

**SENATE, No. 3495**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED JUNE 24, 2024

**Sponsored by:**  
**Senator M. TERESA RUIZ**  
**District 29 (Essex and Hudson)**

**SYNOPSIS**

Establishes Reproductive Health Care Professional Loan Redemption Program; appropriates \$5 million.

**CURRENT VERSION OF TEXT**

As introduced.



1   **AN ACT** establishing a loan redemption program for reproductive  
2       health care professionals, supplementing chapter 71C of Title  
3       18A of the New Jersey Statutes, and making an appropriation.

4  
5       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8       1. The Legislature finds and declares:

9       a. The cost of becoming a physician has increased exponentially,  
10      with some health care professionals accruing more than \$200,000 in  
11      student loans.

12      b. One-third of New Jersey's counties, home to more than a  
13      quarter of all New Jersey women, do not have an abortion provider.

14      c. Geographic proximity to reproductive health care services is  
15      imperative and a lack of nearby providers remains a key barrier to  
16      timely, quality care.

17      d. Since the Supreme Court's decision in *Dobbs v. Jackson*  
18      *Women's Health Organization*, 21 states and counting have banned  
19      or severely restricted abortion access, leading New Jersey to  
20      become a vital resource for people seeking abortions.

21      e. Abortion providers have experienced an increase in out-of-  
22      State patients, many of whom come to New Jersey because abortion  
23      is illegal in their home state.

24      f. Establishing a loan redemption program for reproductive  
25      health care professionals will reduce the costs associated with  
26      becoming a health care professional and increase the number of  
27      providers available in the State who care for the increasing number  
28      of patients requiring reproductive health care services.

29  
30      2. As used in this act:

31      "Abortion" means any medical treatment intended to induce the  
32      termination of a pregnancy and services rendered to facilitate the  
33      termination which may include follow up care, except for the  
34      purpose of producing a live birth. Abortion includes, but is not  
35      limited to, aspiration abortion and medication abortion.

36      "Approved site" means a site providing reproductive health care  
37      services, which shall be approved by the authority in consultation  
38      with the Department of Health. Approved sites may include, but are  
39      not limited to, sites operated by a nonprofit organization, hospitals,  
40      clinics, physicians' offices, and other facilities providing  
41      reproductive health care services. An approved site shall include  
42      sites providing abortions.

43      "Aspiration abortion" means a procedure that terminates a  
44      pregnancy utilizing manual or electric suction to empty the uterus.

45      "Authority" means the Higher Education Student Assistance  
46      Authority.

47      "Eligible reproductive health care professional" means a person  
48      who: is licensed, certified, or otherwise authorized to provide health

1 care services pursuant to Title 45 of the Revised Statutes and is  
2 providing reproductive health care services in the State.

3 “Executive director” means the executive director of the Higher  
4 Education Student Assistance Authority.

5 “Program” means the Reproductive Health Care Professional  
6 Loan Redemption Program established pursuant to this act.

7 “Program participant” means an eligible reproductive health care  
8 professional who contracts with the authority to engage in the  
9 clinical practice of reproductive health care services at an approved  
10 site in exchange for the redemption of qualifying student loan  
11 amounts.

12 “Qualifying student loan amounts” means the cumulative  
13 outstanding balance of State, federal, or commercial student loans  
14 at the time an applicant is selected for the program, which an  
15 applicant has borrowed to pay for the cost of attendance for  
16 undergraduate or graduate education at an institution of higher  
17 education. Interest paid or due on qualifying student loan amounts  
18 shall be considered eligible for reimbursement under the program.

19 “Reproductive health care services” means and includes medical,  
20 surgical, counseling, or referral services relating to the human  
21 reproductive system including, but not limited to, services relating  
22 to pregnancy, contraception, or abortion.

23 “Total and permanent disability” means a physical or mental  
24 disability that is expected to continue indefinitely or result in death  
25 and renders a program participant unable to perform the program  
26 participant’s contractual obligation, as determined by the executive  
27 director or the executive director’s designee.

28

29 3. There is established a Reproductive Health Care  
30 Professional Loan Redemption Program within the Higher  
31 Education Student Assistance Authority. The program shall provide  
32 for the redemption of a portion of the qualifying student loan  
33 amounts of a program participant for each period of service at an  
34 approved site.

35

36 4. a. To be eligible to participate in the program, an applicant  
37 shall:

38 (1) be a resident of the State;

39 (2) be employed as an eligible reproductive health care  
40 professional at an approved site; and

41 (3) submit an application in a manner determined by the  
42 executive director.

43 b. The executive director, or the executive director’s designee,  
44 shall select the program participants from among those applicants  
45 who meet the eligibility criteria, subject to available funds. The  
46 executive director shall give preference to applicants employed as  
47 an eligible reproductive health care professional in a county facing  
48 a shortage of reproductive health care professionals.

1 c. The program participant shall enter into a written contract  
2 with the authority to participate in the program. The contract shall  
3 specify the duration of the program participant's required service  
4 and the total amount of qualifying student loan amounts to be  
5 redeemed by the State in return for service.

6 d. The redemption of loans under the program shall amount to  
7 18 percent of the program participant's qualifying student loan  
8 amounts in return for one full year of service at an approved site, an  
9 additional 26 percent for a second full year of service, an additional  
10 28 percent for a third full year of service, and an additional 28  
11 percent for a fourth full year of service. Total redemption of  
12 qualifying student loan amounts under the program shall not exceed  
13 \$200,000.

14 e. The period of service shall commence on or after the date of  
15 enactment of this act.

16 f. No amount of qualifying student loan amounts shall be  
17 redeemed for services performed for less than a full year.  
18

19 5. a. A program participant who has entered into a redemption  
20 contract with the authority may nullify that contract by submitting  
21 written notification to the authority and assuming full responsibility  
22 for repayment of the full amount of the program participant's  
23 student loan amounts.

24 b. In the case of a program participant's death or total and  
25 permanent disability, the authority shall nullify the service  
26 obligation of the program participant.

27 c. The authority may nullify or suspend a program participant's  
28 service obligation if continued enforcement of the contract may  
29 result in extreme hardship.  
30

31 6. A reproductive health care professional who is participating  
32 in the federally administered National Health Service Corps Loan  
33 Repayment Program, section 338B of the Public Health Service Act  
34 (42 U.S.C. s.254 1-1), or any other loan redemption program  
35 administered by the authority shall not be eligible to participate  
36 simultaneously in the program.  
37

38 7. The authority shall adopt rules and regulations pursuant to  
39 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
40 et seq.) necessary to implement the provisions of this act.  
41

42 8. There is appropriated from the General Fund to the Higher  
43 Education Student Assistance Authority the sum of \$5,000,000 to  
44 effectuate the provisions of this act.  
45

46 9. This act shall take effect immediately.

## STATEMENT

This bill establishes the Reproductive Health Care Professional Loan Redemption Program in the Higher Education Student Assistance Authority (HESAA). The loan redemption program is to provide for the redemption of a portion of a program participant's State, federal, or commercial student loans in exchange for the program participant's service at a site providing reproductive health care services, as approved by the authority. Under the bill, the sites may include sites operated by a nonprofit organizations, hospitals, clinics, physicians' offices, and other facilities providing reproductive health care services. An approved site under the bill includes sites providing abortion care.

To be eligible to participate in the program, an applicant is required to: (1) be a resident of the State; (2) be employed as an eligible reproductive health care professional, defined as a person who is licensed, certified, or otherwise authorized to provide health care services and who is providing reproductive health care services in the State; and (3) submit an application in a manner determined by the executive director of the HESAA.

In selecting program participants, the executive director is required to give preference to applicants employed as an eligible reproductive health care professional in a county facing a shortage of reproductive health care professionals. The bill stipulates that a selected program participant is to enter into a written contract with the authority. The contract is to specify the duration of the program participant's required service and the total amount of student loans to be redeemed in return for the service.

Under the bill, loan redemption is to amount to 18 percent of a program participant's qualifying loan amounts in return for one full year of service at an approved site, an additional 26 percent for a second full year of service, an additional 28 percent for a third full year of service, and an additional 28 percent for a fourth full year of service. The total loan redemption for a program participant is not to exceed \$200,000.

Finally, the bill stipulates that a reproductive health care professional, who is participating in the National Health Services Corps Loan Repayment Program or any other loan redemption program administered by the authority, is not eligible to simultaneously participate in the Reproductive Health Care Professional Loan Redemption Program.