

WEST VIRGINIA BOARD OF REGENTS

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SECRETARY OF STATE

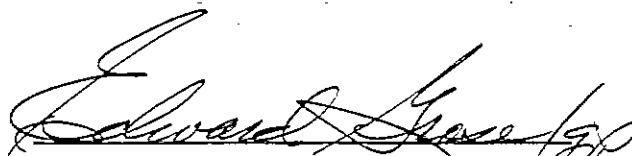
NOTICE OF AGENCY ADOPTION

RULE TITLE: Medical Education Fee and Medical Student Loan Program

RULE TYPE: Procedural

he enclosed rule constitutes the official rule adopted by  
the West Virginia Board of Regents

on: December 2, 1985 and filed with the  
Secretary of State.



Edward Grose, Vice Chancellor  
for Administrative Affairs

December 18, 1985

DATE

# WEST VIRGINIA BOARD OF REGENTS

FILED

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950 Kanawha Boulevard, East / Charleston, West Virginia 25301

Telephone 304-348-2101

*Title 128*

~~WEST VIRGINIA PROCEDURAL RULES  
WEST VIRGINIA BOARD OF REGENTS  
CHAPTERS 18-24 and 18-26  
SERIES 18~~

POLICY BULLETIN NO. 63

*Series 63*

TITLE: Medical Education Fee and Medical Student Loan Program

## Section 1. General

1.1 These rules promulgate policy and procedure regarding the establishment of a medical education fee and a medical student loan program.

1.2 Authority - West Virginia Code §18-24-1c and §8-26-29

1.3 Filing Date - December <sup>19</sup>18, 1986

1.4 Effective Date - February <sup>17</sup>16, 1987

## Section 2. Purpose

2.1 The legislation addresses three policy issues: Rising state cost of medical education, continued access to medical education by West Virginians who demonstrate financial need, and the geographic and specialty maldistribution of physicians. The purpose of the medical education fee is twofold: first, to provide funds to offset general operating costs at each of the state's three medical schools, thereby reducing their required level of state support, and; second, to provide funding for the loan program. The loan program partially offsets the medical education fee to assure continued access to medical school for qualified West Virginians who demonstrate financial need. The loan program also provides for certain loan forgiveness incentives to encourage physicians to practice in designated medically underserved areas or medical specialties.

## Section 3. Medical Education Fee Adjustments

3.1 The Board of Regents is authorized to fix the fee rates for students at each institution and may from time to time change these rates. The Board envisions increasing the medical education

WEST VIRGINIA PROCEDURAL RULE  
WEST VIRGINIA BOARD OF REGENTS  
CHAPTERS 18-24 AND 18-26  
SERIES II

SUBJECT: POLICY BULLETIN 63

TITLE: Medical Education Fee and Medical Student Loan Program

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fee incrementally over a number of years until the tuition and fees approximate the median value for medical schools of the fourteen Southern Regional Education Board states.

Section 4. Medical Education Fee Collection and Disposition

4.1 All medical students enrolled for credit at the West Virginia University School of Medicine, Marshall University School of Medicine, and the West Virginia School of Osteopathic Medicine shall pay a medical education fee, except those with authorized and approved Board of Regents' waivers pursuant to Section 18-24-3 of the West Virginia Code.

4.2 The Board of Regents (Board) shall annually, or at such other times as it may desire, fix the amount of the Medical Education Fee to be assessed resident and non-resident students at the state's medical schools. All such fees collected by an institution shall be deposited promptly in the State Treasury in the accounts designated for such purposes. Two-thirds of the total fees collected at each institution shall be deposited by the institution in the Medical Education Fee account at their institution (Account #86xx-12), to be used to offset general operating expenses of the medical school. The remaining one-third of fee receipts shall be transferred promptly to the Board's Medical Education Loan Fund (Account #8700-12). The Board is authorized to transfer to the loan fund an amount not to exceed thirty-three percent of the total collections from the medical education fee in any one year. A lesser sum may be transferred; therefore, the Board may elect by separate action to change the rules and regulations to reduce the proportion of fees transferred to the Loan Fund in future years.

4.3 In addition to the fees collected above, the Board may deposit to the loan fund any appropriations provided by the Governor and Legislature for this purpose or any other amounts which may be made available for this purpose from external sources, including any interest earned on amounts in the loan fund prior to transfer to the institutions.

4.4 The Board shall annually allocate to the institutions all funds which have accumulated in the Board's Loan Fund for the previous year. This allocation shall be based upon each institution's proportionate share of Medical Education Fees collected and remitted during the preceding fiscal year. Funds so allocated will be transferred to each institution's general loan account in the State Treasury to be maintained in a separate sub-account

therein. In addition to the Board's allocation, all other income generated by the institution for the purposes of this program, including principal and interest repayments, private gifts, interest income and the like, should be maintained in this separate sub-account.

4.5 Balances remaining in these fund accounts at the end of the fiscal year shall not expire or revert. Each medical school shall retain these remaining balances in the special revenue accounts established for each school in support of this program.

4.6 Refunds of the medical education fee may be made in the same manner as any other fee collected at state institutions of higher education.

#### Section 5. Financial Management

5.1 Each institution shall maintain complete and accurate accounting records for all funds received and disbursed under the Medical Education Fee and Loan Program, and shall upon request make such records available to the Legislative Auditor or such other independent auditor as may be designated by the Board. Receipt and disbursement of funds shall be governed by all applicable state practices and procedures.

5.2 Each institution shall submit on an annual basis beginning July 15, 1987, a report summarizing all receipts and disbursements from the Medical Education Fee and the Loan Program. This report will be in such format and contain such detail as the Board may prescribe.

5.3 Before the first day of July of each year, the Board shall provide the legislative auditor with a report of the projected fee collections for each of the schools of medicine.

#### Section 6. The West Virginia Board of Regents Medical Student Loan Program and Fund

6.1 West Virginia Code 18-26-29 creates a medical student loan program to be administered by the Board. The purpose of this program is to provide loans to state residents who demonstrate financial need, meet academic standards and are enrolled or accepted for enrollment at West Virginia University School of Medicine, Marshall University School of Medicine, or the West Virginia School of Osteopathic Medicine.

6.2 Eligibility of Applicants - In order to be considered for this award, applicants must meet the following minimum requirements:

6.2.1 Full-time enrollment in an approved state medical school in a program leading to the degree of Medical Doctor (M.D.), or Doctor of Osteopathy (D.O.), providing that the individual has not yet received one of these degrees.

6.2.2 Applicant must be a resident of West Virginia as determined by the school in accordance with Board policy regarding "Classification of Student for Admission and Fee Purposes."

6.2.3 Have demonstrated financial need as determined by the Financial Aid Office at the respective medical school.

6.2.4 Continuing students must remain in good academic standing and make satisfactory progress in keeping with the institutional policy for awarding Title IV financial aid funds.

6.2.5 Applicant is not in default of any previous student loan.

## Section 7. Application Process

7.1 Students must apply to the institution in which the applicant is registered utilizing the School's standard application process. Typically, this will involve an institutional application and a financial statement. The institution may establish a deadline for applying for this student loan.

## Section 8. Selection of Recipients

8.1 Recipients will be selected each year by institutional officials of the Financial Aid Offices at the three state medical schools, i.e., Marshall University, the West Virginia School of Osteopathic Medicine, and West Virginia University. The number of awards will be determined by the availability of funds in this program at each school in any given academic year. Awards will be processed without regard to age, sex, race, handicap, national origin, marital status, or religion.

Section 9.        Loan Provisions and Agreement

9.1        Loans may be made and award amounts determined annually for each of the numbers of years required to complete the course of study. The student-borrower may apply for additional loans for each subsequent academic year of medical school and the fund may, but shall not be obligated to, make loans to a borrower for such academic year or years.

9.2        Each applicant, before being granted a loan shall sign an award letter issued by the institution on behalf of the West Virginia Board of Regents Medical Student Loan Fund accepting the award. Each medical school may use its own award letter; however, such letters shall include the following common elements:

9.2.1      Budgeted cost of education

9.2.2      Expected family contribution (where applicable)

9.2.3      Other resources available to meet educational expenses

9.2.4      Financial need

9.2.5      Aid awarded reflecting academic periods in which it will be disbursed

9.2.6      An indication of unmet financial need

9.2.7      Any and all such loans shall be subject to the terms and conditions specified in a promissory note. (See Appendix A). For each loan received, the borrower will deliver a promissory note, payable to the Fund on or before the due date set forth therein, and bearing interest at the rate specified in the promissory note.

Section 10.      Promissory Note

10.1        The promissory note shall be an open ended note and in the form of Appendix A attached hereto. All subsequent release of funds at the same interest rate shall be recorded on this promissory note. A new promissory note shall be used for changes in the interest rate, payment date, and other changes deemed necessary or desirable by the Fund to comply with these regulations or with applicable law.

10.2 Renewal shall be granted only upon the borrower's application and providing that:

10.2.1 The borrower continues as a student in good standing.

10.2.2 The borrower remains a resident of West Virginia.

10.2.3 The borrower's financial circumstances warrant continuation under the standards established by the institution.

10.2.4 There are available funds sufficient to make the award.

10.3 Any student applying for a loan under this program must use his or her Social Security number when submitting an application. The Social Security number will be used to verify a student's identity, and to track applications, authorized loans, verify enrollment and good student status, and to track fund disbursement and loan repayment. A student who fails to provide a Social Security number will not be eligible for a loan.

10.4 The maximum amount of the loan shall be restricted during the first several years of the program to assure satisfaction of the purposes of the loan program. Total dollars available will be limited and financial assistance should be programmed to support those students requiring assistance to offset the programmed increase in the medical education fee. The amount of individual loan available per year shall be as follows for the academic years specified:

10.4.1 1986-87 up to \$1,000

10.4.2 1987-88 up to \$3,000

10.4.3 1988-89 up to \$5,000

10.5 The amount of individual loan available per year for years after 1988-89 shall be specified by the Board.

## Section 11. Loan Repayment

11.1 Recipient is allowed a maximum of ten years to repay the loan (principal and interest thereon) beginning one year after the date of completion of education, approved training, or required military service, if such is reinstated. However, the minimum shall be no less than \$50.00 per month.

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11.2 The first payment shall not be due and payable until one (1) year following the date that the recipient completes approved medical training, including internship, residency or fellowship training, the total of which may not exceed five (5) years, unless the recipient abrogates the contract.

11.3 If the borrower discontinues the full-time study of medicine, loans made by this fund together with accrued interest thereon shall be due and payable beginning sixty (60) days from the date of last enrollment.

11.4 There shall be no penalty for early repayment of the loan.

11.5 The rate of interest charged a loan recipient shall be at the rate of eight percent (8%) simple interest compounded annually on the unpaid balance, beginning immediately upon completion of approved medical training, including internship, residency or fellowship. The total number of years for post-graduate medical training may not exceed five (5) years.

11.6 No interest accrues on the loan during the time the recipient is in medical school, approved intern training, residency, fellowship or required military service, if such is re-instituted.

Section 12. Loan Forgiveness Provisions

12.1 A loan recipient may receive cancellation and forgiveness of the outstanding principal and accumulated interest on the loan in return for the actual performance of full-time service in West Virginia as a Medical Doctor or Doctor of Osteopathy in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians.

12.2 The Board, in conjunction with the State Department of Health, shall determine qualifying medically underserved geographic areas and medical specialties in which there is a shortage of physicians. An approved listing of underserved areas and qualifying medical specialties shall be published and distributed to the financial aid officers of each participating state school of medicine. At the borrower's request, additional geographic areas may be considered by the Board and the State Health Department. Among the criteria are such factors as: locations where a physician currently in practice will retire creating a shortage or a population shift which will justify additional manpower.

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12.3 To be eligible for loan forgiveness, the applicant must first apply for, on an annual basis, and receive Board approval for practice in a specific designated underserved area or designated medical specialty. Such approval shall include deferral of loan repayment during the period the practitioner is performing in service authorized for loan forgiveness. The practitioner must notify the lending institution of the date that such practice commences and terminates. See sample letters Appendix B and C.

12.4 The borrower shall receive cancellation and forgiveness of the outstanding principal for sums not to exceed \$5,000 plus accumulated interest during each period of twelve (12) consecutive months of full-time practice. No forgiveness shall be granted for less than twelve (12) consecutive months of full-time practice.

12.5 An exit interview shall be required by the school at the time the borrower graduates or otherwise terminates enrollment. At that time, the borrower's rights and responsibilities under the loan fund will be discussed. Loan recipients shall be obligated during the period the loan is active to maintain current address record with the Student Loan Office of the medical school which provided the loan.

12.6 It shall be the responsibility of the borrower to secure a current list of approved underserved areas and medical specialties at such time as deemed necessary and appropriate by the borrower. The current list may be obtained from the school Student Financial Aid Office or from the West Virginia Board of Regents.

Section 13. Evidence of Practice and Application for Loan Forgiveness

13.1 The borrower shall be eligible for loan forgiveness only upon application and upon acceptance of duly certified evidence of full-time medical or osteopathic practice in one of the designated areas or medical specialties.

13.2 To be eligible for loan forgiveness, the applicant must have Board approval for practice in a specific designated underserved area or designated medical specialty. In addition, the applicant must subsequently provide evidence to support the

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fact that full-time physician services were rendered. Such evidence shall be presented on a form provided by the Board for that purpose. The Board shall be the authority that grants loan forgiveness. The Board shall notify the appropriate lending institution of all loan forgiveness which is granted. See form at Appendix D, Statement of Service for Loan Forgiveness.

Section 14. Notification of Recipients and Disbursement of Funds

14.1 Approved medical schools shall be responsible for notifying students selected to receive loans and for ensuring that borrowers receive and complete both the loan award letter and the promissory note prior to disbursement of funds. Approved medical schools shall also be responsible for disbursement of any and all funds to students. Disbursements shall usually be made at the beginning of each semester in an amount equal to to one-half of the annual award.

Adopted: December 2, 1988

\*09 Ed. Note: Appendix A-D are available from the Board of Regents or the Secretary of State.

APPENDIX A  
THE WEST VIRGINIA BOARD OF REGENTS  
MEDICAL STUDENT LOAN PROGRAM  
PROMISSORY NOTE.

NAME \_\_\_\_\_ SOCIAL SECURITY NUMBER \_\_\_\_\_

I, \_\_\_\_\_, hereinafter called the borrower, promise to pay to the order of \_\_\_\_\_ the sum of such amounts that have been advanced to me and endorsed hereon together with all attorneys' fees and other costs and charges for the collection of any amount not paid when due according to the terms of this note.

SCHEDULE OF ADVANCES

NUMBER	AMOUNT ADVANCED	TOTAL TO DATE	DATE	SIGNATURE OF BORROWER
1				
2				
3				
4				
5				
6				
7				
8				

Interest begins on this note after graduation or immediately following authorized periods of deferment and will be calculated at the rate of \_\_\_\_% simple interest on the unpaid loan balance.

**REPAYMENT:** Recipient is allowed a maximum of ten years to repay the loan (principal and interest thereon) beginning one year after the date of completion of education, approved training, or required military service, if such is reinstated. However, the minimum shall be no less than \$50.00 per month. The first payment shall not be due and payable until one (1) year following the date that the recipient completes approved medical training, including internship, residency, or fellowship training, the total of which may not exceed five (5) years, unless the recipient abrogates the contract. The terms and conditions of repayment shall be set forth in a repayment schedule to be provided the borrower during the exit interview. Payments under the schedule shall be made no less often than quarterly. Should the borrower discontinue the full-time study of medicine, loans made by this fund together with accrued interest thereon shall be due and payable beginning sixty (60) days from the last date of enrollment.

**DEFERMENT:** Periodic installments of principal and interest need not be paid, and interest shall not accrue while the borrower (A) serves on required military service, if such is reinstated, as an active duty member of a uniformed service of the United States; (B) pursues advanced professional training, including internships, residencies, fellowships for up to five years; and (C) during the time the recipient is in full-time attendance at an approved Medical School.

In the event of default in payment of any installment due to this loan fund, the entire unpaid indebtedness, including interest due and accrued thereon, shall, at the option of the loan fund officer of this loan fund, become immediately due and payable.

**PREPAYMENT:** The borrower may, at his option and without penalty, repay all or any part of the principal and accrued interest at any time.

**EXIT INTERVIEW:** The borrower agrees to attend any exit interview prior to completing or terminating full-time status at the institution. The borrower is responsible for informing the loan officer of any change in address.

**DEATH:** In the event of the borrower's death, the unpaid indebtedness remaining on the note shall be cancelled.

**LOAN FORGIVENESS:** The borrower shall receive cancellation and forgiveness of the principal and accrued interest in an amount not to exceed \$5,000.00 for each twelve (12) consecutive months of full-time practice in a designated medically underserved area or in a designated medical specialty. No forgiveness shall be granted for less than twelve months of full-time practice. To be eligible for loan forgiveness, the borrower must first apply for and receive from the West Virginia Board of Regents an approval for practice in a specific designated underserved area or designated medical specialty. In addition, the borrower shall be eligible for loan forgiveness only upon acceptance of duly certified evidence of full-time medical or osteopathic practice in one of the designated areas or medical specialties. It shall be the responsibility of the borrower to secure information from the lending school with regard to approved underserved areas and medical specialties.

In Witness Hereof, My Hand and Seal

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF BORROWER

APPENDIX B

SAMPLE LETTER REQUESTING APPROVAL FOR PRACTICE IN AN APPROVED  
DESIGNATED MEDICALLY UNDERSERVED AREA

Chancellor  
West Virginia Board of Regents  
950 Kanawha Boulevard  
Charleston, West Virginia 25301

Dear Sir:

Under the provisions of Policy Bulletin 63, I anticipate practicing medicine in (specify the geographic location) which I understand is currently listed as an approved designated medically underserved area.

In anticipation of a subsequent request for loan forgiveness, I request approval to practice in this geographic location. I understand that if I practice here full-time for a period of twelve (12) months beginning on or about      (date) that I will be eligible to apply for loan forgiveness under the provisions of West Virginia Board of Regents Policy Bulletin 63. I understand that I must notify the lending institution in writing of the actual date I commence such service to gain deferment for loan repayment during this period.

Sincerely,

(Name)

Typed or printed:

Name

Social Security Number

Address

Telephone Number

Medical School which granted the West Virginia Board of Regents Medical

Student Loan

APPENDIX C

SAMPLE LETTER REQUESTING APPROVAL FOR PRACTICE IN AN  
APPROVED DESIGNATED MEDICAL SPECIALTY

Chancellor  
West Virginia Board of Regents  
950 Kanawha Boulevard, East  
Charleston, West Virginia 25301

Dear Sir:

Under the provisions of Policy Bulletin 63, I anticipate practicing medicine in (specify the medical specialty) which I understand is currently listed as an approved designated medical specialty physician shortage.

In anticipation of a subsequent request for loan forgiveness, I request approval to practice in West Virginia in this medical specialty. I understand that if I practice in this specialty full-time for a period of twelve (12) months beginning on or about \_\_\_\_\_ (date) that I will be eligible to apply for loan forgiveness under the provisions of West Virginia Board of Regents Policy Bulletin 63. I understand that I must notify the lending institution of the actual date I commence such service to gain deferment for loan repayment during this period.

Sincerely,

(Name)

Typed or printed:

Name

Social Security Number

Address

Telephone Number

Medical school which granted the West Virginia Board of Regents Medical

Student Loan

APPENDIX D

THE WEST VIRGINIA BOARD OF REGENTS

MEDICAL STUDENT LOAN PROGRAM

STATEMENT OF SERVICE FOR LOAN FORGIVENESS

General: A West Virginia Board of Regents Medical Student Loan recipient may apply for loan forgiveness for each 12 months of full-time clinical service in a West Virginia Board of Regents designated underserved geographical area or designated medical specialty physician shortage. The loan recipient must have applied for and received express approval from the Board of Regents for authority to practice with eligibility to receive forgiveness for full-time clinical practice. Loan forgiveness is not authorized for periods of less than 12 full months of service. The applicant must provide a report of service at the completion of each six months of service with the final report representing cumulative information for the twelve month period of service.

This report covers the period of full-time clinical practice indicated:

\_\_\_ First six-month period of practice from \_\_\_\_\_ to \_\_\_\_\_.  
(date) (date)

\_\_\_ Final report for twelve months of practice from \_\_\_\_\_ to  
(date)

\_\_\_\_\_. I request loan forgiveness for this service.  
(date)

The following information is required in support of your period of clinical practice.

1. I maintain a full-time clinical practice at:

Practice Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

2. During the reporting period, I maintained office hours (use "X" for days not usually practicing). Do NOT include "on call" status time.

	SUN	MON	TUE	WED	THUR	FRI	SAT
FROM:	___	___	___	___	___	___	___
TO:	___	___	___	___	___	___	___

3. During the reporting period, approximately \_\_\_\_\_ hours/week were required to treat hospitalized patients of the practice.

During the reporting period, I was absent from the practice for \_\_\_\_\_ days due to illness, vacation or for continuing professional education.

5. For the reporting period:

a. Number of office visits (do not include telephone consultations or hospital visits) \_\_\_\_\_

b. Number of hospital visits: \_\_\_\_\_

c. Number of patient visits for whom a Medicare claim was submitted: \_\_\_\_\_

d. Number of patient visits for whom a Medicaid claim was submitted: \_\_\_\_\_

e. Number of patient visits wherein services were rendered at a reduced fee or at no charge (based upon inability to pay): \_\_\_\_\_

6. My Medicare Provider number is: \_\_\_\_\_.

7. My Medicaid Provider number is: \_\_\_\_\_.

**CERTIFICATION:**

I certify that the above reported information is correct to the best of my knowledge and accurately reflects activities relating to the fulfillment of my record of clinical practice service in support of loan forgiveness for the West Virginia Board of Regents Medical Student Loan Program.

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
City/State/Zip Code

\_\_\_\_\_  
Signature

I, \_\_\_\_\_, Notary Public for the State of West Virginia, do certify that \_\_\_\_\_ appeared before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ and duly signed the above document.

My commission expires on \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

ENDORSEMENT

Obtain the signatures of two members of the community who will attest to the fact that your practice is located in the community named.

I have reviewed the above report being submitted by \_\_\_\_\_.  
To the best of my knowledge, he/she practices medicine at the location cited.

(1) \_\_\_\_\_  
Name Telephone Number  
\_\_\_\_\_  
Address Signature  
\_\_\_\_\_  
City/State/Zip Code Date

(2) \_\_\_\_\_  
Name Telephone Number  
\_\_\_\_\_  
Address Signature  
\_\_\_\_\_  
City/State/Zip Code Date

The West Virginia Board of Regents shall provide a copy of this document to the lending institution.

WARNING

The giving of false information or statements is a crime under the laws of the State of West Virginia as provided in Chapter 61, Article 5, Section 2 of the West Virginia Code of 1931 as amended and conviction thereof shall be a misdemeanor and punishable by a fine or imprisonment in the county jail for a period not to exceed one year or both fine and imprisonment.