

Committee Name:
Assembly Committee – Rural Affairs
(AC–RA)

Appointments

95hr_AC–RA_Appt_pt00

Committee Hearings

95hr_AC–RA_CH_pt00

Committee Reports

95hr_AC–RA_CR_pt00

Clearinghouse Rules
95hr_AC–RA_CRule_95-072

Executive Sessions

95hr_AC–RA_ES_pt00

Hearing Records

95hr_ab0000

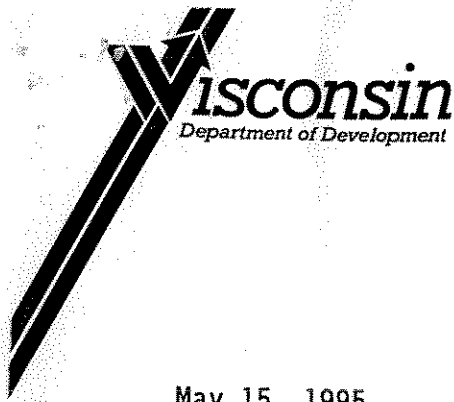
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Misc.

95hr_AC–RA_Misc_pt00

Record of Committee Proceedings

95hr_AC–RA_RCP_pt00



123 West Washington Avenue
P.O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

May 15, 1995

The Honorable David Prosser
Speaker of the Assembly
Room 101
119 Martin Luther King Blvd.
Madison, WI 53702

Dear Representative Prosser:

In compliance with s. 227.19(2), Wisconsin Statutes, the Department of Development hereby submits the final draft of the proposed rule (CR-95-072), relating to the Health Care Provider Loan Assistance Program.

Section 560.184(5)(b) 6, Stats., provides the authority for the Department to adopt the proposed rule which interprets s. 560.184, Stats. The Department administers the Health Care Provider Loan Assistance Program to encourage primary care providers (physicians, assistants, nurse-midwives, and the nurse practitioners) to locate and remain in areas of the state where there are shortages of health care professionals that provide primary care. The program offers participants increasing repayment, up to \$25,000, of educational loans obtained for education related to their field of practice. Repayment extends over five years if the provider continues to practice in a primary care health professional shortage area.

The proposed rule clarifies an ambiguity in the statute and defines "educational loan" to include only those traditional educational loans received by the applicant from a public or private lending institution that were made specifically for the required educational purpose. The definition will serve to exclude personal, home equity or other loans received by an applicant for which it would be difficult, if not virtually impossible to document that the proceeds were devoted to health care education expenses.


The Department of Development held a hearing on the proposed rule on May 11, 1995 in Madison. The Department mailed notice of the hearing to persons who have expressed interest in the program. No one appeared or commented on the proposed rule.

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The Legislative Council Clearinghouse Report made several technical recommendations which the Department adopted by making the necessary changes. The report also asked whether the proposed language would limit reimbursement only to those loan proceeds used for tuition and books. The answer is that, as under current rules, loan proceeds used for student living expenses as well as tuition and books will be reimbursable under the proposed rule.

Copies of the fiscal estimate, regulatory flexibility analysis and the final draft rules are enclosed. If you have any questions about the rule, please contact Dennis Fay at 266-6747.

Sincerely,



WILLIAM J. McCoshen
SECRETARY

WJM:lp

Enclosures

cc: Dennis Fay

PROPOSED ORDER

The Wisconsin Department of Development proposes an order to amend DOD 28.03 (2) (intro.), (b), (e) and (g) and 28.04 (1) (c) and (g) and to create DOD 28.02 (1m) relating to the health care provider loan assistance program.

Analysis prepared by the Department of Development

Section 560.184 (5) (b) 6, Stats., provides the authority for the Department to adopt the proposed rule which interprets s. 560.184, Stats. The Department administers the health care provider assistance loan program to encourage primary care providers (physician's assistants, nurse-midwives, and nurse practitioners) to locate and remain in areas of the state where there are shortages of health care professionals that provide primary care. The program offers participants increasing repayment, up to \$25,000, of educational loans obtain for education related to their field of practice. Repayment extends over five years if the provider continues to practice in a primary care health professional shortage area.

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Final Regulatory Flexibility Analysis

NOTICE IS HEREBY GIVEN that pursuant to 227.19 (3) (e), Stats., the proposed rule will have minimal impact on small businesses. The final regulatory flexibility analysis as required by 227.17 (3) (e), Stats., is as follows:

- (1) Methods of reducing the impact of the rule on small business: The rule should have minimal impact, if any, on small business.
- (2) Issues raised at the hearing: None.
- (3) Nature of reports and estimated cost of preparation: There will not be any change in the reporting procedures required.
- (4) Nature and cost of other measures: None
- (5) Additional costs to the agency for administering or enforcing a rule which includes methods specified under s. 227.114 (2), Stats: None.

(6) Impact on public health, safety and welfare caused by including in the rules any method specified under s. 227.114 (2), Stats: None.

Fiscal Estimate

The amendment has no fiscal effect.

Contact Person

Dennis Fay, General Counsel, 608/266-6747 or Jane Thomas, Rural Health Specialist, 608/267-3837.

Pursuant to the authority vested in the Department of Development by s. 560.184 (5)(b)6, Stats., the Department of Development hereby amends and creates rules relating to the health care provider loan assistance program.

SECTION 1. DOD 28.02 (1m) is created to read:

DOD 28.02 (1m) "Educational loan" means a health education assistance loan, a plus loan, a national direct student loan, a stafford loan, a health professions student loan, a supplemental loan for students, a guaranteed student loan from a state education financial aid office, a university sponsored student loan, a trust fund loan, a scholastic loan, a foundation loan or any other loan that the department determines is exclusively for educational purposes, and that was obtained by the health care provider from a public or private lending institution for education related to the health care provider's field of practice.

SECTION 2. DOD 28.03 (2) (intro.), (b), (e) and (g) are amended to read:

DOD 28.03 (2)(intro.) If the cost of repaying the educational loans of all eligible applicants when added to the cost of educational loan repayments scheduled under existing agreements, exceeds the total amount in the appropriation under s. 20.143 (1)(fc) and (j1), Stats., the department shall establish priorities among eligible applicants based upon the following considerations:

(b) Health care provider retention. The likelihood that an eligible applicant will remain in the primary care health professional shortage area in which he or she desires to practice after the educational loan repayment period.

(e) Geographic distribution. The geographic distribution of the health care providers who have entered into educational loan agreements under this section and the geographic location of the primary care professional shortage area in which the eligible applicant desires to practice.

(g) Loan Balance. The educational loan balance of the eligible applicant.

SECTION 3. DOD 28.04 (1) (c) and (g) are amended to read:

DOD 28.04 (1)(c) Evidence of educational loan indebtedness and educational loan outstanding balance.

(g) Information about the likelihood that the applicant will remain in the primary care health professional shortage area after the educational loan repayment period.

EFFECTIVE DATE. The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2)(intro.), Stats.

Dated: _____

Agency: _____
William J. McCoshen, Secretary



Wisconsin
Department of Development

let's review this rule *ja*

123 West Washington Avenue
P.O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

May 30, 1995

The Honorable John Ainsworth, Chair
Assembly Rural Affairs Committee
Room 418 North
State Capitol
Madison, WI 53702

Dear Representative Ainsworth:

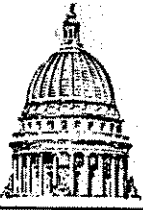
Clearinghouse Rules 95-071 and 95-072 relating respectively to the physician and health care provider loan assistance programs have been assigned to your committee. If you have any questions regarding either rule or if you would like additional information, please call me at 266-6747.

Sincerely,



Dennis Fay
General Counsel

cc: Julie Aulik
Jane Thomas



John Ainsworth

State Representative • 6th Assembly District

TO: MEMBERS OF THE ASSEMBLY RURAL AFFAIRS COMMITTEE

FROM: REPRESENTATIVE JOHN AINSWORTH, CHAIR

DATE: MAY 31, 1995

MEMO

On May 30, 1995, the following clearinghouse rules were referred to the Assembly Rural Affairs Committee:

Clearinghouse Rule 95-071, relating to the physician loan assistance program.

Clearinghouse Rule 95-072, relating to the health care provider loan assistance program.

A copy of each rule is attached for your information. The deadline for committee action on these rules is June 28, 1995. If you are interested in requesting a hearing and/or submitting comments, please do so prior to that date. Please contact Jacques in my office at 266-3097 if you have any questions or concerns.

JA:jfb

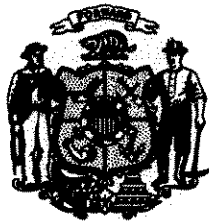
Attachments

WISCONSIN LEGISLATIVE COUNCIL STAFF

RULES CLEARINGHOUSE

Ronald Sklansky
Director
(608) 266-1946

Richard Sweet
Assistant Director
(608) 266-2982



David J. Stute, Director
Legislative Council Staff
(608) 266-1304

One E. Main St., Ste. 401
P.O. Box 2536
Madison, WI 53701-2536
FAX: (608) 266-3830

CLEARINGHOUSE RULE 95-072

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]

2. Form, Style and Placement in Administrative Code

a. Section 1.02 (1), Manual, states that the beginning of each draft of a rule-making order should include an introductory clause consisting of a relating clause concisely stating the subject matter of the proposed order and an enumeration of the sections treated by the proposed order and the nature of the treatment. An example of proper format for an introductory clause is set forth following that provision. In this rule, the sentence which immediately precedes SECTION 1 of the rule should be moved to precede the plain language analysis and redrafted to conform to the example provided in the Manual.

b. The amendment to s. DOD 28.04 (1), (c) and (g) in SECTION 2 should be placed in a separate SECTION of the rule-making order. [See s. 1.04 (2), Manual.]

c. In the treatment clauses of SECTIONS 1 and 2, "section" should be deleted.

d. In s. DOD 28.02 (1m), "such other loan" should be replaced by a phrase such as "another loan" or "any other loan."

5. Clarity, Grammar, Punctuation and Use of Plain Language

It is unclear what practical changes will be effected by the creation of s. DOD 28.02 (1m), which would limit repayment to only enumerated loans or those loans that the department determines are "exclusively for educational purposes." Is it intended that under the new lan-

guage, an applicant must prove that all loan amounts were used exclusively for costs directly related to education, such as tuition and books, and not for other costs such as a student's living expenses? If so, does this interpretation vary from current practice? What criteria will be used to determine if a loan is "exclusively for educational purposes"?

Also, it is unclear whether an applicant who has received one of the enumerated types of loans, such as a "stafford loan," must prove that the loan was used exclusively for educational purposes or if that requirement applies only to "other" loans.