**Section 582.160 Penalty for Failure to Fulfill Service Obligation**

a) If the health care professional fails to fulfill his/her obligation to provide service at the medical facility in an HPSA in Illinois for the duration specified in the agreement, the health care professional shall be in breach of the loan repayment agreement.

b) Breach shall include, but not be limited to, the following:

1) Failure to practice at the location specified in the agreement;

2) Resignation from the health care professional's current site without prior approval from the Department (see Section 582.140(f));

3) The health care professional's termination by the medical facility for cause;

4) Any material misstatement in furnishing information to the Department;

5) Any misrepresentation for the purpose of obtaining loan repayment assistance;

6) Failure to provide care because of an individual's inability to pay;

7) Failure to retire educational loan balances by the amount of educational loan repayment assistance received during the agreement term; or

8) Failure to maintain an unencumbered license.

c) When the Department has determined that a breach of the agreement has occurred, it shall either refer the matter to the Illinois Attorney General for commencement of collection litigation or commence administrative recovery pursuant to the Illinois Grant Funds Recovery Act. In either case, actions shall include all of the remedies referenced in subsection (e). Any final order entered by the Director following the administrative recovery process shall be reviewable in the Circuit Court pursuant to the Administrative Review Law.

d) Any dispute about the terms of performance or repayment will be governed by the Department's administrative hearing process or the Illinois Grant Funds Recovery Act.

e) When the administrative hearing process determines that the agreement has not been fulfilled, the Department and recipient shall enter into a contract for the repayment of the service obligation.

1) A health care professional who breaches a commitment to serve full-time shall be liable to the Department for an amount equal to the sum of the following:

A) The amount of loan repayment assistance, paid to the health care professional, representing any period of obligated service not completed;

B) The amount of $7,500 multiplied by the number of months of obligated service not completed; and

C) Interest on the amounts in subsections (e)(1)(A) and (B) at the maximum legal prevailing rate, as determined by the U.S. Treasurer, from the date of the breach of the loan repayment agreement.

2) A health care professional who breaches on a commitment to serve half-time shall be liable to the Department for an amount equal to the sum of the following:

A) The amount of loan repayment assistance paid to the health care professional representing any period of obligated service not completed;

B) The amount of $3,750 multiplied by the number of months of obligated service not completed; and

C) Interest on the amounts in subsections (e)(2)(A) and (B) at the maximum legal prevailing rate, as determined by the U.S. Treasurer, from the date of the breach of the loan repayment agreement.

3) The minimum amount the Department is entitled to recover from a health care professional who breaches on a commitment to serve full-time or half-time will not be less than $31,000.

4) To fulfill the repayment requirements of this Section, the recipient shall have 30 calendar days after the conclusion of the administrative hearing to enter into a repayment contract with the Department. This contract shall contain terms of the repayment and provisions for the enforcement of the agreement.

5) All amounts owed by the health care professional shall be paid to the Department within one year after the date the Department determines that the health care professional is in breach of the program's obligations.

6) Any dispute about the terms of performance or repayment shall be governed by the administrative hearing process. The administrative law judge will make the final recommendation to the Director. The Director shall make the final decision to approve or deny the administrative law judge's recommendation. Decision notices will be sent to all parties.

7) If the recipient does not repay all funds owed to the Department within the required time period, the Department may use all collection methods available, including referral to the Illinois Attorney General or a collection agency for resolution.

8) The amounts paid to the Department shall be deposited into the fund where the payment originated.

(Source: Amended at 47 Ill. Reg. 13300, effective August 29, 2023)