



Office of Statewide Health
Planning and Development

**Steven M. Thompson Physician Corps
Loan Repayment Program (STLRP)**

**Grant Guide
For Fiscal Year 2021-22**

All applicants must agree to the terms and conditions prior to receiving funds. The Office of Statewide Health Planning and Development will not make changes to the terms and conditions specified in this Grant Guide.

Table of Contents

Section I: STLRP Grant Information	3
Background and Mission.....	3
Eligibility Requirements.....	3
Debt Eligibility	5
Available Funding and Award Amounts	5
Initiating an Application	6
Service Obligation.....	6
Worksite Absences	6
Communication Requirements.....	6
Evaluation and Scoring Procedures.....	7
Funding Priorities	7
Award Process.....	8
Grant Agreement Deliverables.....	8
Required Grant Documentation	8
Post Award and Payment Provisions	8
Breach Policy	8
Key Dates	9
Grant Questions and Answers	9
Contact Us.....	9
Section II: Provider eApp Technical Guide.....	10
Attachment A: Evaluation and Scoring Criteria.....	11
Attachment B: Sample Grant Agreement.....	14
EXHIBIT 1	25
EXHIBIT 2	26

Section I: STLRP Grant Information

Background and Mission

The Office of Statewide Health Planning and Development's (OSHPD) is a department that improves access to healthcare in underserved areas of California by providing scholarships and loan repayments to health professional students and graduates who provide direct client care in those communities. OSHPD and its programs are supported by grants, donations, licensing fees, and special funds.

STLRP was established in 2003 to increase access to healthcare and promote the retention of primary care physicians in medically underserved areas (MUAs) of California. STLRP is funded through a \$25 surcharge for renewal of allopathic physician licenses in California and through the Managed Care Administrative Fines and Penalties Fund. There is an advisory committee of seven members, with two members appointed by the California Medical Association. Physicians and surgeons can receive up to \$105,000 in exchange for providing direct patient care in a MUA for a minimum of three years.

Eligibility Requirements

Provider Eligibility Requirements

To be eligible for a STLRP award, each applicant must:

- Possess a valid and unrestricted MD or DO license to practice your profession in California
- Be in good standing with the Medical Board of California
- Not have any other existing service obligations with other entities, including other OSHPD programs
- Not be in breach of any other health professional service obligation
- Have completed a three-year residency
- Have unpaid educational loans
- Commit to providing a three-year full-time (40 hrs./week) service obligation in a medically underserved area (MUA)
- Provide 32 hours or more per week of direct patient care (**EXCEPTION: Physicians engaged in the practice of obstetrics, must be providing at least 21 hours of direct patient care**)
- Be practicing outpatient care (**patients must not be admitted to the hospital**)
- Complete and submit the application through the [OSHPD Funding Portal](#) by the deadline

Eligible Disciplines

STLRP participants must possess an active and valid license (without restrictions or encumbrances) to practice in one of the following, but not limited to, disciplines and specialties in California:

Discipline	Specialty
Primary Specialty	<ul style="list-style-type: none"> • Family Medicine • General Internal Medicine • General Pediatrics • Obstetrics/Gynecology
Specialty Outside Primary Care	<ul style="list-style-type: none"> • Gerontology • Psychiatry • Emergency Medicine • Surgery • Oncology

Practice Site Eligibility Requirements

Providers must work in one of the following eligible geographic or site designations:

- Health Professional Shortage Area – Primary Care (HPSA-PC)
- Health Professional Shortage Area – Mental Health (HPSA-MH)
- Primary Care Shortage Area (PCSA)
- State Facility
- County Facility
- Correctional Facility
- Native Indian Health Center / Tribal Health Clinic
- Federally Qualified Healthcare Center (FQHC) (see [OSHPD's FQHC list](#))
- Rural Healthcare Center (RHC)
- Veteran's Facility

Find out if your worksite is located in an eligible area <https://geo.oshpd.ca.gov/hpsa-search>

1. Eligible Practice Settings

In addition, providers must also work in one of the following eligible practice settings:

- A community clinic that is a primary care clinic, operated by a tax-exempt nonprofit organization or an Indian Tribal Clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's roll pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.
- A physician owned and operated medical practice setting that provides primary care located in a medically underserved area and has a minimum of 50 percent of patients who are

uninsured, Medi-Cal beneficiaries, or beneficiaries of another publicly funded program that serves patients who earn less than 250 percent of the federal poverty level.

- Emergency rooms where care is provided to patients that are not admitted to the hospital.
 - **NOTE: to identify which practice setting applies to your practice site, please consult your employer.**

Debt Eligibility

Qualifying Educational Loans

- Qualified Lender: Qualifying commercial lending institutions are those subject to examination and supervision by an agency of the United States, or by the state in which the institutions have their place of business.
- Loans (government and commercial) obtained from a qualifying lender for undergraduate and graduate health profession degrees.
- Consolidated and/or refinanced educational loans that clearly delineate the original loans and the degrees conferred.

Non-Qualifying Educational Loans

The following types of debt are **not eligible** for loan repayment under STLRP:

- Parents PLUS loans
- Loans in default
- Loans repaid in full
- Credit card debt
- Loans not in the provider's name
- Personal lines of credit
- Consolidated with mortgage loan
- Consolidated with loans owed by another person

Applicant's educational loans must be in good standing, defined as not being in default. Applicants may have educational loans that are in deferment and/or forbearance. Applicants who are awarded must continue to make payments during their terms of their contract.

Available Funding and Award Amounts

Available Funding

OSHPD issues this Grant Guide based on the total STLRP funding provided each award cycle. STLRP funding comes from licensure fees from the Medical Board of California and Osteopathic Board of California, Managed Care fines and penalties, and other donations.

Award Amount

The maximum award amount for the Steven M. Thompson Physician Corps Loan Repayment Program is **\$105,000**. OSHPD may award full, partial, or no funding to an applicant based on the applicant's success in meeting the selection criteria, and the amount of available

funds. Applicants will not be awarded more than their total educational debt left on their loan balance.

Applicants may be awarded up to two times. Applicants not selected for an award may apply for the next cycle. For applicants who are selected, upon completion of the first three-year service obligation, you would be eligible to apply for a second time.

A new application must be submitted to be considered for award, as each service obligation requires a separate contract, therefore obligations may not overlap, nor be considered a continuation of a previous agreement.

Initiating an Application

The applicant is responsible for providing all necessary information and ensuring that the information contained in the application is accurate.

Applicants must register and submit all applications (including all required forms, documents and/or attachments) through the web-based eApp <https://funding.oshpd.ca.gov/SignIn>.

New applicants must first register as a user to access the application materials. Returning applicants must use their previous email and password to login. *Section II: Provider eApp Technical Guide* contains information regarding how to register and complete your application.

You may apply for more than one OSHPD scholarship or loan repayment program at a time. However, if awarded, you can only contract for one service obligation at a time.

Service Obligation

Grantees must commit to providing a three-year service obligation, working full-time or maintain a full-time practice, in a MUA. Full-time means they must provide medical services for a minimum of 40 hours per week with 32 of those hours providing direct patient care on an outpatient basis, for a minimum of 45 weeks per year. The 40 hour per week may be compressed into no less than four days per week, with no more than 12 hours of work in any 24-hour period. This does not include hours spent on call.

“Direct Patient Care” means the provision of health care services provided directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes both, face-to-face and telehealth-based preventative care and first line supervision.

EXCEPTION: Physicians continuously engaged in the practice of obstetrics, must be providing 21 hours or more per week of direct patient care

Worksite Absences

Grantee can take up to seven weeks in a calendar year away from their STLRP approved practice site for any leave of absence approved by their worksite, or otherwise as required in order to comply with applicable federal and state laws. OSHPD will execute a contract amendment to extend the Grantee’s obligation end date for each day of absence over the allowable seven weeks.

Communication Requirements

Grantee must email OSHPD within these specified timeframes for the following reasons:

- **15 working days if you:**
 - Have any change in full-time status, including but not limited to, a decrease in the number of hours providing medical services (falling below 32 hours), termination, resignation, or leave of absence in excess of the time permitted outlined under “Worksite Absences.”
- **30 calendar days if you:**
 - Have any change in Practice Site. An Employment Verification form (EVF) must be submitted to their Program Officer via email. OSHPD will verify if the practice site is eligible.
Change your name, residential address, phone number and/or email address.
- **90 working days if you:**
 - File a petition with OSHPD for modification of the amount to be paid or repaid and/or the time of repayment regarding the breached contract.

Evaluation and Scoring Procedures

OSHPD may make multiple awards to current applicants. Please refer to *Attachment A: Evaluation and Scoring Criteria*. Final awards include consideration of the following elements:

1. At the time of application closing, OSHPD will check each application for the presence or absence of required information in conformance with the submission requirements.
2. OSHPD may reject applications that contain false or misleading lender statements.
3. OSHPD will use the evaluation tool in *Attachment A: Evaluation and Scoring Criteria* to score applications. OSHPD intends for this application to support multiple counties in California by providing a distribution of awards throughout the state. OSHPD may give preference to applications seeking to support geographic regions not addressed by other similarly scored applications.

Funding Priorities

OSHPD applies the following funding priorities to all eligible and qualified applicants:

1. Applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one of the following criteria:
 - a. Speak a Medi-Cal threshold language.
 - b. Come from economically disadvantage background.
 - c. Have received significant training in cultural and linguistically appropriate service delivery.
 - d. Have three years of experience providing health care services to medically underserved populations or in a medically underserved area.
2. Applicants who have completed a three-year residency in a primary specialty.
3. Applicants who agree to practice in a medically underserved area and serve a medically underserved population.
4. Applicant from rural communities who agree to practice in a physician owned and operated medical practice setting.
5. Applicants who agree to practice in a geriatric care setting and are trained in geriatrics.

Award Process

OSHPD will notify selected applicants (herein referred to as Grantee) after finalizing all award decisions. The award process time can vary depending upon the number of applications received. OSHPD will use DocuSign to send contract documents to Grantee for review and signatures.

Grant Agreement Deliverables

The Grantee shall:

- Submit six Progress Reports through the eApp, during the three-year service obligation. The schedule of those reports is as follows:

Deliverable	Available	Due Date
Progress Report One	October 1, 2022	October 31, 2022
Progress Report Two	April 1, 2023	April 30, 2023
Progress Report Three	October 1, 2023	October 31, 2023
Progress Report Four	April 1, 2024	April 30, 2024
Progress Report Five	October 1, 2024	October 31, 2024
Progress Report Six	April 1, 2025	April 30, 2025

Required Grant Documentation

- Contact Program Officer to receive an Employment Verification form (EVF) to complete **anytime** there is a change in practice site.
- Request and submit a Payee Data Record form (STD204) anytime there is a change in the Grantee's name and or residential address.

Post Award and Payment Provisions

1. OSHPD expects the Grantee will begin performance of the grant agreement on the start date listed on the grant documents.
2. The State Controller's Office mails a paper check directly to the Grantee's address on file. **Note: Please ensure OSHPD has your most recent residential address on file to avoid delay in payment. See Attachment B: Sample Grant Agreement, Section C for information on the payment schedule.**
3. OSHPD cannot provide tax advice to Grantees. OSHPD are not tax professionals and tax consequences may vary depending on the Grantee. For this reason, Grantees should seek professional tax advice.

Breach Policy

OSHPD reserves the right to recover monies for the Grantee's failure to perform the obligations set forth in the grant agreement. Refer to *Attachment B: Sample Grant Agreement Section 97931.05, Process and Penalties When Physician Is Unable to Complete Obligation; Notification to Program* for detailed information

Key Dates

The key dates for the program year are as follows:

Event	Date	Time
Application Available	September 1, 2021	3:00 p.m.
Application Submission Deadline	October 1, 2021	3:00 p.m.
Proposed Grant Agreement Start Date	March 31, 2022	N/A

Grant Questions and Answers

You can find answers to most questions in this Grant Guide or by reading the [Frequently Asked Questions \(FAQ\)](#) document. Prospective applicants may submit questions to OSHPD at HPEF-Email@oshpd.ca.gov at any time during the application cycle.

Contact Us

For questions related to LMHSPEP and the eApp, please email OSHPD staff at HPEF-Email@oshpd.ca.gov.

Section II: Provider eApp Technical Guide

Accessing the Application System

OSHDPD uses the eApp to allow healthcare providers and students to submit applications. This Grant Guide contains information you need to complete and submit an application in the eApp.

To access the eApp, go to <https://funding.oshpd.ca.gov/SignIn>. To ensure proper functionality in the eApp, use Chrome or Microsoft Edge, as Internet Explorer is no longer supported.

Registration and Login

All applicants must register in the eApp system before beginning an application. To register as a new user, click the “Create Account” button on the home page and follow the instructions. After submitting your email address and creating a password, you will receive an email with an account activation link. Click the link in the email to return to the eApp and complete your user account.

Submitting an Application

- By submitting the application, you agree to the grant Terms and Conditions.
- OSHDPD will not consider late or incomplete applications. For more detailed information, refer to *Key Dates* in this Grant Guide.
- Once you click the “Submit” button, you **cannot** go back to revise the application.
- The eApp will email you a confirmation of submission.

STLRP Application Components

A submitted application must contain all required information and conform to the Grant Guide format.

The STLRP application has nine sections to complete:

1. General Information
2. Contact Information (**one contact required**)
3. Professional Information
4. Medical Training
5. Employment History and Verification
6. Personal Statements
7. Educational Debt
8. Required Documents (**Make sure that file format is an acceptable format and that it can be opened. Examples of acceptable formats are .jpg, .doc, .docx, and .pdf**)
9. Application Certification

Where applicable, each page displays instructions. You can also click the “Help” button located next to your username in the upper right corner of your browser window for additional assistance or explanation. If you need additional assistance, contact STLRP staff at HPEF-Email@oshpd.ca.gov.

Attachment A: Evaluation and Scoring Criteria

SCORING CRITERIA		
Core Categories	Guideline	Points
Cultural and Linguistic Competence Professional Goals	<p>Growing up, did you live in an underserved or economically disadvantaged community? If Yes: Please describe your experiences. If No: Please give an example of how you relate to communities/populations, you work with that are underserved or disadvantaged.</p> <p>0 points: Applicant answered “no” and does not give an example of how they relate to communities/populations you work with that are underserved or disadvantaged.</p> <p>1 point: Applicant answered “yes” but didn’t adequately describe their experience.</p> <p style="text-align: center;">OR</p> <p>1 point: Applicant answered “no” but demonstrated that they can relate to the population they serve.</p> <p>2 points: Applicant answered “yes” and described their experiences.</p>	2 points max (Full points only)
	<p>Describe the types of education, training, or work experience you have had in a medical Health Professional Shortage Area and give an example of how this background has contributed to your competency working in a medical health professional shortage area.</p> <p>1 point: Each example of education, training, or work experience the applicant provides, up to 2 examples.</p>	2 points max (Full points only)
	<p>Describe and give an example of your cultural and linguistic competency in working with medically underserved population(s).</p> <p>1 point: Applicant describes their cultural and linguistic competency.</p> <p>2 points: If their example displays that they are well suited to meet the needs and demands of patients from medically underserved populations.</p>	2 points max (Full points only)

SCORING CRITERIA		
Core Categories	Guideline	Points
	<p>Explain your interest and dedication in working with medically underserved populations in medically underserved areas.</p> <p>1 point: Applicant shows interest in working with medically underserved populations but does not provide an explanation</p> <p>2 points: Applicant displays that they are likely to continue working with medically underserved populations beyond the service obligation</p>	<p>2 points max (Full points only)</p>
	<p>Why would you like to participate in this loan repayment program?</p> <p>1 point: Applicant clearly explains interest in participating in the STLRP program.</p>	<p>1 point max (Full points only)</p>
Extra Points	<p>1 point: Applicant is a military veteran, with proof of honorable discharge.</p> <p>1 point: Applicant has been licensed for 15 years or less.</p> <p>1 point: Physician is certified.</p> <p>1 point: Physician attended medical school where the language of instruction was a Medi-Cal threshold language.</p> <p>1 point: Physician has completed a three-year residency</p> <p>1 point: Physician has completed a three-year residency, and the residency was in a primary care specialty</p> <p>1 point: Physician has completed a medical exchange program during medical school or during post-graduate training wherein services were provided to a patient population that primarily speaks a Medi-Cal threshold language.</p> <p>1 point: Physician has completed a fellowship in a culturally appropriate service delivery</p> <p>1 point: For each year of employment history at a practice site located in either a Health Professional Shortage Area (HPSA), a Primary Care Shortage Area, a Federally Qualified Healthcare Center or a Rural Health Center with a HPSA designation; with a maximum of 15 points possible.</p>	<p>35 points max (Predetermined)</p>

SCORING CRITERIA		
Core Categories	Guideline	Points
Extra Points <i>(continued)</i>	<p>2 points: Physician uses Medi-Cal threshold language at work.</p> <p>1 point: Additional point for each additional Medi-Cal threshold language used at work, up to 5 points</p> <p>1 point: For each current qualifying practice site.</p> <p>1 point: If the current practice site(s) have a Medical Service Study Area of rural or frontier designation.</p>	35 points max (Predetermined)
Totals		44 points max

Attachment B: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE DEPARTMENT OF HEALTH CARE ACCESS
AND INFORMATION AND
[PROVIDER NAME], [DISCIPLINE]
GRANT AGREEMENT NUMBER **[GRANT NUMBER]**

THIS GRANT AGREEMENT (“Agreement”) is entered into on [Grant Start Date] by and between the State of California, Department of Health Care Access and Information (hereinafter “HCAI”) and **[Provider Name]** (hereinafter “Grantee”)

WHEREAS, Article 5 of Part 3 of Division 107 of the California Health and Safety Code (commencing with section 128550) established the Steven M. Thompson Physician Corps Loan Repayment Program (Program) within the Department of Health Care Access and Information (HCAI).

WHEREAS, Grantee applied to participate in the **[Program Name]**, by submitting an application in response to the **[Application Year] [Program Name]** Application.

WHEREAS, Grantee was selected by HCAI through duly adopted procedures to receive grant funds from **[Program Acronym]**.

NOW THEREFORE, HCAI and the Grantee, for the consideration and under the conditions hereinafter set forth, agree as follows:

A. Definitions

- a. “Program Application” means the grant application submitted by Grantee.
- b. “Grant Agreement/Grant Number” means the Grant Number **[Grant Agreement Number]** awarded to Grantee.
- c. “Provider” means the Grantee.
- a. “Grant Funds” means the money provided by HCAI to Grantee per this Agreement.
- b. “Program” means the **[Program Name]**.
- c. “Program Manager” means the HCAI manager responsible for the grant program.
- d. “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.

- e. "Direct Patient Care" means the provision of health care services provided directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes both, face-to-face and telehealth-based preventative care and first-line supervision.
- f. "Full-Time Service" is defined as a minimum of 40 hours per week.
- g. "Qualified Facility" is either (i) a facility determined by the Director pursuant to section 128385 of the Health and Safety Code to be an eligible county health facility or an eligible state-operated facility, or (ii) a facility within a Medically Underserved Area, meaning a geographic area designated by the Director of the Office of Statewide Health Planning and Development, which means one of the following sets of criteria:
 - 1. A medical service study or urban subdivision of a medical service study area as designated by the California Health Workforce Policy Commission which has fewer than one primary care physician per 3,000 persons. Primary care physicians are licensed physicians in California who practice principally in general or family practice, general internal medicine, pediatrics or obstetrics and gynecology.
 - 2. A primary care health professional shortage area as designated by the Secretary of the U.S. Department of Health and Human Services under the authority of section 254e of Title 42 of the United States Code Annotated.

B. Term of the Agreement

This Agreement shall take effect on **[Agreement Start Date]** and shall terminate on **[Agreement End Date]**.

C. Scope of Work

Grantee agrees to the following Scope of Work as set forth herein. In the event of a conflict between the provisions of this section and the Grantee's Application, the provisions of this Scope of Work Section shall prevail:

- a. For the period of **[Agreement Start Date]** through **[Agreement End Date]** to provide permanent full-time service in direct patient care on an outpatient basis, including practicing at least 36 months at a qualified facility as a(n) **[Discipline]**.
- b. Provide medical services in a practice setting listed in Exhibit 1, a copy of which is attached and incorporated herein by reference and to comply with all terms of the Program as specified in Article 5 of Part 3 of Division 107 of the

California Health and Safety Code (commencing with section 128550), which are attached hereto as Exhibits 2, respectively, and incorporated by reference in their current form or as may be amended.

- c. Notify HCAI, in writing, of any and all name, mailing address, phone number, and e-mail address changes within 30 days of the changes.
- d. The Grantee must notify HCAI within 30 days of any change in the place of employment. HCAI will verify if the new place of employment qualifies. It is highly recommended for Grantees to contact their Program Representative to verify eligibility of a potential new employer before switching places of employment.
- e. In all respects, comply with the applicable statutes and regulations governing the Department of Healthcare Access and Information (HCAI), including but not limited to Health and Safety Code section 128330, et seq. These documents are hereby incorporated by reference and made part of this Agreement as if attached hereto.
- f. Submit to HCAI by required deadlines, as determined by HCAI, all requested information during the duration of the contract term **[Agreement Start Date]** through **[Agreement End Date]**. HCAI may request information to include, but not limited to, Employment Verification Form and Progress Reports.
- g. Grantee must not sign, or have signed, a contract with another entity to practice professionally for a given period (during the Term) in exchange for financial assistance, including tuition reimbursement, scholarships, loans, or a loan repayment. The Grantee shall be ineligible to receive a loan repayment under this Agreement until the conflicting obligation to this other entity has been fulfilled.
- h. Apply all Grant Funds received to the qualifying educational loan(s) provided by the lending institution(s) listed on the approved Program Application. Grantee must pay all received Grant Funds toward the qualifying educational loans during the term of this Agreement. Work performed, and payments made before the grant agreement start date, will not count towards the requirements for the grant agreement.
- i. Pay to the lending institution(s) listed in the approved Program Application any interest that accrues during the term of this Agreement.

D. Payment Provisions and Reporting Requirements

1. During the term of this Agreement, HCAI agrees to make three **[Payment Frequency]** payments to the Grantee as indicated below. HCAI reserves the right to change payment provisions within the Agreement term, if needed.

2. Service obligations will be monitored via the regular submission of Program Progress Reports by the Grantee. HCAI reserves the right to increase or decrease the number of progress reports required to be submitted within the Agreement term, if needed. Continue to make any required payments on all outstanding student loans and shall apply any payment received from HCAI under this Agreement towards the principal, interest, and related expenses on outstanding governmental and commercial educational loans, not in default, related to the Grantee's education that was required to become a healthcare provider. **Nothing in this Agreement relieves the Grantee of the primary responsibility to repay the educational debts listed in the approved Program Application.**
3. The total obligation of HCAI under this Agreement shall not exceed **[\$Award Amount]** to the Grantee and shall be payable as follows:
 - a. **[\$Payment #1]** after participant has completed one year of service obligation in compliance with this Agreement which begins on **[Contract Start Date]**; and is to be completed on **[Contract End Date]**.
 - b. **[\$Payment #2]** after participant has completed two consecutive years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #4]**.
 - c. **[\$Payment #3]** after participant has completed three consecutive years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #6]**.
4. Payments shall be made and is conditioned upon HCAI's receipt of documentation of the Grantee's provision of the service obligation, and other documents as required by HCAI. Payment shall be made within 45 calendar days of receipt by HCAI of all required documentation. Payments under this Agreement are not issued with regard to any loan payment due date and may be made at any time within the terms of this Agreement.

E. Award may be Exempt from Federal Income Taxes

HCAI does not provide tax advice and this section may not be construed as tax advice from HCAI. Grantee should seek advice from an independent tax consultant regarding the financial implication(s) of any funds received from HCAI.

Payments made under certain State Loan Repayment Programs may be exempt from federal taxes under 26 U.S.C. § 108(f)(4):

“In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act (enacted by Pub L. 108-357, § 320(a) in 2004), of under any other State loan repayment or loan forgiveness program that

is intended to provide for the increased availability of healthcare services in underserved or health professional shortage areas (as determined by such State).”

HCAI does not withhold any tax from the award.

F. Prompt Payment Clause

Payments will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

G. Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, HCAI shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this Program, HCAI shall have the option to either cancel this Agreement with no liability occurring to HCAI or offer an Agreement amendment to Grantee to reflect the reduced amount.

H. Breach

1. HCAI reserves the right to recover any and all amounts provided to the Grantee for Grantee’s failure to perform the Scope of Work set forth in this Agreement. HCAI expressly reserves the right to pursue all legal and equitable remedies in the event of a breach by Grantee, including the right to disqualify Grantee from future funding opportunities.
2. Grantee shall notify the program in writing within 15 working days of any change in the physician's full-time status, including but not limited to, a decrease in the number of hours providing medical services, termination, resignation, or leave of absence in excess of the time permitted in *Section J. Agreement Continuation*.
3. A physician participating in the program who is unable to complete the required three years of service shall pay to the Office, within 365 calendar days after notification by the program, an amount equal to the total amount of loan repayment paid to the physician by the program. Whenever the program has evidence that the physician is unable to complete the required three years of service, it shall notify the participating physician of the amount to be repaid to the Office and the date by which the physician shall make that repayment.

4. A physician or the physician's representative may petition the program for modification of the amount to be paid or repaid and/or the time for repayment. The petition shall be in writing, accompanied by those documents necessary to establish the basis for the petition, and shall be filed with the program not later than 90 working days after the date of the notification. A petition shall be accepted for filing only if it is based on one or more of the following grounds:
 - a. The physician was terminated without cause.
 - b. The physician was unable to complete the required three years of service due to factors beyond the physician's control.
 - c. Both the practice setting, and the physician have agreed to the termination of the physician's employment, and the physician has been unsuccessful in obtaining subsequent qualifying employment within 3 months after termination of employment.
5. The program shall review the petition and supporting documents and shall notify the physician in writing of its decision within 60 working days after receipt of the complete petition.
6. Failure to repay the amount due within 365 calendar days as required, shall constitute unprofessional conduct and is not subject to Section 2314 of the Business and Professions Code. It shall also result in the accrual of interest, at prime, on the outstanding balance, reporting of the default to credit agencies, lien(s) on the physician's personal property, and garnishment of the physician's future wages. It may also result in civil damages, including the imposition of attorney fees.

I. Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service

1. Any service or payment obligation incurred by the Grantee will be canceled upon the Grantee's death.
2. A Grantee may seek a modification, waiver, suspension, reduction, or delay of the service or payment obligations incurred as a result of Grantee's breach by written request to HCAI setting forth the basis, circumstances, and causes which support the requested action. HCAI may approve a request for a suspension for a period of not more than one year. A renewal of this suspension may also be granted on a case-by-case basis.
3. HCAI may modify, waive, suspend, reduce, or delay any service or payment obligation incurred by a Grantee whenever compliance by the Grantee is impossible, or would involve extreme hardship to the Grantee, and if the

enforcement of the service or payment obligation would be against equity and good conscience.

4. Compliance by a Grantee with a service or payment obligation shall be considered impossible if HCAI determines, on the basis of information and documentation, that the Grantee suffers from a physical or mental disability resulting in the permanent (or near-permanent) inability of the Grantee to perform the service or other activities which would be necessary to comply with the obligation.
5. In determining whether to waive, suspend, reduce or delay any or all of the service or payment obligations of a Grantee as imposing an undue hardship and being against equity and good conscience, HCAI may consider:
 1. The Grantee's present financial resources and obligations
 2. The Grantee's estimated future financial resources and obligations
 3. The extent to which the Grantee has problems of a personal nature, such as physical or mental disabilities, or terminal illness in the immediate family, which so intrude on the Grantee's present and future ability to perform as to raise a presumption that the individual will be unable to perform the obligation incurred.

J. Agreement Continuation

1. Grantee may apply to extend the term of the Agreement. HCAI reserves the right to deny Grantee's request to extend the term of the Agreement.
2. Grantee may take up to seven weeks in a calendar year from their approved practice site for any leave of absence approved by their worksite, except otherwise required in order to comply with applicable federal and state laws, without it affecting their service obligation.
3. Should HCAI and the Grantee agree to amend the dates of this Agreement, the service obligation shall be extended for each day of absence over the allowable seven weeks.

K. General Terms and Conditions

1. **Timeliness:** Time is of the essence in this Agreement. Grantee will submit the required deliverables as specified and adhere to the deadlines as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Grantee.

2. **Final Agreement:** This Agreement, along with the Grantee's Application, exhibits and forms constitutes the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions. In the event of a conflict between the provisions of this Agreement and the Grantee's application, exhibits, and forms, the provisions of this Agreement shall prevail.
3. **Cumulative Remedies:** A failure to exercise or a delay in exercising, on the part of the HCAI, any right, remedy, power or privilege hereunder shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.
4. **Ownership and Public Records Act:** All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall become the property of the State and subject to the California Public Records Act (Gov. Code § 6250 et seq.).
5. **Audits:** The Grantee agrees that HCAI, the Department of General Services, the State Auditor, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audits for a minimum of three years after final payment, unless a longer period of records retention is stipulated by the State. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Agreement Code §10115 et seq., Cal. Code Regs. tit. 2, §1896).
6. **Non-Discrimination Clause (See Cal. Code Regs., Title 2, § 11105):**
 - a. During the performance of this Agreement, Grantee and its subcontractors shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Grantee shall ensure that the

evaluation and treatment of employees and applicants for employment are free of such discrimination.

- b. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§ 11135-11139.5), and any regulations or standards adopted by HCAI to implement such article.
 - c. Grantee shall permit access by representatives of the Department of Fair Employment and Housing and HCAI upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or HCAI shall require to ascertain compliance with this clause.
 - d. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
7. Independence from the State: The Grantee and the agents and employees of the Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
 8. Waiver: The waiver by HCAI of a breach of any provision of this Agreement by the Grantee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify the Grantee from any future grant awards for failure to comply with the terms of this Agreement.
 9. Approval: This Agreement is of no force or effect until signed by both parties. The Grantee may not commence performance until such approval has been obtained.
 10. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
 11. Assignment: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.
 12. Indemnification: Grantee agrees to indemnify, defend and save harmless the State, its officers, agents, and employees (i) from any and all claims and losses accruing or resulting to any and all Grantee's, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services,

materials, or supplies resulting from the Grantee's performance of this Agreement, and (ii) from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee in the performance of this Agreement.

13. Disputes: Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:

- d. The Grantee will discuss the problem informally with the HCAI Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director, stating the issues in dispute, the basis for the Grantee's position, and the remedy sought. Grantee shall include copies of any documentary evidence and describe any other evidence that supports its position with its submission to the Deputy Director.
- e. Within ten working days after receipt of the written grievance from the Grantee, the Deputy Director or their designee shall make a determination and respond in writing to the Grantee indicating the decision and reasons for it.
- f. Within ten working days of receipt of the Deputy Director's decision, the Grantee may appeal to the Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's Decision. The Chief Deputy Director or designee (who shall not be the Deputy Director or their Designee) shall meet with the Grantee within 20 working days of receipt of the Grantee's appeal. During this meeting, the Grantee and HCAI may present evidence in support of their positions.
- g. Within ten working days after meeting with the Grantee, the Chief Deputy Director or their designee shall respond in writing to the Grantee with their decision. The Chief Deputy Director's decision will be final.

14. Termination for Cause: HCAI may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided.

15. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

16. Unenforceable Provision: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

L. Grant Representatives

The grant representative during the term of this agreement are listed below. Direct all inquiries to:

State Agency: Department of Health Care Access and Information	HCAI Program Awarded Under [Name of Program]
Section/Unit: Office of Health Workforce Development	Grantee's First Name, Last Name: [Grantee's Full Name]
Name: [Program Officer Full Name]	Address: [Address 1]
Address: 2020 West El Camino Avenue, Suite 1222 Sacramento, CA 95833	Phone Number 1: [Phone 1]
Phone: [Program Officer Main Phone]	Phone Number 2: [Phone 2]
Email: [Program Officer Primary Email]	Email: [Email Address]

M. GRANTEE'S ACKNOWLEDGEMENT:

By signing below, the Department of Health Care Access and Information (HCAI) and Grantee acknowledge that this Agreement accurately reflects the understanding of HCAI and Grantee with respect to the rights and obligations under this Agreement.

[Grantee's Full Name]

Date

For the Department of Health Care Access and Information:

[Procurement and Contract Services Manager]

Date

EXHIBIT 1
PRACTICE SETTING FOR THE
PROVISION OF MEDICAL SERVICES

Participant agrees to provide medical services at the following practice setting:

[Employer Name]

[Employer Address]

[End of Exhibit 1]

EXHIBIT 2

Health and Safety Code Section 128550-128558:
Steven M. Thompson Physician Corps Loan Repayment Program

128550.

- (a) There is hereby established within the Department of Health Care Access and Information the California Physician Corps Program.
- (b) Commencing July 1, 2006, both of the following programs shall be transferred from the Medical Board of California to the California Physician Corps Program within the department and operated pursuant to this article:
 - (1) The Steven M. Thompson Physician Corps Loan Repayment Program.
 - (2) The Physician Volunteer Program developed by the Medical Board of California.
- (c) The department may enter into an interagency agreement with the Medical Board of California to implement the transfer of programs as provided under subdivision (b).

128551.

- (a) It is the intent of this article that the department provide the ongoing program management of the two programs identified in subdivision (b) of Section 128550 as a part of the California Physician Corps Program.
- (b) For purposes of subdivision (a), the department shall consult with the Medical Board of California and shall establish and with an advisory committee of not more than seven members, that shall include two members recommended by the California Medical Association and may include other members of the medical community, including ethnic representatives, medical schools, health advocates representing ethnic communities, primary care clinics, public hospitals, and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with expertise in health care issues.

128552. For purposes of this article, the following definitions shall apply:

- (a) "Account" means the Medically Underserved Account for Physicians established within the Health Professions Education Fund pursuant to this article.
- (b) "Fund" means the Health Professions Education Fund.
- (c) "Medi-Cal threshold languages" means primary languages spoken by limited-English-proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single Zip Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous Zip Codes.
- (d) "Medically underserved area" means an area defined as a health professional shortage area in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the California Healthcare Workforce Policy Commission pursuant to Section 128225.

EXHIBIT 2

- (e) “Medically underserved population” means the Medi-Cal program, Healthy Families Program, and uninsured populations.
- (f) “Department” means the Department of Health Care Access and Information.
- (g) “Physician Volunteer Program” means the Physician Volunteer Registry Program established by the Medical Board of California.
- (h) “Practice Setting,” for the purposes of this article only means either of the following:
 - (1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county’s role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.
 - (2) A physician owned and operated medical practice setting that provides primary care located in a medically underserved area and has a minimum of 50 percent of patients who are uninsured, Medi-Cal beneficiaries, or beneficiaries of another publicly funded program that serves patients who earn less than 250 percent of the federal poverty level.
- (i) “Primary specialty” means family practice, internal medicine, pediatrics, or obstetrics/gynecology.
- (j) “Program” means the Steven M. Thompson Physician Corps Loan Repayment Program.
- (k) “Selection committee” means minimum three-member committee of the board, that includes a member that was appointed by the Medical Board of California.

128553.

- (a) Program applicants shall possess a current valid license to practice medicine in this state issued pursuant to Section 2050 of the Business and Professions Code or pursuant to the Osteopathic Act.
- (b) The department shall develop guidelines using the criteria specified in subdivision (c) for selection and placement of applicants. The department shall interpret the guidelines to apply to both osteopathic and allopathic physicians and surgeons.
- (c) The guidelines shall meet all of the following criteria:
 - (1) Provide priority consideration to applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one or more of the following criteria:
 - (A) Speak a Medi-Cal threshold language.
 - (B) Come from an economically disadvantaged background.
 - (C) Have received significant training in cultural and linguistically appropriate service delivery.

EXHIBIT 2

- (D) Have three years of experience providing health care services to medically underserved populations or in a medically underserved area, as defined in subdivision (e) of Section 128552.
 - (E) Have recently obtained a license to practice medicine.
 - (2) Include a process for determining the needs for physician services identified by the practice setting and for ensuring that the practice setting meets the definition specified in subdivision (h) of Section 128552.
 - (3) Give preference to applicants who have completed a three-year residency in a primary care specialty.
 - (4) Give preference to applicants who agree to practice in a medically underserved area, as defined in subdivision (e) of Section 128552, and who agree to serve in a medically underserved population.
 - (5) Give priority consideration to applicants from rural communities who agree to practice in a physician owned and operated medical practice setting as defined in paragraph (2) of subdivision (i) of Section 128552.
 - (6) Include a factor ensuring geographic distribution of placements.
 - (7) Provide priority consideration to applicants who agree to practice in a geriatric care setting and are trained in geriatrics, and who can meet the cultural and linguistic needs and demands of a diverse population of older Californians. On and after January 1, 2009, up to 15 percent of the funds collected pursuant to Section 2436.5 of the Business and Professions Code shall be dedicated to loan assistance for physicians and surgeons who agree to practice in geriatric care settings for settings that primarily serve adults over the age of 65 years or adults with disabilities.
- (d) (1) The department may appoint a selection committee that provides policy direction and guidance over the program and that complies with the requirements of subdivision (l) of Section 128552.
- (2) The selection committee may fill up to 20 percent of the available positions with program applicants from specialties outside of the primary care specialties.
- (e) Program participants shall meet all of the following requirements:
- (1) Shall be working in or have a signed agreement with an eligible practice setting.
 - (2) Shall have full-time status at the practice setting. Full-time status shall be defined by the board and the selection committee may establish exemptions from this requirement on a case-by-case basis.
 - (3) Shall commit to a minimum of three years of service in a medically underserved area. Leaves of absence shall be permitted for serious illness, pregnancy, or other natural causes. The selection committee shall develop the process for determining the maximum permissible length of an absence and the process for reinstatement. Loan repayment shall be deferred until the physician is back to full-time status.
- (f) The department shall adopt a process that applies if a physician is unable to complete his or her three-year obligation.

EXHIBIT 2

- (g) The department, in consultation with those identified in subdivision (b) of Section 128551, shall develop a process for outreach to potentially eligible applicants.
- (h) The department may recommend to the office any other standards of eligibility, placement, and termination appropriate to achieve the aim of providing competent health care services in approved practice settings.

12855.

- (a) The Medically Underserved Account for Physicians is hereby established within the Health Professions Education Fund. The primary purpose of this account is to provide funding for the ongoing operations of the Steven M. Thompson Physician Corps Loan Repayment Program provided for under this article. This account also may be used to provide funding for the Physician Volunteer Program provided for under this article.
- (b) All moneys in the Medically Underserved Account contained within the Contingent Fund of the Medical Board of California shall be transferred to the Medically Underserved Account for Physicians on July 1, 2006.
- (c) Funds in the account shall be used to repay loans as follows per agreements made with physicians:
 - (1) Funds paid out for loan repayment may have a funding match from foundations or other private sources.
 - (2) Loan repayments may not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.
 - (3) Loan repayments may not exceed the amount of the educational loans incurred by the physician participant.
- (d) Notwithstanding Section 11105 of the Government Code, effective January 1, 2006, the foundation may seek and receive matching funds from foundations and private sources to be placed in the account. "Matching funds" shall not be construed to be limited to a dollar-for-dollar match of funds.
- (e) Funds placed in the account for purposes of this article, including funds received pursuant to subdivision (d), are, notwithstanding Section 13340 of the Government Code, continuously appropriated for the repayment of loans. This subdivision shall not apply to funds placed in the account pursuant to Section 1341.45.
- (f) The account shall also be used to pay for the cost of administering the program and for any other purpose authorized by this article. The costs for administration of the program may be up to 5 percent of the total state appropriation for the program and shall be subject to review and approval annually through the state budget process. This limitation shall only apply to the state appropriation for the program.
- (g) The department shall manage the account established by this section prudently in accordance with the other provisions of law.

EXHIBIT 2

128556.

The terms of loan repayment granted under this article shall be established by the department.

128558.

This article shall become operative on July 1, 2006.

[End of Exhibit 2]