 (1.7) "COLORADO HEALTH SERVICE CORPS FUND" OR "FUND"
9 MEANS THE COLORADO HEALTH SERVICE CORPS FUND CREATED IN
10 SECTION 25-20.5-706.

11 (4) ~~"Health care professional loan repayment fund" or "fund"~~
12 ~~means the health care professional loan repayment fund created in section~~
13 ~~25-20.5-706.~~

14 (5) ~~"Loan repayment program" means the state health care~~
15 ~~professional loan repayment program created and operated pursuant to~~
16 ~~this part 7.~~

17 (8) "Primary health services" means health services regarding
18 family medicine, general practice, general internal medicine, pediatrics,
19 general obstetrics and gynecology, ORAL HEALTH, or mental health that
20 are provided by health care professionals.

21 **SECTION 3.** 25-20.5-703 (1), (2), and (3), Colorado Revised
22 Statutes, are amended to read:

23 **25-20.5-703. Colorado health service corps - program -**
24 **creation - conditions.** (1) (a) (I) (A) ~~Collegeninvest in the department of~~
25 ~~higher education shall develop and maintain, in consultation with the~~
26 ~~community board, the state health care provider loan repayment program~~
27 ~~for implementation beginning in the fall semester of the 2007-08~~

1 ~~academic year, subject to available appropriations, except that, Beginning~~
2 July 1, 2009, the primary care office shall maintain and administer,
3 subject to available appropriations, the ~~loan repayment program, and~~
4 ~~collegeinvest shall no longer maintain nor exercise any authority~~
5 ~~regarding the loan repayment program~~ COLORADO HEALTH SERVICE
6 CORPS. SUBJECT TO AVAILABLE APPROPRIATIONS, THE COLORADO HEALTH
7 SERVICE CORPS SHALL PROVIDE LOAN REPAYMENT FOR CERTAIN ELIGIBLE
8 HEALTH CARE PROFESSIONALS WHO PROVIDE PRIMARY HEALTH SERVICES.

9 (B) ALL CONTRACTS ENTERED INTO BY OR ON BEHALF OF
10 COLLEGEINVEST PURSUANT TO PART 2 OF ARTICLE 3.6 OF TITLE 23, C.R.S.,
11 AS IT EXISTED PRIOR TO JUNE 2, 2009, OR THE PRIMARY CARE OFFICE ON
12 BEHALF OF THE STATE HEALTH CARE PROFESSIONAL LOAN REPAYMENT
13 PROGRAM PURSUANT TO THIS PART 7, AS IT EXISTED PRIOR TO JULY 1,
14 2010, ARE HEREBY VALIDATED AS OBLIGATIONS OF THE PRIMARY CARE
15 OFFICE ON BEHALF OF THE COLORADO HEALTH SERVICE CORPS.

16 (II) Under the ~~loan repayment program~~ COLORADO HEALTH
17 SERVICE CORPS, SUBJECT TO THE LIMITATIONS SPECIFIED IN SUBSECTION
18 (2) OF THIS SECTION, UPON ENTERING INTO A LOAN CONTRACT, the state
19 ~~shall~~ MAY EITHER:

20 (A) MAKE PAYMENTS ON THE EDUCATION LOANS OF THE HEALTH
21 CARE PROFESSIONAL; OR

22 (B) Agree to ~~pay~~ MAKE AN ADVANCE PAYMENT IN A LUMP SUM OF
23 all or part of the principal, interest, and related expenses of the education
24 loans of health care professionals, subject to the limitations specified in
25 subsection (2) of this section.

26 (III) In consideration for receiving repayment of all or part of his
27 or her education loan, the health care professional shall agree to provide

1 primary health services in federally designated health professional
2 shortage areas in Colorado.

3 (b) Repayment of loans under the ~~loan repayment program~~
4 COLORADO HEALTH SERVICE CORPS may be made using moneys in the
5 COLORADO health care professional ~~loan repayment~~ SERVICE CORPS fund.
6 The primary care office is authorized to receive and expend gifts, grants,
7 and donations or moneys appropriated by the general assembly for the
8 purpose of implementing the ~~loan repayment program~~ COLORADO HEALTH
9 SERVICE CORPS. In administering the ~~loan repayment program~~ COLORADO
10 HEALTH SERVICE CORPS, the primary care office shall collaborate with the
11 university of Colorado health sciences center and other appropriate
12 partners as needed to maximize the federal moneys available to the state
13 for state loan repayment programs through the federal department of
14 health and human services. THE SELECTION OF HEALTH CARE
15 PROFESSIONALS FOR PARTICIPATION IN THE COLORADO HEALTH SERVICE
16 CORPS IS EXEMPT FROM THE COMPETITIVE BIDDING REQUIREMENTS OF THE
17 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S.

18 (c) Health care professionals practicing in nonprimary care
19 specialties shall not be eligible for loan repayments through the ~~loan~~
20 ~~repayment program~~ COLORADO HEALTH SERVICE CORPS.

21 (d) As a condition of receiving a loan repayment through the ~~loan~~
22 ~~repayment program~~ COLORADO HEALTH SERVICE CORPS, a health care
23 professional shall enter into a contract pursuant to which the health care
24 professional shall agree to practice for at least two years in a community
25 that is located in a federally designated health professional shortage area.
26 The health care professional, the primary care office, and the community
27 employer with which the health care professional is practicing shall be

1 parties to the contract.

2 (2) Subject to available appropriations, the primary care office
3 shall annually select health care professionals from the list provided by
4 the ~~community board~~ ADVISORY COUNCIL pursuant to section 25-20.5-704
5 (6) to participate in the ~~loan repayment program~~. Each selected health
6 care professional may receive no more than thirty-five thousand dollars
7 in each of the two or more years in which the health care professional
8 practices in a community under the terms of the contract entered into
9 pursuant to ~~subsection (1) of this section~~ COLORADO HEALTH SERVICE
10 CORPS.

11 (3) A health care professional participating in the ~~state loan~~
12 ~~repayment program~~ COLORADO HEALTH SERVICE CORPS shall not practice
13 with a for-profit private group or solo practice or at a proprietary hospital
14 or clinic.

15 **SECTION 4.** 25-20.5-704 (1), the introductory portions to
16 25-20.5-704 (2) and (3), and 25-20.5-704 (4), (5), (6), and (7) (b),
17 Colorado Revised Statutes, are amended to read:

18 **25-20.5-704. Colorado health service corps advisory council**
19 **- creation - membership - duties - repeal.** (1) There is hereby created
20 in the primary care office the ~~health care community board~~ COLORADO
21 HEALTH SERVICE CORPS ADVISORY COUNCIL to review applications for
22 participation in the ~~loan repayment program~~ COLORADO HEALTH SERVICE
23 CORPS and make recommendations to the primary care office pursuant to
24 section 25-20.5-703 (2).

25 (2) The ~~community board~~ ADVISORY COUNCIL shall consist of
26 fifteen members appointed by the governor as provided in this subsection
27 (2) and in subsection (3) of this section. In appointing members of the

1 ~~community board~~ ADVISORY COUNCIL, the governor shall ensure that the
2 ~~community board~~ ADVISORY COUNCIL includes:

3 (3) On and after July 1, 2009, in addition to the members specified
4 in subsection (2) of this section, the governor shall appoint to the
5 ~~community board~~ ADVISORY COUNCIL at least one representative from
6 each of the following organizations:

7 (4) (a) Members appointed to the ~~community board~~ ADVISORY
8 COUNCIL shall serve terms of three years; except that:

9 (I) Of the members initially appointed to the ~~community board~~
10 ADVISORY COUNCIL pursuant to subsection (2) of this section, the
11 governor shall select three members who shall serve one-year terms and
12 three members who shall serve two-year terms; and

13 (II) Of the members initially appointed to the ~~community board~~
14 ADVISORY COUNCIL pursuant to subsection (3) of this section, the
15 governor shall select two members who shall serve one-year terms and
16 two members who shall serve two-year terms.

17 (b) The governor may appoint the same person to serve as a
18 member of the ~~community board~~ ADVISORY COUNCIL for consecutive
19 terms.

20 (5) (a) ~~Community board~~ ADVISORY COUNCIL members shall serve
21 without compensation and without reimbursement for expenses.

22 (b) The primary care office shall provide staff assistance to the
23 ~~community board~~ ADVISORY COUNCIL as necessary for the ~~community~~
24 ~~board~~ ADVISORY COUNCIL to complete the duties specified in this section.

25 (6) The ~~community board~~ ADVISORY COUNCIL shall review
26 applications received from health care professionals to participate in the
27 ~~loan repayment program~~ COLORADO HEALTH SERVICE CORPS. Subject to

1 available appropriations and federal requirements concerning eligibility
2 for federal loan repayment matching funds, the ~~community board~~
3 ADVISORY COUNCIL shall annually select health care professionals to
4 participate in the ~~loan repayment program~~ COLORADO HEALTH SERVICE
5 CORPS and shall forward its list of selected participants to the primary care
6 office.

7 (7) (b) Prior to said repeal, the ~~community board~~ ADVISORY
8 COUNCIL shall be reviewed as provided for in section 2-3-1203, C.R.S.

9 **SECTION 5.** 25-20.5-705, Colorado Revised Statutes, is
10 amended to read:

11 **25-20.5-705. Advisory council - report.** (1) On or before
12 December 1, ~~2009~~ 2011, AND ON OR BEFORE DECEMBER 1 EVERY TWO
13 YEARS THEREAFTER, the ~~community board~~ ADVISORY COUNCIL shall
14 submit to the governor and the ~~general assembly~~ HEALTH AND HUMAN
15 SERVICES COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,
16 OR ANY SUCCESSOR COMMITTEES, a report that includes, at a minimum,
17 the following information:

18 (a) Identification and a summary of successful loan forgiveness
19 programs for health care professionals and best practices in health care
20 professional loan forgiveness programs across the country;

21 (b) ~~A summary of existing loan forgiveness programs for health~~
22 ~~care professionals in Colorado, including annual information concerning~~
23 ~~the clients served by the health care professionals participating in the~~
24 ~~programs, how many health care professionals participated in the~~
25 ~~programs, and how the programs are structured; and~~ A DESCRIPTION OF
26 THE PROGRAMMATIC GOALS OF THE COLORADO HEALTH SERVICE CORPS,
27 INCLUDING THE PRESENT STATUS OF AND ANY BARRIERS TO MEETING

1 THOSE GOALS;

2 (c) ~~A review of the merits of streamlining or consolidating~~
3 ~~existing loan forgiveness programs for health care professionals,~~
4 ~~including a possible mechanism by which private loan forgiveness~~
5 ~~programs may voluntarily participate with public loan forgiveness~~
6 ~~programs, and a recommendation either in support of or against~~
7 ~~streamlining and consolidating these existing loan forgiveness programs.~~

8 EXISTING EFFORTS AND POTENTIAL FUTURE PROJECTS TO OVERCOME ANY
9 BARRIERS TO MEETING THE PROGRAMMATIC GOALS OF THE COLORADO
10 HEALTH SERVICE CORPS;

11 (d) AN ANALYSIS OF THE IMPACT OF THE COLORADO HEALTH
12 SERVICE CORPS PROGRAM; AND

13 (e) IF APPLICABLE, RESULTS OF ANY SURVEYS CONDUCTED OF
14 STATE HEALTH PROFESSIONAL INCENTIVE PROGRAMS IN PRIMARY CARE
15 AND ANY RECOMMENDATIONS TO INDIVIDUALLY ENHANCE, IMPROVE
16 COORDINATION AMONG, AND POTENTIALLY CONSOLIDATE EXISTING OR
17 POTENTIAL PROGRAMS TO BETTER ADDRESS COLORADO'S PRIMARY CARE
18 WORKFORCE ISSUES.

19 (2) ~~If the community board recommends streamlining and~~
20 ~~consolidating existing loan forgiveness programs for health care~~
21 ~~professionals, it shall include with the recommendation a proposal for~~
22 ~~streamlining and consolidating that includes, but need not be limited to,~~
23 ~~the following items:~~

24 (a) ~~Recommendations concerning the statutory and operational~~
25 ~~rule changes that would be necessary to implement a new program;~~

26 (b) ~~A sample standard application form;~~

27 (c) ~~Proposed eligibility criteria for health care professionals and~~

- 1 specifications of award amounts;
- 2 ~~(d) Strategies for recruitment and retention of health care~~
- 3 ~~professionals to the new program;~~
- 4 ~~(e) Strategies to maximize the amount of federal moneys the state~~
- 5 ~~may receive for health care professional loan forgiveness programs;~~
- 6 ~~(f) Strategies for pursuing gifts, grants, and donations to be~~
- 7 ~~applied to health care professional loan forgiveness programs; and~~
- 8 ~~(g) Any recommended changes to the membership or governance~~
- 9 ~~structure of the community board.~~

10 **SECTION 6.** The introductory portion to 25-20.5-706 (1) and
11 25-20.5-706 (1) (a), (1) (e), (2), and (3), Colorado Revised Statutes, are
12 amended to read:

13 **25-20.5-706. Colorado health service corps fund - created -**
14 **acceptance of grants and donations.** (1) The COLORADO health care
15 professional loan repayment SERVICE CORPS fund is hereby created in the
16 state treasury, which fund shall consist of:

17 (a) All moneys appropriated by the general assembly for the loan
18 repayment program COLORADO HEALTH SERVICE CORPS;

19 ~~(e) Any amounts received pursuant to subsection (3) of this~~
20 ~~section; and~~

21 (2) The moneys in the fund, other than any federal moneys
22 credited to the fund, are hereby continuously appropriated to the primary
23 care office for the loan repayment program COLORADO HEALTH SERVICE
24 CORPS. Any moneys in the fund not expended for the purpose of this part
25 7 may be invested by the state treasurer as provided by law. All interest
26 and income derived from the investment and deposit of moneys in the
27 fund shall be credited to the fund. Any unexpended and unencumbered

1 moneys remaining in the fund at the end of a fiscal year shall remain in
2 the fund and shall not be credited or transferred to the general fund or
3 another fund.

4 (3) The primary care office is authorized to receive contributions,
5 grants, and services from public and private sources to carry out the
6 purposes of this part 7. ~~Any moneys so received shall be transferred to~~
7 ~~the state treasurer who shall credit the same to the fund.~~

8 **SECTION 7.** 2-3-1203 (3) (dd) (VIII), Colorado Revised
9 Statutes, is amended to read:

10 **2-3-1203. Sunset review of advisory committees.** (3) The
11 following dates are the dates for which the statutory authorization for the
12 designated advisory committees is scheduled for repeal:

13 (dd) July 1, 2017:

14 (VIII) The ~~health care community board~~ COLORADO HEALTH
15 SERVICE CORPS ADVISORY COUNCIL created pursuant to section
16 25-20.5-704, C.R.S.;

17 **SECTION 8.** 25-4-1415 (4) (a), Colorado Revised Statutes, is
18 amended to read:

19 **25-4-1415. Cash fund - administration - limitation.** (4) For the
20 2009-10 fiscal year, the state treasurer shall transfer from the fund:

21 (a) To the COLORADO ~~health care professional loan repayment~~
22 SERVICE CORPS fund created in section 25-20.5-706 the amount of one
23 hundred twenty thousand dollars; and

24 **SECTION 9.** 25-20.5-603 (3), Colorado Revised Statutes, is
25 amended to read:

26 **25-20.5-603. Primary care office - creation.** (3) The primary
27 care office shall include the ~~health care community board~~ COLORADO

1 HEALTH ~~SERVICE~~ CORPS ADVISORY COUNCIL created in section
2 25-20.5-704.

3 **SECTION 10.** 25-20.5-604 (1) (d), Colorado Revised Statutes,
4 is amended to read:

5 **25-20.5-604. Primary care office - powers and duties.** (1) The
6 primary care office shall have, at a minimum, the following powers and
7 duties:

8 (d) To administer the ~~state health care professional loan~~
9 ~~repayment program~~ COLORADO HEALTH ~~SERVICE~~ CORPS pursuant to the
10 provisions of part 7 of this article;

11 **SECTION 11.** 25-36-101 (10) (b), Colorado Revised Statutes, is
12 amended to read:

13 **25-36-101. Short-term grants for innovative health programs**
14 **- grant fund - creation - appropriation from fund - transfer of**
15 **moneys for fiscal years 2007-08 through 2011-12.**

16 (10) (b) Notwithstanding any other provision of this section, for the
17 2009-10 fiscal year and for each fiscal year thereafter through the
18 2011-12 fiscal year, the state treasurer shall transfer from the short-term
19 innovative health program grant fund to the COLORADO health ~~care~~
20 ~~professional loan repayment~~ ~~SERVICE~~ CORPS fund created in section
21 25-20.5-706, for purposes of the ~~state health care professional loan~~
22 ~~repayment program~~ COLORADO HEALTH ~~SERVICE~~ CORPS, the lesser of
23 ninety thousand seventy dollars or six percent of the amount allocated to
24 the short-term innovative health program grant fund for the fiscal year
25 pursuant to section 24-75-1104.5 (1.5) (a) (IX), C.R.S., enacted by Senate
26 Bill 07-097 at the first regular session of the sixty-sixth general assembly.

27 **SECTION 12. Specified effective date.** This act shall take effect

1 July 1, 2010.

2 **SECTION 13. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.