

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MJM
10/12/92

RULE REVIEW CHECKLIST

File No. 1955
DATE RECEIVED 10-6-92
REVIEW DATE 10-15-92
DUE DATE 10-20-92
(DIS)APPROVED 10-16-92
WITHDRAWN

Docket No. 050009 0448
ADOPTED W/O HEARING
EMERGENCY RULE
TO REVISOR ON 10/12/92
REVISOR (DIS)APPROVED 10/13/92
FILED W/SEC. OF STATE 10/16/92
RETURNED TO AGENCY 10/16/92

_____ Rule as adopted (4 copies) only 1 copy

_____ Notice to Solicit Outside Information/Opinion (if applicable)
_____ Date published in State Register
_____ Comments

_____ Petition for Adoption of a Rule

✓ Board's Authorizing Resolution
July 21, 1992 Date adopted

✓ Proposed Rule
✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
136A.04 subd 1(9) Statutory Authority 136A.16
no statement Small Business Statement
_____ Expenditure of public money statement
7-21-92 Signature

✓ Statement of Need and Reasonableness (if applicable)
No statement Small Business Statement
NA Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
August 7, 1992 Dated 30/25 days before adoption
✓ Notice attached indicates it is attached
_____ Copy of rule or summary attached

✓ Publication in State Register
August 10, 1992 Date 30/25 days before adoption

✓ 180-day deadline from:
✓ Effective date of law requiring rule (14.12) (both rules) amendments don't apply
✓ end of comment period (§ 14.26) (rules without hearing)
_____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
Sept 17, 1992 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
Sept 17, 1992 Date

_____ Written Requests, Submissions or Comments

✓ Declaration of Attorney
Nancy Joyce Name of SAAG representing agency

_____ Notice of Submission to Attorney General (if applicable)

_____ Affidavit of Mailing Notice to Attorney General (if applicable)

STATE OF MINNESOTA

Office of the Attorney General

TO : MARY LOU DRESBACH
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul

DATE : October 16, 1992

FROM : MARY JO MURRAY
Special Assistant
Attorney General

PHONE : 296-3258

SUBJECT : In the Matter of the Adopted Rule Relating to Education; Postsecondary; Certain Financial Assistance Programs

The above-referenced rule has been approved as to its legality by the Attorney General on October 16, 1992.

Enclosed is your copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of the notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

Enclosures
cc: Nancy J. Joyer
William Brown, Chief Judge
MaryAnn Hruby

MJM:jj.rules.bcl

Higher Education Coordinating Board

Adopted Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

Rules as Adopted

4810.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

[For text of subp 2, see M.R.]

Subp. 3. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Health Professions Student Loans (HPSLs);

D. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

E. Health Education Assistance Loans (HEALs);

F. Mayo Foundation Loans;

G. MedLoans;

H. Minnesota Medical Association Loans (MMAs);

I. University of Minnesota Trust Fund Loans (TFLs);

J. Minnesota Student Educational Loan Fund (SELF loans);

K. Student Loan Marketing Association Consolidation Loans (SMART) and other student loan consolidation loans approved by the United States Department of Education;

L. Professional Education Plan (PEP loans);

M. TERI Supplemental Loans;

N. Norwest Collegiate Loans; ~~and~~

O. Graduate EXCEL (Nellie Mae); and

P. Minnesota Medical Foundation Loans (MMFs).

4810.3030 APPLICATION PROCESS.

[For text of subpart 1, see M.R.]

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Subp. 3. **Application form and contract.** Prospective physicians accepted into this program must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

[For text of subp 4, see M.R.]

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director. The participant must work as a physician at least 30 hours per week in a designated rural area.

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $10,000 per year for each participant, unless the participant fulfills the requirements in subpart 6.

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than $10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal $10,000 for the 12-month period. Participants who meet the requirements in part 4810.3040, subpart 6, may designate an additional $2,000 above the $10,000 maximum specified in subpart 1 for each applicable year of residency. The total amount paid during the 12-month period cannot exceed the principal and accrued interest of the designated loans.

[For text of subp 5, see M.R.]

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Subp. 6. **Additional designation of loans.** If a program participant serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments, the participant may designate up to an additional $2,000 above the $10,000 maximum specified in subpart 1, for each year of residency during which the resident substitutes in this capacity. In order to designate additional loans, the program participant must provide the executive director with written verification from the rural physician documenting the period of time the program participant relieves the rural physician of rural practice commitments.

The program participant must be a licensed physician in Minnesota when performing the services specified in this subpart.

MIDLEVEL PRACTITIONER EDUCATION ACCOUNT

4811.0100 SCOPE.

Parts 4811.0100 to 4811.0170 apply to the midlevel practitioner education account program.

4811.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1356, are applicable to parts 4811.0100 to 4811.0170.

Subp. 2. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

Subp. 3. **Eligible program participant.** An "eligible program participant" is a midlevel practitioner, which includes a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant as defined in part 5600.2600, subpart 11, and Minnesota Statutes, section 136A.1356, subdivisions 1c, 1d, and 1e. The eligible participant must work as a midlevel practitoner at least 30 hours per week in a designated rural area.

Subp. 4. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The

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conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 5. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4811.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who fulfill midlevel practitioner training in Minnesota or in a state with which the board has entered into a higher education tuition reciprocity agreement;

B. Minnesota residents who fulfill midlevel practitioner training outside Minnesota;

C. applicants who are not Minnesota residents, but fulfill midlevel practitioner training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill midlevel practitioner training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve at least 30 hours per week as midlevel practitioners in a designated rural area in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Within each classification specified in subpart 1, applicants will be divided into the midlevel practitioner specialty types specified in part 4811.0110, subpart 2, and chosen for participation by lot within each specialty type. One participant will be selected by lot from each specialty type that has at least one

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applicant. The remaining participants must be chosen by lot from among all the remaining applicants for that year. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective midlevel practitioner, the executive director shall send the prospective midlevel practitioner more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of the midlevel practitioner program, the prospective midlevel practitioner must complete and return the application form and contract provided by the executive director. The prospective midlevel practitioner agrees to serve at least two of the first four years following graduation from the midlevel practitioner program in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a midlevel practitioner in a designated rural area. A program participant must work as a midlevel practitioner in a designated rural area at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the midlevel practitioner, the participant must sign the agreement or promissory note provided by the executive director.

4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must

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make payments on. Payments by the executive director cannot exceed $3,500 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,500 per year. The participant must continue to serve as a midlevel practitioner in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a midlevel practitioner in a designated rural area.

4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a midlevel practitioner in a designated rural area.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within four years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the

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need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4811.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director, by the deadline, the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

NURSING HOME NURSES EDUCATION ACCOUNT

4812.0100 SCOPE.

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Parts 4812.0100 to 4812.0170 apply to the nursing home nurses education account.

4812.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1357, are applicable to parts 4812.0100 to 4812.0170.

Subp. 2. **Eligible program participant.** An "eligible program participant" is a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse.

Subp. 3. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 4. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. federal Nursing Student Loans; and

F. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4812.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota;

B. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse outside Minnesota;

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C. applicants who are not Minnesota residents, but complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota; or

D. applicants who are not Minnesota residents and do not complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota.

Subp. 2. **Insufficient award availability.** If more than ten applicants start to serve at least 30 hours per week as registered nurses or licensed practical nurses in nursing homes in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** A person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the executive director before completing the first year of study in a nursing education program. Upon receipt of a letter of interest from a prospective registered nurse or licensed practical nurse, the executive director shall send more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of study, the prospective registered nurse or licensed practical nurse must complete and return the application form and contract provided by the executive director. The prospective registered nurse or licensed practical nurse agrees to serve at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date

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results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a nurse in a licensed nursing home. A program participant must work as a nurse in a licensed nursing home at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the registered nurse or licensed practical nurse, the participant must sign the agreement or promissory note provided by the executive director.

4812.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,000 per year. The participant must continue to serve as a nurse in a licensed nursing home during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a nurse in a licensed nursing home.

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4812.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a nurse in a licensed nursing home.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within two years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4812.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director by the deadline the service status verification form provided by

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the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4812.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

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by Revisor _____

APPROVED AS TO FORM AND LEGALITY
Oct 16 1992
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
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Joan Anderson Growe
Secretary of State
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Secretary of State

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed
Rules Governing Rural Physician
Loan Forgiveness Program, Midlevel
Practitioner Education Account,
and Nursing Home Nurses Education
Account, Minn. Rules Parts 4810.3010-
4810.3040, 4811.0100-4811.0170, and
4812.0100-4812.0170.

DECLARATION OF COUNSEL

I, Nancy J. Joyer, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules ch. 2010 have been followed. For Attorney General billing purposes, the four-digit docket client code is 0448.

Nancy J. Joyer 10-2-92

Nancy J. Joyer
Special Assistant Attorney General

End of comment period Sept 10, 1992

No Business Statement

Stat Authority 136A.04 subd 1 (9) "The higher shall prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

STATEMENT OF NEED AND REASONABLENESS

PERMANENT RULES RELATING TO FINANCIAL AID

as administered by

the Minnesota Higher Education Coordinating Board

In the Matter of the Proposed Adoption of Rules
Minnesota Higher Education Coordinating Board Governing
Rural Physician Loan Forgiveness Program
Midlevel Practitioner Education Account
Nursing Homes Nurses Education Account

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules Governing Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and Nursing Home Nurses Education Account (Minn. Rules 4810.3010-4810.3040, 4811.0100-4811.0170, and 4812.0100-4812.0170

STATEMENT OF NEED AND REASONABLENESS

SECTION I: AUTHORITY TO PRESCRIBE RULES

The Minnesota Higher Education Coordinating Board is authorized by statute to adopt policies and prescribe rules and regulations for student financial aid programs. [Minnesota Statutes 1990, 136A.04, Subd. 1(9) and 136A.16].

The Board is proposing to make changes to the rules governing the Rural Physician Loan Forgiveness Program to include additional types of loans which may be considered for inclusion under this program and delete loans not directly applicable to the program participant or not considered pertinent to the purposes of this program. The changes also clarify terminology used in the rules, clarify the requirements for program participation, and incorporate statutory changes made during the 1992 legislative session as specified in 136A.1355, subd. 2 and subd. 3.

The Board is proposing to adopt permanent rules for the Midlevel Practitioner Education Account and the Nursing Home Nurses Education Account. Both of these programs were created during the 1992 legislative session, and will be operational during the 1992-93 academic year.

SECTION II: BACKGROUND

Rural Physician Loan Forgiveness Program

The proposed changes are to include additional types of loans which program participants may have as "qualified loans" under this program and delete loan types which may not meet the intent of this program. Several changes are due to statutory changes occurring during the 1992 legislative session. The other changes are for clarity and to avoid participant confusion about eligibility requirements. Available funding for fiscal year 1993 is $96,000.

Midlevel Practitioner Education Account

The 1992 legislature created this program to relieve health care professionals practicing in rural Minnesota. The Minnesota Higher Education Coordinating Board (MHECB) was designated as the state agency responsible for the

administration of this program, and may accept up to eight applicants per year for participation in the loan forgiveness program. The legislative appropriation for fiscal year 1993 is $28,000. The MHECB is proposing permanent rules for administration of this program which will be operational for the 1992-93 academic year.

Nursing Home Nurses Education Account

The 1992 Legislature created this program to encourage nurses to practice in nursing homes. The Minnesota Higher Education Coordinating Board (MHECB) was designated as the state agency responsible for the administration of this program, and may accept up to ten applicants a year. The legislative appropriation for fiscal year 1993 is $15,000. The MHECB is proposing permanent rules for administration of this program which will become operational for the 1992-93 academic year.

SECTION III: PROPOSED CHANGES

The proposed changes are summarized below:

Rural Physician Loan Forgiveness Program

*Add language that references the definition of the eligible areas in Minnesota which fulfill the rural practice obligation for clarity and to avoid confusion.

*Add/delete language specifying the types of educational loans included under the terms of this program. These types of loans are comparable to those included under another program administered by the Board in which payments are made by the Board on educational loans for physicians, dentists, chiropractors, osteopaths, veterinarians, pharmacists, optometrists, and public health professionals.

*Add language that specifies the minimum number of hours that a physician must be working in order to fulfill the obligations under this program. This language is added for clarity and completeness.

*Add language which explains the terms under which a physician can have an additional amount paid on his/her loans. The language incorporates changes made to the statutes governing this program during the 1992 legislative session.

Midlevel Practitioner Education Account

*Add language referencing the definition in agency rules which explains eligible rural practice areas in Minnesota for purposes of fulfilling the service requirements of this program. This language is for completeness and to avoid misunderstanding by program participants.

*Add language which specifies the types of health care professions included under this program and the minimum number of hours an individual must work per week to fulfill the program requirements. This language incorporates the terms

defined in the statutory language governing this program and also clarifies the amount of time a program participant must work per week to avoid confusion and misunderstanding.

*Add language defining the circumstances under which a program participant would not be obligated to fulfill the rural practice obligation. This language is to avoid confusion and misunderstanding in regard to service obligations of program participants.

*Add language specifying the types of loans which are included for payment by the Board under this program. This language is meant for clarity and to avoid confusion.

*Add language to specify the classification of program applicants which will be used in the selection process, and the process that will be followed if the number of program applicants in any given year exceeds the maximum number of program participants the Board can select as specified in statute. This language is meant to clarify the selection process to interested individuals.

*Add language explaining the specific steps an individual must follow in order to be considered for participation in this program. This language is for completeness and to clarify the application process.

*Add language which explains the steps that must be followed in order for the Board to make payments on program participants' educational loans, and the responsibilities of the Board and the program participants during the period in which loan payments are being made by the Board. This language is meant for clarity and to avoid misunderstanding of the responsibilities of the participant and the Board in this process.

*Add language explaining the penalty for nonfulfillment of the service requirement of this program, the conditions under which a waiver of the repayment obligation would be applicable, and the information that will be reported to a credit bureau reporting agency should the participant be required to enter repayment status. This language incorporates the statutory requirements in regard to nonfulfillment, and attempts to explain the procedures that will be followed in this instance. The language is for completeness and to avoid misunderstanding.

*Add language specifying information that program participants must supply the Board in order to verify the participants' service requirement and to ensure that the Board is informed of the participants' current addresses and service locations. This language is to ensure efficient program operation and program integrity.

*Add language to explain that additional information may be required of program participants that is in keeping with the regulations governing the program in order to ensure proper and efficient program administration and monitor the program effectiveness for legislative reporting purposes.

Nursing Home Nurses Education Account

*Add language which specifies the types of individuals eligible to participate

in this program. This language incorporates the statutory requirements regarding participant eligibility.

*Add language defining the circumstances under which a program participant would not be obligated to fulfill the service requirement.

*Add language specifying the types of loans which are included for payment by the Board under this program.

*Add language to specify the classification of program applicants which will be used in the selection process, and the process that will be followed if the number of program applicants in any given year exceeds the maximum number of program participants the Board can select as specified in statute.

*Add language explaining the specific steps an individual must follow in order to be considered for participation in this program.

*Add language which explains the steps that must be followed in order for the Board to make payments on program participants' educational loans, and the responsibilities of the Board and the program participants during the period in which loan payments are being made by the Board.

*Add language explaining the penalty for nonfulfillment of the service requirement of this program, the conditions under which a waiver of the repayment obligation would be applicable, and the information that will be reported to a credit bureau reporting agency should the participant be required to enter repayment status.

*Add language specifying information that program participants must supply the Board in order to verify the participants' service requirement and to ensure that the Board is informed of the participants' current addresses and service locations.

*Add language to explain that additional information may be required of program participants that is in keeping with the regulations governing the program in order to ensure proper and efficient program administration and monitor the effectiveness of the program for legislative reporting purposes.

CHAPTER II: Part-by-Part Explanation/Rural Health and Nursing Programs

This chapter provides an explanation for each part of the rules relating to the rural physician loan forgiveness program, the midlevel practitioner education account, and the nursing home nurses education account.

Rural Physician Loan Forgiveness Program

4810.3010 **DEFINITIONS.**

Subp. 1a. **Designated rural area.** This subpart is added to avoid confusion and misunderstanding by program participants when referring to eligible areas of practice that will fulfill program obligations.

Subp. 3. **Qualified loans.** The additions to this subpart are made to include other various types of loans that program participants might want to designate for payment purposes and which the Board has determined are feasible for program inclusion. The deletions are made to exclude loans which are not direct obligations of the program participants or are not readily operable or feasible for Board repayment. The expanded list of eligible loans provides more flexibility for program participants, but continues to ensure program integrity and efficiency.

4810.3030 **APPLICATION PROCESS.**

Subp. 3. **Application form and contract.** Additions to this section are made for clarity and grammatical correctness to incorporate statutory changes made during the 1992 legislative session (MN Statutes 136A.1355, subd. 2).

Subp. 5. **Agreement or promissory note.** The additional language in this subpart is added to avoid confusion regarding the number of hours per week a physician must be practicing in order to fulfill rural practice obligations.

4810.3040 **LOAN PAYMENT.**

Subpart 1. **Designation of loans.** The language in this subpart is added to reference the new subpart which specifies the conditions under which additional loan payments would be made by the Board. The circumstances under which additional payments will be made are specified under the new statutory language. [MN Statutes 136A.1355, Subd. 3]

Subp. 4. **Additional payment amount.** The language added to this subpart specifies the additional amount that the Board will pay if a program participant meets certain requirements specified in a later subpart. This language is for clarity and to incorporate new statutory requirements into these rules. [MN Statutes 136A.1355, Subd. 3]

Subp. 6. **Additional designation of loans.** This subpart is added to explain the circumstances under which a program participant can designate additional loans for payment by the Board. This addition is necessary due to statutory

changes to this program during the 1992 legislative session. [MN Statutes 136A.1355, Subd. 3]

Midlevel Practitioner Education Account

4811.0100 **SCOPE.** This defines the parameters of the applicability of the rules that follow.

4811.0110 **DEFINITIONS.**

Subpart 1. **Scope.** This defines the parameters of the applicability for the definitions that follow.

Subp. 2. **Designated rural area.** This subpart is included to provide program participants with the specific reference in agency rules where this term is defined to avoid confusion and misunderstanding of this terminology related to program requirements.

Subp. 3. **Eligible program participant.** This subpart specifies the types of health care professions included under this program and the minimum number of hours a program participant must work per week to fulfill program requirements. While the statutory language describes each specialty included under this program, the Board felt it necessary to include this definition in the rules to avoid confusion and misunderstanding by program participants and to ensure the integrity of the program. [MN Statutes 136A.1356, Subd. 1]

Subp. 4. **Emergency circumstances.** While the statutory language makes reference to "emergency circumstances", no explanation as to what constitutes such circumstances is included in the statute. In order to avoid any confusion and misunderstanding by applicants, the Board felt it necessary to specifically explain the types of conditions that must exist in order for a participant to claim such circumstances as they relate to fulfillment of the service obligation in an eligible rural service area.

Subp. 5. **Qualified loans.** The statute makes reference to "qualified loans" as they relate to loan forgiveness, however, no explanation or definition of the term "qualified loans" is provided in the statute. In order to administer the program equitably and efficiently, the Board felt obligated to list the specific loans that would be considered to be "qualified loans" under the loan forgiveness condition of this program. It was felt that applicants should know which loans would be considered "qualified" prior to indicating an interest in the program, so the applicant could plan his/her borrowing and repayment obligations; and decide whether this program would meet his/her personal and professional needs.

4811.0120 **CRITERIA FOR SELECTION.**

Subpart 1. **Classification of applicants.** This subpart explains the criteria that will be used in ranking applicants for participation in this program. The

Board felt that it is likely that the number of program applicants will exceed the number of participants permitted to enter the program annually. (The level of participation is defined in statute--maximum of 8 applicants per year.) By creating a ranking system for applicants, the integrity of the selection process is preserved, and the method of selection by the executive director is simplified. Also, applicants will know how applicants will be ranked for program participation, which may be an important factor when selecting an area to practice in their medical specialties.

Subp. 2. **Insufficient award availability.** This subpart explains what will happen should the number of eligible applicants exceed the number of participants the executive director can select. The process explained in this section ensures the integrity of the program and the equitable treatment of applicants.

4811.0130 **APPLICATION PROCESS.**

Subpart 1. **Acknowledgment letter.** This procedure of acknowledging the applicant's interest in the program and providing more detailed information concerning the terms and obligations of a participant in the program should give the applicant sufficient information to make an informed decision as to whether he/she wishes to participate if selected for participation. The Board felt is useful to provide the applicant with as much information as possible as soon as possible in order to avoid delays in acceptance should an applicant be chosen for participation.

Subp. 2. **Application form and contract.** This subpart explains the procedure an interested program applicant must follow in order to be considered by the Board for program participation. The language in this section explains the service commitment of a program participant, and the consequences of not completing and returning the required form by the specified deadline date. This language is for clarity and to ensure equitable treatment of all program applicants.

Subp. 3. **Notification of service.** The Board felt it necessary to specify that it is the obligation of the program participant to notify the executive director upon serving as a midlevel practitioner in a designated rural area. This clarifies the reporting obligation of the participant concerning employment, and provides the executive director with information necessary for verifying the participant's eligibility. This subpart also specifies the minimum number of hours a participant must work each week in order to fulfill program service requirements. This language is meant to avoid misunderstanding and confusion by program participants.

Subp. 4. **Agreement or promissory note.** Because the Board is making a monetary commitment of program funds for payment of the participant's qualified loans, and the participant has certain obligations that must be fulfilled in order for such payments to be made by the executive director, the Board felt it necessary to specify the exact terms of the agreement between the Board and the midlevel practitioner. This agreement will be legally binding for both parties, and therefore must contain the terms and conditions of the contractual

relationship. It is essential that the program participant understand and agree to the conditions of the promissory note prior to entering this agreement. The agreement/promissory note will protect the rights of the midlevel practitioner and the Board which is essential in order to maintain the integrity of the program.

4811.0140 **LOAN PAYMENT.**

Subpart 1. **Designation of loans.** This section protects the rights of the participant to select which loan(s) the executive director shall make payments on within the parameters specified under 4811.0110, subp. 4, and the statutory limitations for payment amounts specified in 136A.1356, Subd. 4.

Subp. 2. **Payment billings.** This section in included in order to provide the executive director with the information necessary to carry out the obligations of the Board as they relate to payments on a midlevel practitioner's qualified loans. The Board felt it necessary to specify the documents the program participant must provide to the executive director in order to avoid confusion and delay of payments on the program participant's loans.

Subp. 3. **Terms of payments.** The language in this subpart clarifies the terms under which the executive director will make payments on a program participant's qualified loans, and also clarifies the status of the participant's service obligation while the executive director is making payments on the midlevel practitioner's eligible loans. The Board felt it advisable to further explain the maximum annual payment amount and the service obligation mentioned in the statutes governing this program to avoid misunderstanding or confusion.

Subp. 4. **Discontinuation of service.** The language used in this section explains the obligations of the program participant should he/she discontinue service in a designated rural area. The Board felt it necessary to address this circumstance for clarity and to avoid misunderstanding of the program participant's obligations.

4811.0150 **PENALTY FOR NONFULFILLMENT.**

Subpart 1. **Payment amount.** The Board felt it necessary to specify the terms of the repayment obligations of the program participant should he/she not fulfill the service obligations agreed to in the contractual agreement. While the statutory language mentions the Board's obligation to collect monies from the participant in such cases, more specific language is required to avoid confusion, and misunderstanding. This language also assures equitable treatment of all program participants obligated to repay monies due to failure to fulfill the service commitment.

Subp. 2. **Payment plan.** In order to be responsive to the personal circumstances of program participants who are required to repay monies, the executive director must be able to work out repayment terms on an individualized basis, while retaining the integrity of the program by setting a reasonable

limitation on the number of years by which monies must be repaid. The Board felt it necessary to specify the general terms of the payment plan so that the participant knows the consequences of non-fulfillment prior to signing the contractual agreement. This is an attempt to ensure timely repayment and uniform treatment of all participants required to repay monies, and to provide efficient handling of payments received by the executive director.

Subp. 3. **Waiver.** The statutes governing this program provide that the Board may grant full or partial waivers. The language in this section attempts to clarify the circumstances under which the executive director will consider such action. This language ensures the equitable treatment of all participants.

Subp. 4. **Release of information.** It is necessary that the program participants realize that the commitment to serve in a designated rural area in return for payment on qualified loans is taken very seriously by the Board. The reporting of payment activity to a consumer credit reporting agency is consistent with operating procedures followed by the Board in another student loan fund administered by the Board. It provides uniform treatment of all participants and attempts to ensure timely payments of participants who are required to repay program monies due to nonfulfillment of service obligations.

4811.0160 **PARTICIPANT RESPONSIBILITIES**

Subpart 1. **Service status verification.** In order to monitor fulfillment of the rural practice obligation, the Board felt it necessary to require completion and return of a status form on an annual basis. This is an attempt to fulfill the Board's program administration responsibilities in an efficient manner, but not overburden the reporting responsibilities of the program participants.

Subp. 2. **Status change.** This section is an attempt to maintain current data on program participants, and provide efficient monitoring of rural service obligations. It is imperative that address and service location information be kept up-to-date in order to provide the participants with program information pertinent to their obligation. Also, the Board has legislative reporting requirements which necessitate current and correct participant data.

4811.0170 **INFORMATION; FORMS; TERMS.**

Subpart 1. **Additional information.** While an attempt has been made to specify the types of information the Board may need for operational, statistical, and reporting purposes, at some point it may be necessary to request additional data from participants, schools that provide midlevel professional training, or designated service areas in order to fulfill legislative reporting requirements, implement program operational changes, or create and update statistical data bases. This language provides for data collection pertinent to the program which is unforeseen now.

Subp. 2. **Forms.** In order to administer this program efficiently, the Board felt it necessary to specify that the executive director can require the use of forms provided by the Board. This requirement should simplify record-keeping and ensure consistent data collection.

Nursing Home Nurses Education Account

4812.0100 **SCOPE.** This defines the parameters of the applicability of the rules that follow.

4812.0110 **DEFINITIONS.**

Subpart 1. **Scope.** This defines the parameters of the applicability for the definitions that follow.

Subp. 2. **Eligible program participant.** This subpart specifies the types of health care professions included under this program and the minimum number of hours a program participant must work per week to fulfill program requirements. While the statutory language describes each specialty included under this program, the Board felt it necessary to include this definition in the rules to avoid confusion and misunderstanding by program participants and to ensure the integrity of the program. [MN Statutes 136A.1356, Subd. 1]

Subp. 3. **Emergency circumstances.** While the statutory language makes reference to "emergency circumstances", no explanation as to what constitutes such circumstances is included in the statute. In order to avoid any confusion and misunderstanding by applicants, the Board felt it necessary to specifically explain the types of conditions that must exist in order for a participant to claim such circumstances as they relate to fulfillment of the service obligation.

Subp. 4. **Qualified loans.** The statute makes reference to "qualified loans" as they relate to loan forgiveness, however, no explanation or definition of the term "qualified loans" is provided in the statute. In order to administer the program equitably and efficiently, the Board felt obligated to list the specific loans that would be considered to be "qualified loans" under the loan forgiveness condition of this program. It was felt that applicants should know which loans would be considered "qualified" prior to indicating an interest in the program, so the applicant could plan his/her borrowing and repayment obligations; and decide whether this program would meet his/her personal and professional needs.

4812.0120 **CRITERIA FOR SELECTION.**

Subpart 1. **Classification of applicants.** This subpart explains the criteria that will be used in ranking applicants for participation in this program. The Board felt that it is likely that number of program applicants will exceed the number of participants permitted to enter the program annually. (The level of participation is defined in statute--maximum of 10 applicants per year.) By creating a ranking system for applicants, the integrity of the selection process is preserved, and the method of selection by the executive director is simplified. Also, applicants will know how applicants will be ranked for program participation, which may be an important factor when selecting an area to practice.

Subp. 2. **Insufficient award availability.** This subpart explains what will happen should the number of eligible applicants exceed the number of participants the executive director can select. The process explained in this section ensures the integrity of the program and the equitable treatment of applicants.

4812.0130 **APPLICATION PROCESS.**

Subpart 1. **Letter of interest.** The language in this subpart specifies the procedures an individual must follow if he/she is interested in this program and indicates the action the executive director will take upon receipt of a letter of interest. This subpart is meant to provide potential program participants with useful information concerning the application process, and ensures equitable treatment of all interested applicants.

Subp. 2. **Application form and contract.** This subpart explains the procedure an interested program applicant must follow in order to be considered by the Board for program participation. The language in this section explains the service commitment, and the consequences of not completing and returning the required form by the specified deadline date. This language is for clarity and to ensure equitable treatment of all program applicants.

Subp. 3. **Notification of service.** The Board felt it necessary to specify that it is the obligation of the program participant to notify the executive director upon serving as a nurse in a licensed nursing home. This clarifies the reporting obligation of the participant concerning employment, and provides the executive director with information necessary for verifying the participant's eligibility. This subpart also specifies the minimum number of hours a participant must work each week in order to fulfill program service requirements. This language is meant to avoid misunderstanding and confusion by program participants.

Subp. 4. **Agreement or promissory note.** Because the Board is making a monetary commitment of program funds for payment of the participant's qualified loans, and the participant has certain obligations that must be fulfilled in order for such payments to be made by the executive director, the Board felt it necessary to specify the exact terms of the agreement between the Board and the program participant. This agreement will be legally binding for both parties, and therefore must contain the terms and conditions of the contractual relationship. It is essential that the nurse understand and agree to the conditions of the contractual agreement prior to entering into the agreement. The agreement/promissory note will protect the rights of the nurse and the Board which is essential in order to maintain the integrity of the program.

4812.0140 **LOAN PAYMENT.**

Subpart 1. **Designation of loans.** This section protects the rights of the participant to select which loan(s) the executive director shall make payments on within the parameters specified under 4812.0110, subp. 4, and the statutory limitations for payment amounts specified in 136A.1357, Subd. 4.

Subp. 2. **Payment billings.** This section in included in order to provide the executive director with the information necessary to carry out the obligations of the Board as they relate to payments on a nurse's qualified loans. The Board felt it necessary to specify the documents the program participant must provide to the executive director in order to avoid confusion and delay of payments on the program participant's loans.

Subp. 3. **Terms of payments.** The language in this subpart clarifies the terms under which the executive director will make payments on a program participant's qualified loans, and also clarifies the status of the participant's service obligation while the executive director is making payments on the nurse's eligible loans. The Board felt it advisable to further explain the maximum annual payment amount and the service obligation mentioned in the statutes governing this program to avoid misunderstanding or confusion.

Subp. 4. **Discontinuation of service.** The language used in this section explains the obligations of the program participant should he/she discontinue service in a licensed nursing home. The Board felt it necessary to address this circumstance for clarity and to avoid misunderstanding of the program participant's obligations.

4812.0150 **PENALTY FOR NONFULFILLMENT.**

Subpart 1. **Payment amount.** The Board felt it necessary to specify the terms of the repayment obligations of the program participant should he/she not fulfill the service obligations agreed to in the agreement/promissory note. While the statutory language mentions the Board's obligation to collect monies from the participant in such cases, more specific language is required to avoid confusion, and misunderstanding. This language also assures equitable treatment of all program participants obligated to repay monies due to failure to fulfill the service commitment.

Subp. 2. **Payment plan.** In order to be responsive to the personal circumstances of program participants who are required to repay monies, the executive director must be able to work out repayment terms on an individualized basis, while retaining the integrity of the program by setting a reasonable limitation on the number of years by which monies must be repaid by the program participant. The Board felt it necessary to specify the general terms of the payment plan so that the participant knows the consequences of nonfulfillment prior to signing the agreement/promissory note. This is an attempt to ensure timely repayment and uniform treatment of all participants required to repay monies, and to provide the efficient handling of payments received by the executive director.

Subp. 3. **Waiver.** The statutes governing this program provide that the Board may grant full or partial waivers. The language in this section attempts to clarify the circumstances under which the executive director will consider such action. This language ensures the equitable treatment of all participants.

Subp. 4. **Release of information.** It is necessary that the program participants realize that the commitment to serve as a nurse in a licensed

nursing home in return for payment on qualified loans is taken very seriously by the Board. The reporting of payment activity to a consumer credit reporting agency is consistent with operating procedures followed by the Board in another student loan fund administered by the Board. It provides uniform treatment of all participants and attempts to ensure timely payments of participants who are required to repay program monies due to nonfulfillment of service obligations.

4811.0160 **PARTICIPANT RESPONSIBILITIES**

Subpart 1. **Service status verification.** In order to monitor fulfillment of the service obligation, the Board felt it necessary to require completion and return of a status form on an annual basis. This is an attempt to fulfill the Board's program administration responsibilities in an efficient manner, but not overburden the reporting responsibilities of the program participants.

Subp. 2. **Status change.** This section is an attempt to maintain current data on program participants, and provide efficient monitoring of the participant's commitment to work as a nurse in a nursing home. It is imperative that address and service location information be kept up-to-date in order to provide the participants with program information pertinent to their obligation. Also, the Board has legislative reporting requirements which necessitate current and correct participant data.

4811.0170 **INFORMATION; FORMS; TERMS.**

Subpart 1. **Additional information.** While an attempt has been made to specify the types of information the Board may need for operational, statistical, and reporting purposes, at some point it may be necessary to request additional data from participants or nursing homes which have program participants under their employment in order to fulfill legislative reporting requirements, implement program operational changes, or create and update statistical data bases. This language provides for data collection pertinent to the program which is unforeseen at this time.

Subp. 2. **Forms.** In order to administer this program efficiently, the Board felt it necessary to specify that the executive director can require the use of forms provided by the Board. This requirement should simplify record-keeping and ensure consistent data collection.

CERTIFICATE OF AUTHORIZING RESOLUTION

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

I, Duane Scribner, do hereby certify that I am the President of the Minnesota Higher Education Coordinating Board, an agency duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Minnesota Higher Education Coordinating Board duly and properly called and held on the 21st day of July, 1992, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution will be set forth in the minutes of said meeting and has not been rescinded or modified:

> BE IT RESOLVED, that David R. Powers, executive director of the Higher Education Coordinating Board is hereby granted the authority and directed to sign and to give notice of the Board's intent to adopt without a public hearing, the rules governing the Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and Nursing Home Nurses Education Account, Minn. Rules Parts 4810.3010-4810.3040, 4811.0100-4811.0170, and 4812.0100-4812.0170 to all persons who have registered their names with the Board for that purpose and publish the Notice and the rule in the State Register, and to perform any acts incidental thereto, including making any form changes in the rules that the Reviser of Statutes requires the Board to make in order to obtain the Revisor's certification as required by Minn. Statutes 14.07, subd. 2 (1990).
>
> BE IT FURTHER RESOLVED, that in the event a public hearing becomes necessary, the executive director is hereby granted the authority and directed to call a hearing for the purpose of promulgating said rules as well as to perform any and all acts incidental thereto, including but not limited to signing an Order for a Notice of Hearing, as well as acting as the Board's representative at all hearings.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of July, 1992.

Duane C. Scribner

President of the Board

Rural Physician Education Account / Midlevel Practioner Education Account / Nursing Home Nurses Education Account

CHECK LIST: PERMANENT RULES WITHOUT A PUBLIC HEARING Revised 12/16/91

DATE	DOCUMENT	NOTES
—	(B) Notice of Intent to Solicit Outside Opinion (optional)	
7/21/92	(C) Authorizing Resolution (Board)	
7/13/92	(D) Copy of Proposed rule with certificate of approval as to form by the Revisor of Statutes (Revisor)	
7/21/92	(E) Notice of Intent to Adopt a Rule without a public hearing (Exec. Dir.)	
OK	(F) Statement of Need & Reasonableness (MLD)	Send to LCRAR prior to publicati
8/7/92	(G) Affidavit of mailing the Notice of Intent to adopt a rule w/o a public hearing/ Certif. of Mailing List (MLD)	
8/10/92	Date of publication of Notice of Intent to adopt rule w/o public hearing in the State Register	
OK	(H) Photocopy of Notice of Intent from State Register	
9/10/92	End of 30 day comment period	
9/15/92	(I) Affidavit Regarding Comments Received (MLD)	
9/11/92	(J) 4 copies of rule as adopted (revisor)	Revision - non-substantive made based on some comments rec.
9/17/92	(K) Resolution Adopting the Rule (Board)	
9/17/92	(L) Findings of fact, conclusion, and Order (Executive Director)	
OK	(M) Written requests, comments, submissions	5 comments rec. - incorp. part. will discuss others later in year
9/29/92	Forwarding of all documents to agency legal counsel for Declaration of Counsel	No requests for hearing
	(N) Declaration of agency legal counsel	
**	(O) Notice of submission of rule to AG	
**	(P) Affidavit of mailing notice of submission of rule to AG	

** This is not necessary unless requested by commentors.

MMA
MINNESOTA MEDICAL ASSOCIATION

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President-Elect
Andrew J. K. Smith, M.D.
Chariman of the Board
Paul S. Sanders, M.D.
Chief Executive Officer

August 28, 1992

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

Re: Rural Loan Forgiveness Rules Under Health Right Legislation

Dear Ms. Dresbach:

Pursuant to the Notice of Intent to Adopt Rules Without a Public Hearing, published in the August 10, 1992, State Register, the Minnesota Medical Association has the following comments in addition to the comments made by letter dated August 24, 1992:

> The loan forgiveness program should not exclude the Minnesota Medical Foundation Loans (MMFs). Minn. R. 4810.3010 subpt. J. These loans are used for the same purpose as all other loans listed. Please explain why these loans are being removed from the program loan list.

The MMA appreciates the opportunity to comment on the rural loan forgiveness rules. Please do not hesitate to contact the undersigned if you have any questions.

Very truly yours,

Suzanne M. Veenhuis
Associate Legal Counsel

UNIVERSITY OF MINNESOTA
DULUTH

Office of the Dean

School of Medicine
10 University Drive
Duluth, Minnesota 55812-2487

August 31, 1992

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capital Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

Dear Ms. Dresbach:

After reviewing the proposed rules for the rural physician loan forgiveness program, I would respectfully request the following change be made:

> *Section 4810.3010, Definitions, sub-paragraph 3, Qualified Loans.* The proposed rules would eliminate those medical student loans from the Minnesota Medical Foundation (Item J). I would ask that this item be reversed and the Minnesota Medical Foundation loans be eligible for deferment similar to other loans listed elsewhere in that sub-paragraph. The loans obtainable under the Minnnesota Medical Foundation Loan Program are used by medical students to support their medical education in the same way as others listed in that sub-paragraph. To eliminate the Minnesota Medical Foundation Loans from consideration would put the medical students from both the UMD School of Medicine, as well as the Medical School in Minneapolis, at a significant disadvantage. Consequently, students who have such loans will be less likely to enroll in the rural physician program, thereby defeating its purpose.

Thank you, in advance, for your consideration of my request. If I can answer any additional questions, please do not hesitate to contact me. You may also want to speak with B.J. Thomas at the Minnesota Medical Foundation for clarification with this issue. She can be reached at 612/625-1440.

Sincerely,

Ronald D. Franks, M.D.
Dean

cc David R. Teslow, Executive Director, Minnesota Medical Foundation
B.J. Thomas, Minnesota Medical Foundation
David Brown, M.D., Dean, University of Minnesota Medical School, Minneapolis

MINNESOTA PRIVATE COLLEGE COUNCIL

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Macalester College
Minneapolis College of Art and Design
St. John's University
Saint Mary's College of Minnesota
St. Olaf College
University of St. Thomas

August 28, 1992

Mary Lou Dresbach
MN Higher Education Coordinating Board
400 Capitol Square
550 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

My comment pertains to proposed Minnesota Rules part 4812.0100, the Nursing Home Nurses Education Account, published in the August 10, 1992 issue of the *State Register*.

The list of qualified loans in subpart 4 includes most of the state and federal loan programs that we are all familiar with but does not include the federal Nursing Student Loan Program administered by the U.S. Department of Health and Human Services. My understanding from my conversation with Arlan Hauptman is that this was not a deliberate omission and was due only to the fact that staff was unfamiliar with this particular loan program.

Short of requesting a public hearing, what is the best way to have the proposed rule amended to include the Nursing Student Loan Program in the list of qualified loans?

Thank you for your attention.

Sincerely,

Julie C. Lund

Julie C. Lund
Director of Government Relations

cc: Arlan Hauptman
Susan Brady

Printed on Recycled Paper

MMA
MINNESOTA MEDICAL ASSOCIATION

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Paul S. Sanders, M.D.
Chief Executive Officer

August 24, 1992

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

Re: Rural Loan Forgiveness Rules Under Health Right Legislation

Dear Ms. Dresbach:

Pursuant to the Notice of Intent to Adopt Rules Without a Public Hearing, published in the August 10, 1992, State Register, the Minnesota Medical Association has the following comments:

1. Minn. R. 4810.3030 subpt. 5.:

The language states: "The participant must work as a physician at least 30 hours per week in a designated rural area." Thirty hours per week is part-time employment. The MMA recommends that the rule reflect a preference for individuals seeking full time employment. For example, the rule might establish two categories, one for full time applicants, and one for part-time applicants. Category One applicants would receive first consideration. Category Two applicants would receive consideration after full review of Category One applicants.

2. Minn. R. 4811.0100 subpt. 3.:

The pertinent language states: "The eligible participant must work as a midlevel practitioner at least 30 hours per week in a designated rural area." See comment to Minn. R. 4810.3030 subpt. 5, above.

The MMA appreciates the opportunity to comment on the rural loan forgiveness rules. Please do not hesitate to contact the undersigned if you have any questions.

Very truly yours,

Suzanne M. Veenhuis
Associate Legal Counsel

THE MINNESOTA ACADEMY OF PHYSICIAN ASSISTANTS

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9 September 1992

Ms. Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

Dear Ms. Dresbach,

The comments which follow relate to the "Notice of Intent to Adopt Rules Without a Public Hearing" found in the *State Register,* Monday, August 10, 1992, regarding the Midlevel Practitioner Education Account.

1. **4811.0100, Subp. 3. Eligible program participant.** This definition of physician assistant is certainly consistent with the HealthRight statute and the definition of physician assistant in rule. However, particularly for new graduates, this definition is often inadequate. In order to be registered one must be BOTH a graduate of an accredited program AND certified by the national PA certification agency (NCCPA[1]). All but one PA training program in this region graduate their classes in late spring or summer. The certification exam is administered only once each year in October with scores for that exam not available until late the following January. Thus, new graduates currently cannot APPLY for registration until February with those applications not acted on by the Board of Medical Practice until early in the March following their graduation. This commonly leaves a period of as long as 10 months in which graduates of accredited PA programs cannot technically meet the definition in this section. Though this problem of new graduate registration was identified by the Commissioner of Health ("Final Report on Regulation of Physician Assistants", April, 1990) and the Department of Health is also currently being addressed in a rule revision process which may be completed in the next few years[2], the fact remains that the very PAs who are to be encouraged to become rural practitioners, cannot currently qualify until nearly a year after their graduation.

I believe it would be appropriate to insert language to say "...as defined in part 5600.2600, subpart 11, or who have met the criteria in part 5600.2625, subpart 1, item A pending receipt of scores from the first administration of the NCCPA[1] certification examination following their graduation, and Minnesota Statutes, section 136A.1356...". (page 3, line 32, [REVISOR] version of the rules dated 07/13/92) This would permit new graduates of regional PA programs to qualify and be encouraged to practice in rural Minnesota. Since there are no PA training programs in Minnesota, recruitment of new graduates from outside Minnesota is one of the few sources of new PAs for the state.

2. **4811.0100, Subpart 5. Qualified Loans.** In reviewing this list of loans with the financial aid officer for the University of Iowa PA Program (the program with the most graduates in Minnesota), I learned that the "Parental Loans for Undergraduate Students" (PLUS) program is utilized by a number of PA students. I also learned that the Congressional authorization for the Health Education Assistance Loan (HEAL) program includes PAs, though there has not yet been any funding appropriated for PAs under this program. In Iowa there is an "Iowa Partnership Loan Program," similar to the SLS program, which does not restrict where grad-

uates work after graduation which is also used by PA students. It is very possible that other nearby states have other similar programs for which PA students from or training in those states may qualify.

It would, therefore, seem worthwhile to include some or all of these programs in the "List of Qualified Loans". An alternative may be to include an "other loan programs" category which would include some features believed to be important in student educational financing.

3. **4811.0140 Loan Payment, Subpart 1 and Subpart 3.** My reading of the HealthRight legislation (Article 6, Section 3, Subdivision 4) suggests there is a "two for one pay back." That is, a student from a one year training program would practice in a designated site for 2 years to receive up to $7000 loan payment, while a student from a two year training program would practice for 4 years to receive up to a $14,000 loan payment. In the rule, however, I do not believe I find language limiting graduates of one year programs to the two years of loan repayment. If this is an oversight on my part in reading the rule, my apologies.

4. **4811.0120, Subpart 2.** Though this probably represents a typographical oversight, there is a reference made to "the midlevel practitioner specialty types specified in part 4811.0110, subpart **2**". (page 4, line 35 and page 5, line 1, [REVISOR] version of the rules dated 07/13/92) This list of types of midlevel practitioners is found in 4811.0110, subpart **3**. Also, since this list is simply a list of different types of midlevel practitioners, rather than *specialties* within a profession, it might also be appropriate to delete the word "specialty" in this portion of rule. (page 4, line 35, [REVISOR] version of the rules dated 07/13/92)

I appreciate your efforts in developing this program to help to relieve the shortage of primary care providers in rural areas. Thank you in advance for your review of the issues raised by these comments. I would be happy to speak with you to clarify any of the concerns raised.

Sincerely,

Mark R. Zellmer, PA-C
Past President

cc: Mr. Tom Hiendlmayr

[1]National Commission on Certification of Physician Assistants (NCCPA), (404) 493-9100, Atlanta, GA.
[2]Mr. Tom Hiendlmayr (623-5185) at the Department of Health would be able to provide further insight into the progress of this rule revision process.

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FAX TRANSMITTAL COVER LETTER

Please Deliver To: Mary Lou Dresbach

Company: MN HECB

Fax Number: 612 297 8880

From: Mark Zellmer

Date/Time: 9/10/92 9:15 AM

Total Pages Including Cover: 3

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THE MINNESOTA ACADEMY OF PHYSICIAN ASSISTANTS

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9 September 1992

Ms. Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

Dear Ms. Dresbach,

The comments which follow relate to the "Notice of Intent to Adopt Rules Without a Public Hearing" found in the *State Register*, Monday, August 10, 1992, regarding the Midlevel Practitioner Education Account.

1. **4811.0100, Subp. 3. Eligible program participant.** This definition of physician assistant is certainly consistent with the HealthRight statute and the definition of physician assistant in rule. However, particularly for new graduates, this definition is often inadequate. In order to be registered one must be BOTH a graduate of an accredited program AND certified by the national PA certification agency (NCCPA[1]). All but one PA training program in this region graduate their classes in late spring or summer. The certification exam is administered only once each year in October with scores for that exam not available until late the following January. Thus, new graduates currently cannot APPLY for registration until February with those applications not acted on by the Board of Medical Practice until early in the March following their graduation. This commonly leaves a period of as long as 10 months in which graduates of accredited PA programs cannot technically meet the definition in this section. Though this problem of new graduate registration was identified by the Commissioner of Health ("Final Report on Regulation of Physician Assistants", April, 1990) and the Department of Health is also currently being addressed in a rule revision process which may be completed in the next few years[2], the fact remains that the very PAs who are to be encouraged to become rural practitioners, cannot currently qualify until nearly a year after their graduation.

I believe it would be appropriate to insert language to say "...as defined in part 5600.2600, subpart 11, or who have met the criteria in part 5600.2625, subpart 1, item A pending receipt of scores from the first administration of the NCCPA[1] certification examination following their graduation, and Minnesota Statutes, section 136A.1356...". (page 3, line 32, [REVISOR] version of the rules dated 07/13/92) This would permit new graduates of regional PA programs to qualify and be encouraged to practice in rural Minnesota. Since there are no PA training programs in Minnesota, recruitment of new graduates from outside Minnesota is one of the few sources of new PAs for the state.

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STATE OF MINNESOTA

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rule Governing the Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and the Nursing Home Nurses Education Account Minn. Rules Parts 4810.3010-4810.3040, 4811.0110-4811.0170, and 4812.0110-4812.0170

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE

The above-entitled matter came on for decision before the Minnesota Higher Education Coordinating Board on the 17th day of September, 1992. After affording all interested persons the opportunity to present written and oral data, statements and arguments to the Board, in accordance with statutory requirements regarding the adoption of noncontroversial rules, after considering all of the evidence adduced upon the records, files and proceedings herein, the Board, being fully advised in the premises, hereby adopts the following Findings of Fact, Conclusions, and Order:

FINDINGS OF FACT

1. Notice of the Minnesota Higher Education Coordinating Board intent to adopt the above-entitled rule without a public hearing was published in the State Register on August 10, 1992, and was sent by mail to all persons on the list maintained by the Board pursuant to Minn. Statutes 14.14, subd. 1a and 14.22 on August 7, 1992.

2. The Statement of Need and Reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking list, and published in the State Register and was available to the public.

3. All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. The 30-day comment period, as set out in the notice, expired on September 10, 1992.

4. No requests for public hearing were received during the comment period.

5. No requests for notice of submission to the Attorney General were received by the Board.

6. During the comment period the Board received five written comments.

7. The Board finds that certain modifications to the proposed rules are justified by the record in this proceeding, as follows:

a. **4810.3010, Subp. 3. Qualified loans.** Another type of loan is added to this subpart (i.e., Minnesota Medical Foundation Loans (MMF's). This type of loan meets the criteria for a qualified loan, and is a type

of loan which participants in this program could have taken during their schooling. The addition of this loan is not a substantive change because it includes another possible loan in the list of qualified loans and is therefore less restrictive to program participants.

b. 4812.0110, Subp. 4. **Qualified loans.** Another type of loan is added to this subpart, the federal Nursing Student Loan. This type of loan meets the criteria for a qualified loan, and is a type of loan which participants in this program could have taken during their schooling. The addition of this loan is not a substantive change because it includes another possible loan in the list of qualified loans and is therefore less restrictive to program participants.

7. The Board adopts the Statement of Need and Reasonableness, in its entirety, as the factual basis for the proposed rules. The Board hereby incorporates the Statement of Need and Reasonableness into these findings, except as modified in Finding No. 7 above.

8. The above-captioned rule is needed and reasonable. (8)

CONCLUSIONS

1. The Minnesota Higher Education Coordinating Board duly acquired and has jurisdiction over this proceeding.

2. The Board published and served due, timely and adequate notice of the intent to adopt the rules without a public hearing.

3. All relevant legal and procedural requirements of statute and rule have been complied with.

4. The modifications to the proposed rules are supported by the record and do not result in a substantial change in the proposed rules.

ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Minn. Rules pts. 4810.3010-4810.3040, 4811.0110-4811.0170, and 4812.0110-4812.0170 is adopted pursuant to the authority vested in the Minnesota Higher Education Coordinating Board by Minn. Statutes 136A.04, subd. 1(9), and 136A.16 (1990).

(9)

DAVID R. POWERS
Executive Director
Minnesota Higher Education
Coordinating Board

Higher Education Coordinating Board

Adopted Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

Rules as Adopted

4810.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

[For text of subp 2, see M.R.]

Subp. 3. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Health Professions Student Loans (HPSLs);

D. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

E. Health Education Assistance Loans (HEALs);

F. Mayo Foundation Loans;

G. MedLoans;

H. Minnesota Medical Association Loans (MMAs);

I. University of Minnesota Trust Fund Loans (TFLs);

J. Minnesota Student Educational Loan Fund (SELF loans);

K. Student Loan Marketing Association Consolidation Loans (SMART) and other student loan consolidation loans approved by the United States Department of Education;

L. Professional Education Plan (PEP loans);

M. TERI Supplemental Loans;

N. Norwest Collegiate Loans; and

O. Graduate EXCEL (Nellie Mae); and

P. Minnesota Medical Foundation Loans (MMFs).

4810.3030 APPLICATION PROCESS.

[For text of subpart 1, see M.R.]

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Subp. 3. **Application form and contract.** Prospective physicians accepted into this program must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

[For text of subp 4, see M.R.]

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director. The participant must work as a physician at least 30 hours per week in a designated rural area.

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $10,000 per year for each participant, unless the participant fulfills the requirements in subpart 6.

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than $10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal $10,000 for the 12-month period. Participants who meet the requirements in part 4810.3040, subpart 6, may designate an additional $2,000 above the $10,000 maximum specified in subpart 1 for each applicable year of residency. The total amount paid during the 12-month period cannot exceed the principal and accrued interest of the designated loans.

[For text of subp 5, see M.R.]

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by Revisor _____

Subp. 6. **Additional designation of loans.** If a program participant serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments, the participant may designate up to an additional $2,000 above the $10,000 maximum specified in subpart 1, for each year of residency during which the resident substitutes in this capacity. In order to designate additional loans, the program participant must provide the executive director with written verification from the rural physician documenting the period of time the program participant relieves the rural physician of rural practice commitments.

The program participant must be a licensed physician in Minnesota when performing the services specified in this subpart.

MIDLEVEL PRACTITIONER EDUCATION ACCOUNT

4811.0100 SCOPE.

Parts 4811.0100 to 4811.0170 apply to the midlevel practitioner education account program.

4811.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1356, are applicable to parts 4811.0100 to 4811.0170.

Subp. 2. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

Subp. 3. **Eligible program participant.** An "eligible program participant" is a midlevel practitioner, which includes a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant as defined in part 5600.2600, subpart 11, and Minnesota Statutes, section 136A.1356, subdivisions 1c, 1d, and 1e. The eligible participant must work as a midlevel practitoner at least 30 hours per week in a designated rural area.

Subp. 4. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The

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conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 5. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4811.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who fulfill midlevel practitioner training in Minnesota or in a state with which the board has entered into a higher education tuition reciprocity agreement;

B. Minnesota residents who fulfill midlevel practitioner training outside Minnesota;

C. applicants who are not Minnesota residents, but fulfill midlevel practitioner training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill midlevel practitioner training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve at least 30 hours per week as midlevel practitioners in a designated rural area in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Within each classification specified in subpart 1, applicants will be divided into the midlevel practitioner specialty types specified in part 4811.0110, subpart 2, and chosen for participation by lot within each specialty type. One participant will be selected by lot from each specialty type that has at least one

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applicant. The remaining participants must be chosen by lot from among all the remaining applicants for that year. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective midlevel practitioner, the executive director shall send the prospective midlevel practitioner more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of the midlevel practitioner program, the prospective midlevel practitioner must complete and return the application form and contract provided by the executive director. The prospective midlevel practitioner agrees to serve at least two of the first four years following graduation from the midlevel practitioner program in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a midlevel practitioner in a designated rural area. A program participant must work as a midlevel practitioner in a designated rural area at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the midlevel practitioner, the participant must sign the agreement or promissory note provided by the executive director.

4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must

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make payments on. Payments by the executive director cannot exceed $3,500 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,500 per year. The participant must continue to serve as a midlevel practitioner in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a midlevel practitioner in a designated rural area.

4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a midlevel practitioner in a designated rural area.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within four years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the

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need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4811.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director, by the deadline, the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

NURSING HOME NURSES EDUCATION ACCOUNT

4812.0100 SCOPE.

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Parts 4812.0100 to 4812.0170 apply to the nursing home nurses education account.

4812.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1357, are applicable to parts 4812.0100 to 4812.0170.

Subp. 2. **Eligible program participant.** An "eligible program participant" is a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse.

Subp. 3. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 4. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); ~~and~~

E. federal Nursing Student Loans; and

F. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4812.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota;

B. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse outside Minnesota;

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C. applicants who are not Minnesota residents, but complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota; or

D. applicants who are not Minnesota residents and do not complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota.

Subp. 2. **Insufficient award availability.** If more than ten applicants start to serve at least 30 hours per week as registered nurses or licensed practical nurses in nursing homes in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** A person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the executive director before completing the first year of study in a nursing education program. Upon receipt of a letter of interest from a prospective registered nurse or licensed practical nurse, the executive director shall send more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of study, the prospective registered nurse or licensed practical nurse must complete and return the application form and contract provided by the executive director. The prospective registered nurse or licensed practical nurse agrees to serve at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date

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results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a nurse in a licensed nursing home. A program participant must work as a nurse in a licensed nursing home at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the registered nurse or licensed practical nurse, the participant must sign the agreement or promissory note provided by the executive director.

4812.0140 LOAN PAYMENT.

Subpart 1. Designation of loans. Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,000 per year. The participant must continue to serve as a nurse in a licensed nursing home during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a nurse in a licensed nursing home.

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by Revisor _____

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Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a nurse in a licensed nursing home.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within two years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

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B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4812.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director by the deadline the service status verification form provided by

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the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4812.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

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Higher Education Coordinating Board

Proposed Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

Rules as Proposed

4810.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

[For text of subp 2, see M.R.]

Subp. 3. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Health Professions Student Loans (HPSLs);

D. Supplemental Loans for Students (SLSs)~~;~~/

~~E.~~ Auxiliary Loans to Assist Students (ALASs);

~~F.--Parent-Loans-for-Undergraduate-Students-(PLUSs);~~

~~G.~~ E. Health Education Assistance Loans (HEALs);

~~H.~~ F. Mayo Foundation Loans;

~~I.~~ G. MedLoans~~;~~

H. Minnesota Medical Association Loans (MMAs);

~~J.--Minnesota-Medical-Foundation-Loans-(MMFs);~~

~~K.~~ I. University of Minnesota Trust Fund Loans (TFLs);

~~L.~~ J. Minnesota Student Educational Loan Fund (SELF loans); ~~and~~

~~M.~~ K. Student Loan Marketing Association Consolidation Loans (SMART) and other student loan consolidation loans approved by the United States Department of Education;

L. Professional Education Plan (PEP loans);

M. TERI Supplemental Loans;

N. Norwest Collegiate Loans; and

O. Graduate EXCEL (Nellie Mae).

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4810.3030 APPLICATION PROCESS.

[For text of subpart 1, see M.R.]

Subp. 3. **Application form and contract.** ~~During the first year of residency, the~~ Prospective ~~physician~~ physicians accepted into this program must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area ~~if chosen as a participant~~. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

[For text of subp 4, see M.R.]

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director. The participant must work as a physician at least 30 hours per week in a designated rural area.

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $10,000 per year for each participant, unless the participant fulfills the requirements in subpart 6.

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than $10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal $10,000 for the 12-month period. Participants who meet the requirements in part 4810.3040, subpart 6, may designate an additional $2,000 above the $10,000 maximum specified in subpart 1 for each applicable year of residency. The total amount paid during the 12-month

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period cannot exceed the principal and accrued interest of the designated loans.

[For text of subp 5, see M.R.]

Subp. 6. **Additional designation of loans.** If a program participant serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments, the participant may designate up to an additional $2,000 above the $10,000 maximum specified in subpart 1, for each year of residency during which the resident substitutes in this capacity. In order to designate additional loans, the program participant must provide the executive director with written verification from the rural physician documenting the period of time the program participant relieves the rural physician of rural practice commitments.

The program participant must be a licensed physician in Minnesota when performing the services specified in this subpart.

MIDLEVEL PRACTITIONER EDUCATION ACCOUNT

4811.0100 SCOPE.

Parts 4811.0100 to 4811.0170 apply to the midlevel practitioner education account program.

4811.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1356, are applicable to parts 4811.0100 to 4811.0170.

Subp. 2. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

Subp. 3. **Eligible program participant.** An "eligible program participant" is a midlevel practitioner, which includes a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant as defined in part 5600.2600, subpart 11, and Minnesota Statutes, section 136A.1356, subdivisions 1c, 1d, and 1e. The eligible participant must work as a midlevel practitoner at least 30 hours per week in a designated rural area.

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Subp. 4. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 5. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4811.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who fulfill midlevel practitioner training in Minnesota or in a state with which the board has entered into a higher education tuition reciprocity agreement;

B. Minnesota residents who fulfill midlevel practitioner training outside Minnesota;

C. applicants who are not Minnesota residents, but fulfill midlevel practitioner training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill midlevel practitioner training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve at least 30 hours per week as midlevel practitioners in a designated rural area in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Within each classification specified in subpart 1, applicants will be divided into the midlevel practitioner specialty types specified

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in part 4811.0110, subpart 2, and chosen for participation by lot within each specialty type. One participant will be selected by lot from each specialty type that has at least one applicant. The remaining participants must be chosen by lot from among all the remaining applicants for that year. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective midlevel practitioner, the executive director shall send the prospective midlevel practitioner more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of the midlevel practitioner program, the prospective midlevel practitioner must complete and return the application form and contract provided by the executive director. The prospective midlevel practitioner agrees to serve at least two of the first four years following graduation from the midlevel practitioner program in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a midlevel practitioner in a designated rural area. A program participant must work as a midlevel practitioner in a designated rural area at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the midlevel practitioner, the participant must sign the agreement or promissory note provided by the executive director.

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4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,500 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,500 per year. The participant must continue to serve as a midlevel practitioner in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a midlevel practitioner in a designated rural area.

4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a midlevel practitioner in a designated rural area.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within four years.

Subp. 3. **Waiver.** A participant may request a waiver from

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the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4811.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director, by the deadline, the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

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NURSING HOME NURSES EDUCATION ACCOUNT

4812.0100 SCOPE.

Parts 4812.0100 to 4812.0170 apply to the nursing home nurses education account.

4812.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1357, are applicable to parts 4812.0100 to 4812.0170.

Subp. 2. **Eligible program participant.** An "eligible program participant" is a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse.

Subp. 3. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 4. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4812.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota;

B. Minnesota residents who complete a nursing

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education program for a registered nurse or licensed practical nurse outside Minnesota;

C. applicants who are not Minnesota residents, but complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota; or

D. applicants who are not Minnesota residents and do not complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota.

Subp. 2. **Insufficient award availability.** If more than ten applicants start to serve at least 30 hours per week as registered nurses or licensed practical nurses in nursing homes in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** A person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the executive director before completing the first year of study in a nursing education program. Upon receipt of a letter of interest from a prospective registered nurse or licensed practical nurse, the executive director shall send more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of study, the prospective registered nurse or licensed practical nurse must complete and return the application form and contract provided by the executive director. The prospective registered nurse or licensed practical nurse agrees to serve at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home if chosen

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as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a nurse in a licensed nursing home. A program participant must work as a nurse in a licensed nursing home at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the registered nurse or licensed practical nurse, the participant must sign the agreement or promissory note provided by the executive director.

4812.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,000 per year. The participant must continue to serve as a nurse in a licensed nursing home during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any

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period when the participant is not serving as a nurse in a licensed nursing home.

4812.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a nurse in a licensed nursing home.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within two years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4812.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the

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participant must complete and return to the executive director by the deadline the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4812.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

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by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

AGENCY: Higher Education Coordinating Board

MINNESOTA RULES: Chapters 4810, 4811, and 4812

The attached rules are approved for publication in the State Register

Richard J. Sands
Senior Assistant Revisor

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules Governing Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and Nursing Home Nurses Education Account, Minn. Rules Parts 4810.3010-4810.3040, 4811.0100-4811.0170, and 4812.0100-4812.0170.

NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

(1) Notice is hereby given that the Minnesota Higher Education Coordinating Board intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minn. Statutes 14.22 to 14.28 (1990). The Board's authority to adopt the rule is set forth in Minn. Statutes 136A.04, Subd. 1(9) and 136A.16 (1990).

(2) All persons have 30 days in which to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules. That date would end on September 10, 1992 at 4:30p.m. Comment is encouraged. (3) Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the comment period. (4) If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. (6) Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. (7) If a public hearing is required, the Board will proceed pursuant to Minn. Statutes 14.131 to 14.20 (1990).

(5) Comments or written requests for a public hearing must be submitted to:

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

(8) The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

(11) A copy of the proposed rule is attached to this notice.

(12) A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lou Dresbach upon request.

(9) If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the rule, must submit the written request to Mary Lou Dresbach.

7/21/92
DATE

DAVID R. POWERS
Executive Director

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules Governing Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and Nursing Home Nurses Education Account, Minn. Rules Parts 4810.3010-4810.3040, 4811.0100-4811.0170, and 4812.0100-4812.0170

AFFIDAVIT OF MAILING THE NOTICE OF INTENET TO ADOPT RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

Mary Lou Dresbach, being duly sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minn. Statutes 14.14, subd. 1a and 14.22 that their names be placed on the Minnesota Higher Education Coordinating Board's rulemaking mailing list is accurate, complete, and current as of the 7th day of August, 1992.

That on the 7th day of August, 1992, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt Rules Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States Mail a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Mary Lou Dresbach

Subscribed and sworn to before me this 7th day of August, 1992.

Notary Public

JUDITH A. MORGAN
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES SEPTEMBER 16, 1995

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules Governing Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and Nursing Home Nurses Education Account, Minn. Rules Parts 4810.3010-4810.3040, 4811.0100-4811.0170, and 4812.0100-4812.0170.

NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

Notice is hereby given that the Minnesota Higher Education Coordinating Board intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minn. Statutes 14.22 to 14.28 (1990). The Board's authority to adopt the rule is set forth in Minn. Statutes 136A.04, Subd. 1(9) and 136A.16 (1990).

All persons have 30 days in which to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules. That date would end on September 10, 1992 at 4:30p.m. Comment is encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to Minn. Statutes 14.131 to 14.20 (1990).

Comments or written requests for a public hearing must be submitted to:

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

NOTE: THIS NOTICE WILL APPEAR IN THE 8/10/92 ISSUE OF THE STATE REGISTER

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lou Dresbach upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the rule, must submit the written request to Mary Lou Dresbach.

7/21/92
DATE

DAVID R. POWERS
Executive Director

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

Rules as Proposed

4810.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

[For text of subp 2, see M.R.]

Subp. 3. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Health Professions Student Loans (HPSLs);

D. Supplemental Loans for Students (SLSs)~~;~~/

~~E. Auxiliary Loans to Assist Students (ALASs);~~

~~F. Parent Loans for Undergraduate Students (PLUSs);~~

~~G.~~ E. Health Education Assistance Loans (HEALs);

~~H.~~ F. Mayo Foundation Loans;

~~I.~~ G. MedLoans~~;~~;

H. Minnesota Medical Association Loans (MMAs);

~~J. Minnesota Medical Foundation Loans (MMFs);~~

~~K.~~ I. University of Minnesota Trust Fund Loans (TFLs);

~~L.~~ J. Minnesota Student Educational Loan Fund (SELF loans); ~~and~~

~~M.~~ K. Student Loan Marketing Association Consolidation Loans (SMART) and other student loan consolidation loans approved by the United States Department of Education;

L. Professional Education Plan (PEP loans);

M. TERI Supplemental Loans;

N. Norwest Collegiate Loans; and

O. Graduate EXCEL (Nellie Mae).

Approved by Revisor

4810.3030 APPLICATION PROCESS.

[For text of subpart 1, see M.R.]

Subp. 3. **Application form and contract.** ~~During the first year of residency, the~~ Prospective ~~physician~~ physicians accepted into this program must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area ~~if chosen as a participant~~. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

[For text of subp 4, see M.R.]

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director. The participant must work as a physician at least 30 hours per week in a designated rural area.

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $10,000 per year for each participant, unless the participant fulfills the requirements in subpart 6.

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than $10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal $10,000 for the 12-month period. Participants who meet the requirements in part 4810.3040, subpart 6, may designate an additional $2,000 above the $10,000 maximum specified in subpart 1 for each applicable year of residency. The total amount paid during the 12-month

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period cannot exceed the principal and accrued interest of the designated loans.

[For text of subp 5, see M.R.]

Subp. 6. **Additional designation of loans.** If a program participant serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments, the participant may designate up to an additional $2,000 above the $10,000 maximum specified in subpart 1, for each year of residency during which the resident substitutes in this capacity. In order to designate additional loans, the program participant must provide the executive director with written verification from the rural physician documenting the period of time the program participant relieves the rural physician of rural practice commitments.

The program participant must be a licensed physician in Minnesota when performing the services specified in this subpart.

MIDLEVEL PRACTITIONER EDUCATION ACCOUNT

4811.0100 SCOPE.

Parts 4811.0100 to 4811.0170 apply to the midlevel practitioner education account program.

4811.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1356, are applicable to parts 4811.0100 to 4811.0170.

Subp. 2. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

Subp. 3. **Eligible program participant.** An "eligible program participant" is a midlevel practitioner, which includes a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant as defined in part 5600.2600, subpart 11, and Minnesota Statutes, section 136A.1356, subdivisions 1c, 1d, and 1e. The eligible participant must work as a midlevel practitoner at least 30 hours per week in a designated rural area.

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Subp. 4. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 5. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4811.0120 RITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who fulfill midlevel practitioner training in Minnesota or in a state with which the board has entered into a higher education tuition reciprocity agreement;

B. Minnesota residents who fulfill midlevel practitioner training outside Minnesota;

C. applicants who are not Minnesota residents, but fulfill midlevel practitioner training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill midlevel practitioner training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve at least 30 hours per week as midlevel practitioners in a designated rural area in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Within each classification specified in subpart 1, applicants will be divided into the midlevel practitioner specialty types specified

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in part 4811.0110, subpart 2, and chosen for participation by lot within each specialty type. One participant will be selected by lot from each specialty type that has at least one applicant. The remaining participants must be chosen by lot from among all the remaining applicants for that year. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective midlevel practitioner, the executive director shall send the prospective midlevel practitioner more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of the midlevel practitioner program, the prospective midlevel practitioner must complete and return the application form and contract provided by the executive director. The prospective midlevel practitioner agrees to serve at least two of the first four years following graduation from the midlevel practitioner program in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a midlevel practitioner in a designated rural area. A program participant must work as a midlevel practitioner in a designated rural area at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the midlevel practitioner, the participant must sign the agreement or promissory note provided by the executive director.

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4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,500 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,500 per year. The participant must continue to serve as a midlevel practitioner in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a midlevel practitioner in a designated rural area.

4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a midlevel practitioner in a designated rural area.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within four years.

Subp. 3. **Waiver.** A participant may request a waiver from

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the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4811.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director, by the deadline, the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

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NURSING HOME NURSES EDUCATION ACCOUNT

4812.0100 SCOPE.

Parts 4812.0100 to 4812.0170 apply to the nursing home nurses education account.

4812.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1357, are applicable to parts 4812.0100 to 4812.0170.

Subp. 2. **Eligible program participant.** An "eligible program participant" is a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse.

Subp. 3. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 4. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4812.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota;

B. Minnesota residents who complete a nursing

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education program for a registered nurse or licensed practical nurse outside Minnesota;

C. applicants who are not Minnesota residents, but complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota; or

D. applicants who are not Minnesota residents and do not complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota.

Subp. 2. **Insufficient award availability.** If more than ten applicants start to serve at least 30 hours per week as registered nurses or licensed practical nurses in nursing homes in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** A person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the executive director before completing the first year of study in a nursing education program. Upon receipt of a letter of interest from a prospective registered nurse or licensed practical nurse, the executive director shall send more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of study, the prospective registered nurse or licensed practical nurse must complete and return the application form and contract provided by the executive director. The prospective registered nurse or licensed practical nurse agrees to serve at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home if chosen

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as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a nurse in a licensed nursing home. A program participant must work as a nurse in a licensed nursing home at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the registered nurse or licensed practical nurse, the participant must sign the agreement or promissory note provided by the executive director.

4812.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,000 per year. The participant must continue to serve as a nurse in a licensed nursing home during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any

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period when the participant is not serving as a nurse in a licensed nursing home.

4812.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a nurse in a licensed nursing home.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within two years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4812.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the

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participant must complete and return to the executive director by the deadline the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4812.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

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Subp. 2. ~~**Recommendations**~~ **Application review.** The final review team ~~must~~ shall read the applicants' ~~recommendations~~ applications to determine the applicants' attitudes about prior learning in the academic and arts areas. The final review team ~~may~~ shall assign ~~from~~ zero to ~~five~~ ten points for ~~each recommendation. The final review team will assign points in the area of attitude according to what extent the recommendations demonstrate an applicant's~~ the content of the applications according to the extent to which they demonstrate motivation and commitment to learning.

[For text of subp 3, see M.R.]

3600.0070 APPEAL PROCESS.

Subpart 1. **Informal appeal.** Applicants or applicants' parents or guardians may make written requests for explanations of the denial of placement within ten days of the denial date. The director must reply, in writing, within one week of having received the request for explanation of the denial of placement, with a detailed explanation of the review process and reasons for the denial of placement.

Subp. 2. **Formal appeal.** If the denial of placement is still in dispute, applicants or applicants' parents or guardians may take their cases to the appeals subcommittee of the board by submitting a written request explaining the reasons they believe the denial was incorrect within 20 days of the date of the director's written explanation of the denial. The subcommittee must review the appeal, the review team's evaluation, and the director's explanation, and make final recommendations to the full board for adoption within two weeks of having received the written request. The appeals process ends with the formal action of the board at its next scheduled meeting.

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Higher Education Coordinating Board intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* 14.22 to 14.28 (1990). The Board's authority to adopt the rule is set forth in *Minnesota Statutes* 136A.04, Subd. 1(9) and 136A.16 (1990).

All persons have 30 days in which to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules. That date would end on September 10, 1992 at 4:30 p.m. Comment is encouraged. Each comment should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rules within the comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rules addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to *Minnesota Statutes* §§ 14.131 to 14.20 (1990).

Comments or written requests for a public hearing must be submitted to:

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lou Dresbach upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the rule, must submit the written request to Mary Lou Dresbach

David R. Powers
Executive Director

Dated: 21 July 1992

Rules as Proposed

4810.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

[For text of subp 2, see M.R.]

Subp. 3. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Health Professions Student Loans (HPSLs);

D. Supplemental Loans for Students (SLSs)~~;~~/

~~E.~~ Auxiliary Loans to Assist Students (ALASs);

~~F. Parent Loans for Undergraduate Students (PLUSs);~~

~~G.~~ E. Health Education Assistance Loans (HEALs);

~~H.~~ F. Mayo Foundation Loans;

~~I.~~ G. MedLoans~~,~~;

H. Minnesota Medical Association Loans (MMAs);

~~J. Minnesota Medical Foundation Loans (MMFs);~~

~~K.~~ I. University of Minnesota Trust Fund Loans (TFLs);

~~L.~~ J. Minnesota Student Educational Loan Fund (SELF loans); ~~and~~

~~M.~~ K. Student Loan Marketing Association Consolidation Loans (SMART) and other student loan consolidation loans approved by the United States Department of Education;

L. Professional Education Plan (PEP loans);

M. TERI Supplemental Loans;

N. Norwest Collegiate Loans; and

O. Graduate EXCEL (Nellie Mae).

4810.3030 APPLICATION PROCESS.

[For text of subpart 1, see M.R.]

Subp. 3. **Application form and contract.** ~~During the first year of residency, the~~ Prospective ~~physician~~ physicians accepted into this program must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area ~~if chosen as a participant~~. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

[For text of subp 4, see M.R.]

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director. The participant must work as a physician at least 30 hours per week in a designated rural area.

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $10,000 per year for each participant, unless the participant fulfills the requirements in subpart 6.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than $10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal $10,000 for the 12-month period. Participants who meet the requirements in part 4810.3040, subpart 6, may designate an additional $2,000 above the $10,000 maximum specified in subpart 1 for each applicable year of residency. The total amount paid during the 12-month period cannot exceed the principal and accrued interest of the designated loans.

[For text of subp 5, see M.R.]

Subp. 6. **Additional designation of loans.** If a program participant serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments, the participant may designate up to an additional $2,000 above the $10,000 maximum specified in subpart 1, for each year of residency during which the resident substitutes in this capacity. In order to designate additional loans, the program participant must provide the executive director with written verification from the rural physician documenting the period of time the program participant relieves the rural physician of rural practice commitments.

The program participant must be a licensed physician in Minnesota when performing the services specified in this subpart.

MIDLEVEL PRACTITIONER EDUCATION ACCOUNT

4811.0100 SCOPE.

Parts 4811.0100 to 4811.0170 apply to the midlevel practitioner education account program.

4811.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in *Minnesota Statutes*, section 136A.1356, are applicable to parts 4811.0100 to 4811.0170.

Subp. 2. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

Subp. 3. **Eligible program participant.** An "eligible program participant" is a midlevel practitioner, which includes a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant as defined in part 5600.2600, subpart 11, and *Minnesota Statutes*, section 136A.1356, subdivisions 1c, 1d, and 1e. The eligible participant must work as a midlevel practitoner at least 30 hours per week in a designated rural area.

Subp. 4. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 5. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4811.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who fulfill midlevel practitioner training in Minnesota or in a state with which the board has entered into a higher education tuition reciprocity agreement;

B. Minnesota residents who fulfill midlevel practitioner training outside Minnesota;

C. applicants who are not Minnesota residents, but fulfill midlevel practitioner training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill midlevel practitioner training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve at least 30 hours per week as midlevel practitioners in a designated rural area in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Within each classification specified in subpart 1, applicants will be divided into the midlevel practitioner specialty types specified in part 4811.0110, subpart 2, and chosen for participation by lot within each specialty type. One participant will be selected by lot from each specialty type that has at least one applicant. The remaining participants must be chosen by lot from among all the remaining applicants for that year. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective midlevel practitioner, the executive director shall send the prospective midlevel practitioner more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of the midlevel practitioner program, the prospective midlevel practitioner must complete and return the application form and contract provided by the executive director. The prospective midlevel practitioner agrees to serve at least two of the first four years following graduation from the midlevel practitioner program in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a midlevel practitioner in a designated rural area. A program participant must work as a midlevel practitioner in a designated rural area at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the midlevel practitioner, the participant must sign the agreement or promissory note provided by the executive director.

4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,500 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,500 per year. The participant must continue to serve as a midlevel practitioner in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a midlevel practitioner in a designated rural area.

4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to *Minnesota Statutes*, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a midlevel practitioner in a designated rural area.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within four years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

4811.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director, by the deadline, the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

NURSING HOME NURSES EDUCATION ACCOUNT

4812.0100 SCOPE.

Parts 4812.0100 to 4812.0170 apply to the nursing home nurses education account.

4812.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in *Minnesota Statutes*, section 136A.1357, are applicable to parts 4812.0100 to 4812.0170.

Subp. 2. **Eligible program participant.** An "eligible program participant" is a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse.

Subp. 3. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 4. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4812.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota;

B. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse outside Minnesota;

C. applicants who are not Minnesota residents, but complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota; or

D. applicants who are not Minnesota residents and do not complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota.

Subp. 2. **Insufficient award availability.** If more than ten applicants start to serve at least 30 hours per week as registered nurses or licensed practical nurses in nursing homes in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** A person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the executive director before completing the first year of study in a nursing education program. Upon receipt of a letter of interest from a prospective registered nurse or licensed practical nurse, the executive director shall send more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of study, the prospective registered nurse or licensed practical nurse must complete and return the application form and contract provided by the executive director. The prospective

registered nurse or licensed practical nurse agrees to serve at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a nurse in a licensed nursing home. A program participant must work as a nurse in a licensed nursing home at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the registered nurse or licensed practical nurse, the participant must sign the agreement or promissory note provided by the executive director.

4812.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,000 per year. The participant must continue to serve as a nurse in a licensed nursing home during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a nurse in a licensed nursing home.

4812.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to *Minnesota Statutes*, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a nurse in a licensed nursing home.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within two years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4812.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director by the deadline the service status verification form provided by the executive director.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4812.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

Department of Public Service

Proposed Permanent Rules Relating to Cost-Share Maxi-Audit Grants

Notice of Intent to Amend Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Department of Public Service intends to adopt amendments to *Minnesota Rules* Chapter 7660, without a public hearing. The Commissioner has determined that the proposed amendment of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in the *Minnesota Statutes*, sections 14.22 to 14.28. Authorithy for the adoption of these rules is contained in *Minnesota Statutes*, section 216C.09.

Minnesota Rules Chapter 7660 applies to the cost-share maxi-audit grants. This rule affects cost-share maxi-auditors, schools, hospitals, and municipal buildings for which cost-share maxi-audits are performed.

All persons have 30 days in which to submit comment in support of or in opposition to any part or subpart of the proposed amendments. Comment is encouraged. Each comment should identify the proposed amendment addressed, the reason for the comment, and any change proposed.

All persons may make a written request for a public hearing on the proposed amendments within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. Any person requesting a public hearing must state his or her name and address and is encouraged to identify the portion of the proposed amendment addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Rory Artig, Engineering Specialist
Department of Public Service, Energy Division
150 East Kellogg Boulevard, Suite 790
St. Paul, MN 55101
(612) 297-2326 Fax (612) 297-1959

Comments or requests for a public hearing must be received no later than 4:00 p.m., September 15, 1992.

The proposed amendments may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change in the proposed amendments as noticed.

A copy of the proposed rule amendment is attached to this notice. A substantive part of this rule amendment is the Cost-Share Maxi-Audit Manual (1992), adopted by reference. A copy of this manual is available from Mr. Artig at the above address.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed amendments and identifies the data and information relied upon to support the proposed amendments has been prepared and is available by requesting a copy from Mr. Artig at the address listed above.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent that form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rules, must submit a written request for such to Mr. Artig at the address listed above.

Dated: 24 July 1992

Krista L. Sanda, Commissioner
Department of Public Service

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules Governing Rural Physician Loan Forgiveness Program, Midlevel Practitioner Education Account, and Nursing Home Nurses Education Account

AFFIDAVIT REGARDING COMMENTS RECEIVED PURSUANT TO NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

Mary Lou Dresbach, being duly sworn on oath deposes and says:

1. That Mary Lou Dresbach is the person named in the Notice of Intent to Adopt Rules Without a Public Hearing (17 S.R. 264, August 10, 1992) as the person to receive comments on the Board's intent to adopt rules concerning the above-entitled subject.

2. That the comment period set forth in the notice terminated at 4:30 P.M. on September 10, 1992.

3. That during the public comment period five written comments were received by the Board. Issues discussed in the comments included: the number of hours per week that a physician or midlevel practitioner be required to work in a designated rural area in order to be eligible to participant in the Rural Physician Loan Forgiveness Program (Rural Physician Education Account), or the Midlevel Practitioner Education Account (i.e., requiring participants in both programs to work at least 40 hours per week rather than "at least 30 hours per week" as required in the rules language; additional types of loans that might be included in types of "qualified loans"; further restrictions regarding an eligible program participant for the Midlevel Practitioner Education Account, and comments regarding the payment provisions for the Midlevel Practitioner Education Account.

KATHERINE A. FISCH
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES DECEMBER 26, 1994

Mary Lou Dresbach
MARY LOU DRESBACH

Subscribed and sworn to before me
this 15 day of September, 1992.

Katherine A. Fisch
Notary Public

CERTIFICATE OF RESOLUTION ADOPTING RULES

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

I, Duane Scribner, do certify that I am the President of the Minnesota Higher Education Coordinating Board, an agency duly authorized under the laws of the state of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Minnesota Higher Education Coordinating Board duly and properly called and held on the 17th day of September, 1992, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution will be set forth in the minutes of said meeting and has not been rescinded or modified:

> BE IT RESOLVED, that the Minnesota Higher Education Coordinating Board hereby approves and adopts the rule governing the Rural Physician Loan Forgiveness Program, the Midlevel Practitioner Education Account, and the Nursing Home Nurses Education Account pursuant to the authority vested in the Board by Minn. Statutes 136A.04, Subd. 1(9), and 136A.16 (1990).
>
> BE IT FURTHER RESOLVED, that prior to publishing the rule as adopted in the State Register, the executive director is authorized to make any form changes in the rule that the Revisor of Statutes requires the Board to make in order to obtain the Revisor's Certificate as required by Minn Statutes 14.20 (1990).
>
> BE IT FURTHER RESOLVED, that the Board adopts the attached Findings of Fact, Conclusions and Order Adopting Rule and that the executive director is hereby authorized to sign the above-mentioned document on behalf of the Board and to perform the necessary acts to provide that the rule shall have the force and effect of law.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day of September, 1992.

Duane C. Scribner

President of the Board

STATE OF MINNESOTA

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed
Rule Governing the Rural
Physician Loan Forgiveness Program,
Midlevel Practitioner Education Account,
and the Nursing Home Nurses Education Account
Minn. Rules Parts 4810.3010-
4810.3040, 4811.0110-4811.0170, and
4812.0110-4812.0170

FINDINGS OF FACT,
CONCLUSIONS, AND ORDER
ADOPTING RULE

The above-entitled matter came on for decision before the Minnesota Higher Education Coordinating Board on the 17th day of September, 1992. After affording all interested persons the opportunity to present written and oral data, statements and arguments to the Board, in accordance with statutory requirements regarding the adoption of noncontroversial rules, after considering all of the evidence adduced upon the records, files and proceedings herein, the Board, being fully advised in the premises, hereby adopts the following Findings of Fact, Conclusions, and Order:

FINDINGS OF FACT

1. Notice of the Minnesota Higher Education Coordinating Board intent to adopt the above-entitled rule without a public hearing was published in the State Register on August 10, 1992, and was sent by mail to all persons on the list maintained by the Board pursuant to Minn. Statutes 14.14, subd. 1a and 14.22 on August 7, 1992.

2. The Statement of Need and Reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking list, and published in the State Register and was available to the public.

3. All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. The 30-day comment period, as set out in the notice, expired on September 10, 1992.

4. No requests for public hearing were received during the comment period.

5. No requests for notice of submission to the Attorney General were received by the Board.

6. During the comment period the Board received five written comments.

7. The Board finds that certain modifications to the proposed rules are justified by the record in this proceeding, as follows:

a. **4810.3010, Subp. 3. Qualified loans.** Another type of loan is added to this subpart (i.e., Minnesota Medical Foundation Loans (MMF's). This type of loan meets the criteria for a qualified loan, and is a type

of loan which participants in this program could have taken during their schooling. The addition of this loan is not a substantive change because it includes another possible loan in the list of qualified loans and is therefore less restrictive to program participants.

b. 4812.0110, Subp. 4. **Qualified loans.** Another type of loan is added to this subpart, the federal Nursing Student Loan. This type of loan meets the criteria for a qualified loan, and is a type of loan which participants in this program could have taken during their schooling. The addition of this loan is not a substantive change because it includes another possible loan in the list of qualified loans and is therefore less restrictive to program participants.

7. The Board adopts the Statement of Need and Reasonableness, in its entirety, as the factual basis for the proposed rules. The Board hereby incorporates the Statement of Need and Reasonableness into these findings, except as modified in Finding No. 7 above.

8. The above-captioned rule is needed and reasonable.

CONCLUSIONS

1. The Minnesota Higher Education Coordinating Board duly acquired and has jurisdiction over this proceeding.

2. The Board published and served due, timely and adequate notice of the intent to adopt the rules without a public hearing.

3. All relevant legal and procedural requirements of statute and rule have been complied with.

4. The modifications to the proposed rules are supported by the record and do not result in a substantial change in the proposed rules.

ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Minn. Rules pts. 4810.3010-4810.3040, 4811.0110-4811.0170, and 4812.0110-4812.0170 is adopted pursuant to the authority vested in the Minnesota Higher Education Coordinating Board by Minn. Statutes 136A.04, subd. 1(9), and 136A.16 (1990).

DAVID R. POWERS
Executive Director
Minnesota Higher Education
Coordinating Board

Higher Education Coordinating Board

Adopted Permanent Rules Relating to Education; Postsecondary; Certain Financial Assistance Programs

Rules as Adopted

4810.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

[For text of subp 2, see M.R.]

Subp. 3. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Health Professions Student Loans (HPSLs);

D. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

E. Health Education Assistance Loans (HEALs);

F. Mayo Foundation Loans;

G. MedLoans;

H. Minnesota Medical Association Loans (MMAs);

I. University of Minnesota Trust Fund Loans (TFLs);

J. Minnesota Student Educational Loan Fund (SELF loans);

K. Student Loan Marketing Association Consolidation Loans (SMART) and other student loan consolidation loans approved by the United States Department of Education;

L. Professional Education Plan (PEP loans);

M. TERI Supplemental Loans;

N. Norwest Collegiate Loans; ~~and~~

O. Graduate EXCEL (Nellie Mae); and

P. Minnesota Medical Foundation Loans (MMFs).

4810.3030 APPLICATION PROCESS.

[For text of subpart 1, see M.R.]

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Subp. 3. **Application form and contract.** Prospective physicians accepted into this program must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

[For text of subp 4, see M.R.]

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director. The participant must work as a physician at least 30 hours per week in a designated rural area.

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $10,000 per year for each participant, unless the participant fulfills the requirements in subpart 6.

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than $10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal $10,000 for the 12-month period. Participants who meet the requirements in part 4810.3040, subpart 6, may designate an additional $2,000 above the $10,000 maximum specified in subpart 1 for each applicable year of residency. The total amount paid during the 12-month period cannot exceed the principal and accrued interest of the designated loans.

[For text of subp 5, see M.R.]

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Subp. 6. **Additional designation of loans.** If a program participant serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments, the participant may designate up to an additional $2,000 above the $10,000 maximum specified in subpart 1, for each year of residency during which the resident substitutes in this capacity. In order to designate additional loans, the program participant must provide the executive director with written verification from the rural physician documenting the period of time the program participant relieves the rural physician of rural practice commitments.

The program participant must be a licensed physician in Minnesota when performing the services specified in this subpart.

MIDLEVEL PRACTITIONER EDUCATION ACCOUNT

4811.0100 SCOPE.

Parts 4811.0100 to 4811.0170 apply to the midlevel practitioner education account program.

4811.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1356, are applicable to parts 4811.0100 to 4811.0170.

Subp. 2. **Designated rural area.** "Designated rural area" means the area defined in part 4830.0100, subpart 3a.

Subp. 3. **Eligible program participant.** An "eligible program participant" is a midlevel practitioner, which includes a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant as defined in part 5600.2600, subpart 11, and Minnesota Statutes, section 136A.1356, subdivisions 1c, 1d, and 1e. The eligible participant must work as a midlevel practitoner at least 30 hours per week in a designated rural area.

Subp. 4. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The

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conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 5. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4811.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who fulfill midlevel practitioner training in Minnesota or in a state with which the board has entered into a higher education tuition reciprocity agreement;

B. Minnesota residents who fulfill midlevel practitioner training outside Minnesota;

C. applicants who are not Minnesota residents, but fulfill midlevel practitioner training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill midlevel practitioner training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve at least 30 hours per week as midlevel practitioners in a designated rural area in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Within each classification specified in subpart 1, applicants will be divided into the midlevel practitioner specialty types specified in part 4811.0110, subpart 2, and chosen for participation by lot within each specialty type. One participant will be selected by lot from each specialty type that has at least one

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applicant. The remaining participants must be chosen by lot from among all the remaining applicants for that year. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective midlevel practitioner, the executive director shall send the prospective midlevel practitioner more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of the midlevel practitioner program, the prospective midlevel practitioner must complete and return the application form and contract provided by the executive director. The prospective midlevel practitioner agrees to serve at least two of the first four years following graduation from the midlevel practitioner program in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a midlevel practitioner in a designated rural area. A program participant must work as a midlevel practitioner in a designated rural area at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the midlevel practitioner, the participant must sign the agreement or promissory note provided by the executive director.

4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must

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by Revisor _____

make payments on. Payments by the executive director cannot exceed $3,500 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,500 per year. The participant must continue to serve as a midlevel practitioner in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a midlevel practitioner in a designated rural area.

4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a midlevel practitioner in a designated rural area.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within four years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the

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need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4811.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director, by the deadline, the service status verification form provided by the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

NURSING HOME NURSES EDUCATION ACCOUNT

4812.0100 SCOPE.

Approved
by Revisor _____

Parts 4812.0100 to 4812.0170 apply to the nursing home nurses education account.

4812.0110 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1357, are applicable to parts 4812.0100 to 4812.0170.

Subp. 2. **Eligible program participant.** An "eligible program participant" is a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse.

Subp. 3. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 4. **Qualified loans.** "Qualified loans" means:

A. Perkins Loans/National Direct Student Loans (NDSLs);

B. Stafford Loans/Guaranteed Student Loans (GSLs);

C. Supplemental Loans for Students (SLSs)/Auxiliary Loans to Assist Students (ALASs);

D. Student Educational Loan Fund (SELF); and

E. federal Nursing Student Loans; and

F. loan consolidation programs that only consolidate loan payments for loans specified in this subpart.

4812.0120 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

A. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota;

B. Minnesota residents who complete a nursing education program for a registered nurse or licensed practical nurse outside Minnesota;

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C. applicants who are not Minnesota residents, but complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota; or

D. applicants who are not Minnesota residents and do not complete a nursing education program for a registered nurse or licensed practical nurse in Minnesota.

Subp. 2. **Insufficient award availability.** If more than ten applicants start to serve at least 30 hours per week as registered nurses or licensed practical nurses in nursing homes in any given year, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** A person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the executive director before completing the first year of study in a nursing education program. Upon receipt of a letter of interest from a prospective registered nurse or licensed practical nurse, the executive director shall send more detailed information about the program.

Subp. 2. **Application form and contract.** Before completing the first year of study, the prospective registered nurse or licensed practical nurse must complete and return the application form and contract provided by the executive director. The prospective registered nurse or licensed practical nurse agrees to serve at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date

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results in the elimination of the applicant from the classification list.

Subp. 3. **Notification of service.** A program participant must notify the executive director in writing immediately after starting service as a nurse in a licensed nursing home. A program participant must work as a nurse in a licensed nursing home at least 30 hours per week.

Subp. 4. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the registered nurse or licensed practical nurse, the participant must sign the agreement or promissory note provided by the executive director.

4812.0140 LOAN PAYMENT.

Subpart 1. Designation of loans. Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed $3,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed $3,000 per year. The participant must continue to serve as a nurse in a licensed nursing home during the period the executive director is making loan payments for the participant.

Subp. 4. **Discontinuation of service.** The participant must reimburse the executive director for payments made during any period when the participant is not serving as a nurse in a licensed nursing home.

Approved
by Revisor _____

4812.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a nurse in a licensed nursing home.

Subp. 2. **Payment plan.** The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within two years.

Subp. 3. **Waiver.** A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. **Release of information.** The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

A. the name and address of the participant;

B. the date the repayment started;

C. the outstanding balance;

D. the amount past due;

E. the number of payments past due;

F. the number of late payments in the previous 12 months; and

G. the status or remarks code.

4812.0160 PARTICIPANT RESPONSIBILITIES.

Subpart 1. **Service status verification.** Annually, the participant must complete and return to the executive director by the deadline the service status verification form provided by

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by Revisor _____

the executive director.

Subp. 2. **Status change.** The participant must inform the executive director in writing within 30 days of a change of address or service location.

4812.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** The executive director may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. **Forms.** The executive director may provide to participants and require the use of uniform forms in the administration of the program.

Approved
by Revisor _____

Minnesota
Higher Education
Coordinating Board

Suite 400
Capitol Square
550 Cedar Street
Saint Paul, Minnesota 55101

612-296-3974

FROM THE DESK OF
MARY LOU DRESBACH

9/29/92

Nancy -

Enclosed are documents pertinent to:

- amendments to Rural Physician Education Account
- new rules - Midlevel Practioner Education Account
- new rules - Nursing Home Nurses Education Account

that recently went through the non-controversial rulemaking process.

If you have any questions about the enclosures, please call me - 296-3974 ext 3036.

Thank you for your assistance in this matter.

Sincerely -

Mary Lou