

**MONTANA BOARD OF REGENTS OF HIGHER EDUCATION**  
**Policy and Procedures Manual**

SUBJECT: FINANCIAL AFFAIRS  
Policy 940.25 – Rural Physician Incentive Program  
*Effective: August 3, 2009; Issued: August 5, 2009*

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**I. Board Policy**

A. Rural physician incentive account. There is a state special revenue account for physicians practicing in rural or medically underserved areas or serving underserved populations. Money is payable into the account as provided in § I-B. Income and earnings on the account must be redeposited in the account. The account will be administered by the board of regents as provided in this policy.

B. Fee assessments -- deposits. Effective for semesters after July 1, 2008, the board of regents will assess a fee to students preparing to be physicians in the fields of medicine or osteopathic medicine who are supported by the state pursuant to an interstate compact for a professional education program in those fields, as those fields are defined by the compact. The fee will not exceed 16% of the annual individual medicine support fee paid by the state pursuant to § 20-25-804, MCA. The fee will be assessed by the board of regents and deposited in the physician incentive account established in § I-A.

C. Use of physician incentive account. The physician incentive account is statutorily appropriated, as provided in § 17-7-502, MCA, to the board of regents to be used to pay:

1. the educational debts of physicians who practice in rural and medically underserved areas of the state or who serve underserved populations, such areas or populations of which demonstrate a need for assistance in physician recruitment; and
2. the expenses of administering the physician incentive program, which may not exceed 10% of the annual fees assessed pursuant to § I-B.

**II. Procedures**

A. Advisory Committee. The commissioner of higher education shall appoint an advisory committee to recommend eligible physicians, the level of student fees, and general policy related to the program. The committee shall recommend eligible physicians for the program based on criteria and guidelines adopted by the committee for determination of eligibility for the program, areas of the state and the populations which qualify for assistance in physician recruitment; WICHE and WWAMI student fees for support of the program; approval of participating physicians and level of support. The advisory committee shall include the commissioner of higher education or a designee; staff and others appointed by the commissioner; a representative from the Montana Medical Association; a representative of the Montana Hospital Association; the Montana WWAMI University Dean; the Montana WWAMI Clinical Dean; and the Director of the Montana Area Health Education Center (AHEC). The eligibility criteria recommended by the advisory committee will require a demonstration that a physician shortage exists for the identified area or population or that the area or population has been unsuccessful in recruiting physicians by other mechanisms.

B. Debt Repayment. A physician from an area determined to be eligible under § II-A may apply to the board of regents for payment of an educational debt directly related to a professional school, as provided in § II-C. Physicians who have paid the fee authorized in § I-B must be given a preference over other applicants. To receive the educational debt payments, the physician shall sign an annual contract with the board of regents. The contract must provide that the physician is liable for the debt payments if the physician ceases to practice in the eligible area or population during the contract period.

C. Repayment Amount. Effective semesters after July 1, 2009, the maximum amount of educational debt payment that a physician may receive is \$100,000, to be paid over a 5-year period or a proportionally reduced amount for a shorter period, payable to participating physicians recommended by the committee and approved by the board of regents, under criteria and terms determined by the committee. Physicians shall be entitled to no more than five years of program eligibility.

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1. The commissioner of higher education shall provide to participating physicians the contractual terms and the annual amounts of educational debt payment a physician is eligible to receive.
2. The commissioner of higher education shall submit a biennial report to the board of regents, summarizing the tuition proceeds and contractual commitments for debt repayment.
3. The amount contractually committed in a year may not exceed the annual amount deposited in the physician incentive account.

History:

Item 71-901-R0691, Rural Physician Incentive Program, June 21, 1991; as revised July 11, 1997, and November 18, 1999 (Item 104-103-R0999). Item 139-108-R0508, approved by the Board of Regents May 30, 2008. Item 144-101-R0809, approved August 3, 2009, to allow commissioner of higher education to delegate a member of the advisory committee.