

**PUBLIC HEALTH CODE (EXCERPT)**  
**Act 368 of 1978**

**333.2705 Essential health provider repayment program for designated professionals; administration; repayment of debt or expenses; contract; requirements; lump sum payment; forfeiture; discretionary debt or expense repayment; maximum amount of debt or expense repayment; source of funds; distribution of funds; priority.**

Sec. 2705. (1) The department shall administer an essential health provider repayment program for designated professionals who have incurred a debt or expenses as a result of a loan taken to attend a medical school, dental school, mental health professional program, nursing program for the training of certified nurse midwives, certified nurse practitioners, or clinical nurse specialists-certified, or physician's assistant program or as a result of providing services in a health resource shortage area. The department may each year repay all or part of a designated professional's debt or expenses, but the amount repaid in any 1 year shall not exceed the amount described in subsection (3). The department shall repay a debt or expenses only for a designated professional who has entered into a written contract with the department that requires the designated professional to engage in the full-time practice of health care services in a health resource shortage area to which he or she is assigned by the department for a period equal in years to the number of years for which the department has agreed in the contract to make a debt or expense repayment, or for a period of 2 years, whichever is greater.

(2) A debt or expense repayment on behalf of a designated professional under subsection (1) for fulfilling a service obligation for a particular year must be paid in a lump sum at the completion of the service obligation for that year. A designated professional who does not fulfill a service obligation for a particular year forfeits his or her right to the debt or expense repayment or any part of it for that year and the department may treat an agreement for further debt or expense repayment in a subsequent year as void. In its sole discretion, the department may make a debt or expense repayment before or during each year of service if there are extenuating circumstances. In its sole discretion, the department may pay a pro rata amount of an agreed debt or expense repayment to a designated professional or his or her estate if 1 of the following occurs before the completion of the designated professional's service obligation:

- (a) The designated professional dies.
- (b) The designated professional is unable, by reason of permanent disability, to render the service.

(c) Other circumstances prevail that are considered by the department to constitute a compelling reason to consider the service obligation fulfilled.

(3) In any year of a debt or expense repayment program, the maximum amount of a debt or expense repayment is \$40,000.00 per year. The maximum amount of debt or expense repayment the department may pay on behalf of a designated professional is \$300,000.00, paid over a period of 10 years or more. The written contract described in subsection (1) must include the amount the department shall pay on behalf of a designated professional and the amount payable for each year of service.

(4) The department may accept funds from any source for the operation of the essential health provider repayment program, and the department shall distribute those funds in a manner consistent with this section.

(5) The department shall give the essential health provider repayment program created by this section priority over the other programs created under this part.

**History:** Add. 1990, Act 16, Eff. Oct. 1, 1990;—Am. 2014, Act 172, Imd. Eff. June 17, 2014;—Am. 2016, Act 499, Eff. Apr. 9, 2017;—Am. 2022, Act 37, Eff. Mar. 29, 2023.

**Popular name:** Act 368