**Section 594.240 Terms of Performance**

a) Each primary care physician, dentist, psychiatrist, physician assistant, or advanced practice nurse selected for educational loan repayment shall sign a written contract with the Department. The contract may contain additional terms and conditions that ensure compliance with the laws of the State of Illinois and enforcement of the contract. In fiscal years when National Health Service Corps State Loan Repayment Grant funds are awarded to the State, federal requirements shall be included in the contract.

b) Primary care physicians, dentists, psychiatrists, physician assistants, and advanced practice nurses selected for loan repayment shall practice on a full-time basis for a minimum of 2 years in a designated shortage area for a medically underserved population. In fiscal years when National Health Service Corps State Loan Repayment Grant funds are awarded to the State for support of this program, loan repayment recipients must practice in federally designated health professional shortage areas. In years when no federal funds from the National Health Service Corps State Loan Repayment Grant are available, the practice site may be located in a shortage area as designated by the Department.

c) Loan repayment recipients who want to move their practice from the location described in the recipient's original application shall request prior approval from the Department before relocating. The Department must ensure that the recipient relocates to another designated shortage area and that the health care provider in that area agrees to pay one-quarter of the recipient's outstanding principal each year that the provider participates in the program.

d) Payments to recipients will be made by the Department on a quarterly basis. The recipient is responsible for payments to the appropriate financial institutions holding the recipients' educational loans.

e) Loan repayment recipients who first agree to the minimum 2 years of service and who, after completing those years, apply for additional years of obligated service with loan repayment shall document that their loan balances as reported at the time of their first application to the program have been decreased at least by the amount paid to them by the Department during the first obligated service period. Documentation of loan balances shall be provided by the lending institution.

f) Misrepresentation of the facts presented in the application or failure to meet the practice terms will be considered a breach of contract.

g) Loan repayment recipients who agree to serve for 2 years, but fail to complete the period of obligated service, shall be liable to repay an amount equal to the sum of:

1) the total amount paid to the recipient and

2) the number of months of the unserved obligation multiplied by $1000.

h) Loan repayment recipients who agree to serve for more than 2 years, but fail to complete at least 2 years of the period of obligated service, shall be liable to repay the sum set forth in subsection (g).

i) Loan repayment recipients who agree to serve for more than 2 years, but fail to complete the period of obligated service after completing at least 2 years of obligated service, shall be liable to repay an amount equal to the sum of:

1) the total amounts paid to the recipient for any period of obligated service not served and

2) $10,000, if the recipient fails to give the Department at least one year prior notice of his or her intent to breach the obligation.

j) Loan repayment recipients who do not complete at least one year of service shall be liable to repay an amount equal to the sum of:

1) the total amount paid to the recipient and

2) the total number of months in the full period of obligated service multiplied by $1000.

k) Obligations of the loan repayment recipient shall be excused in the event the recipient dies or becomes totally and permanently disabled. For purposes of this subsection, disability means a physical or mental disease, impairment or condition that prevents practice in the recipients professional field with or without reasonable accommodation. Proof of disability shall be a declaration from the Social Security Administration, Illinois Industrial Commission, Department of Defense, or an insurer authorized to transact business in the State of Illinois who is an insurer of the recipient providing disability insurance coverage to the recipient.

l) All amounts owed by the loan repayment recipient shall be paid within one year after the date the Department determines that the recipient is in breach of the program obligations.

m) In the event the primary care physician, psychiatrist, dentist, physician assistant, or advanced practice nurse does not repay any funds owed to the Department, the Department may refer the matter to the Attorney General or to a collection agency.

(Source: Amended at 25 Ill. Reg. 14507, effective November 1, 2001)