



# Oregon

Theodore R. Kulongoski, Governor

## Oregon Student Assistance Commission

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[www.osac.state.or.us](http://www.osac.state.or.us)

## OREGON RURAL HEALTH SERVICES LOAN REPAYMENT PROGRAM

### What is the Oregon Rural Health Services (RHS) Program?

The Oregon Rural Health Services Loan Repayment Program offers loan repayment to physicians, dentists, pharmacists, nurse practitioners, and physician assistants who agree to practice in a 'qualifying practice site' as defined in OAR 575-071-0000. The intent of the program is to attract professional health care providers to Oregon's rural "areas of unmet health care need."

In exchange for qualifying service, participants may receive funds to repay qualifying graduate-level, federal loan debt. The qualifying loan debt is the original principal balances on loans received during the applicant's professional medical program. The maximum total benefit from this program per participant is \$100,000. Once the first payment from this program is received and processed, the participant is obligated to satisfy the minimum practice requirement or pay a penalty equal to 150% of the program benefit received.

*Physicians, dentists, and pharmacists* may receive annual payments equal to 20% of the total qualifying loan principal for a minimum service obligation of three years and maximum program participation of five years. Physicians, dentists, and pharmacists must serve a minimum of three years employment in a qualifying site to avoid penalties.

*Nurse practitioners and physician assistants* may receive annual payments equal to 25% of the total qualifying loan principal for a minimum service obligation of two years and maximum program participation of four years. Nurse practitioners and physician assistants must serve a minimum of two years employment in a qualifying site to avoid penalties.

### Where are the qualifying areas?

The Office of Rural Health determines the qualifying practice sites for the purposes of this program. The sites or areas where participants may work to fulfill their practice obligation differ by profession:

- **Physicians, nurse practitioners, and physician assistants** may practice in any facility located in an Area of Unmet Healthcare Need (AUHCN).
- **Pharmacists** may work in any facility located in an Area of Unmet Healthcare Need (AUHCN) or federally designated Health Professional Shortage Area (HPSA) so long as the pharmacy is not part of a group of six or more pharmacies under common ownership.
- **Dentists** may practice in any facility located in a federally designated Dental Health Professional Shortage Area (Dental HPSA).

**All participants may also work in any Critical Access Hospital (CAH) or a federally certified Rural Health Clinic (RHC).** Please see the map and list of AUHCNs, HPSAs or Dental HPSAs at the website for the Oregon Office of Rural Health at [www.ohsu.edu/oregonruralhealth](http://www.ohsu.edu/oregonruralhealth) for clarification.

### Which student loans qualify?

HEAL Loans  
Health Professions Loans  
Nursing Loans  
Perkins Loans  
Stafford Loans

SLS Loans  
William D. Ford Direct Loans  
Medical/Dental/Nursing Loans  
Primary Care Loans (*MDs only*)

### How do I apply?

The Oregon Student Assistance Commission (OSAC) administers the Oregon Rural Health Services Loan Repayment Program. An application can be found at our website

[www.getcollegefunds.org/ad\\_repay\\_rural\\_health.html](http://www.getcollegefunds.org/ad_repay_rural_health.html).

OSAC posts a PDF version of the application in every October. Bookmark this site! The earliest a health professional may apply is during the last year of schooling leading to his or her professional degree.

The application period is normally open during October and November each year and awards are made in December. Applicants will be asked to provide information about professional education, certification, and student loan indebtedness. Specific information regarding application deadlines will be published on the application.

**Is the number of participants limited?**

Yes. Annual awards are limited by statute and by available funding. The average number of awards each year is 6 to 10 individuals. However, no more than a maximum of 10 nurse practitioners, 10 pharmacists, 10 physicians, 10 dentists, and 10 physician assistants may be added to the program each year.

Factors considered in the selection process may include rural background, practice experience in a rural community, and information pointing to the likelihood of an applicant's eventual practice in a qualifying area.

**What happens if I am selected?**

Your qualifying loan debt will be verified and you and the Student Assistance Commission will sign an agreement that sets forth the following:

- Terms and conditions under which payments will be made toward the participant's student loans;
- The maximum which may be paid in any year, and
- The cumulative amount payable over the maximum period of practice in a qualifying area

Placement information and assistance is provided through the Healthcare Experts for Rural Oregon (HERO) program administered by the Office of Rural Health at Oregon Health and Science University.

**Who actually pays the participant's student loans?**

Participants are responsible for their own loan repayments. The RHS program will make a single payment to the participant after each year of qualifying practice. To remain in good standing with lenders, participants will need to make regular payments when they are due.

**Are RHS payments taxable?**

Yes, you must claim each annual payment as income on your taxes. The Student Assistance Commission will issue annual IRS 1099 forms to participants receiving payments. Participants are strongly advised to retain appropriate portions of RHS payments for the payment of U.S. income taxes. Health professionals in qualifying rural areas may also qualify for a State of Oregon income tax credit of up to \$5,000 per year. Check with the IRS.

**Are there any circumstances that could lead to a waiver of the financial penalties for failure to complete the minimum service obligation?**

Yes, penalties may be waived:

- Upon the death of a participant
- Upon the documented total and permanent disability of the participant
- Upon favorable ruling on an appeal to the Student Assistance Commission

**I would like to apply and I have other questions. Who can I talk to?**

Rachel Cummings  
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[rachel.b.cummings@state.or.us](mailto:rachel.b.cummings@state.or.us)

**For more information about health care practice opportunities in rural Oregon, contact:**

HERO Recruitment Services  
Oregon Health & Science University  
Office of Rural Health - L593  
3181 SW Sam Jackson Park Road  
Portland, OR 97201 3098  
Direct (503) 494-8685  
Toll-free (866) 674-4376  
Fax (503) 494-4798  
[www.ohsu.edu/oregonruralhealth](http://www.ohsu.edu/oregonruralhealth)