

SENATE, No. 2378

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 4, 2020

Sponsored by:

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

SYNOPSIS

Establishes loan redemption program for health care professionals who provide health care services or health care-related administrative services at approved sites during COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning loan redemption for certain health care
2 professionals who provide services during the COVID-19
3 pandemic and supplementing chapter 71C of Title 18A of the New
4 Jersey Statutes.

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

8
9 1. As used in this act:

10 “Approved site” means a licensed hospital or dedicated part
11 thereof wherein patients in New Jersey with COVID-19 are treated
12 or housed in isolation and where there is an insufficient number or
13 type of professional staff to ensure the provision of adequate care to
14 those patients; and any other health care facility, building, room, tent,
15 ship, or other location that is temporarily authorized and used, on an
16 emergency or overflow basis, to provide isolated bed space or
17 intensive, emergency, or other hospital-level care to patients with
18 COVID-19 in New Jersey.

19 “Authority” means the Higher Education Student Assistance
20 Authority or its designated agent.

21 “Commissioner” means the Commissioner of Health.

22 “COVID-19” means the disease caused by the novel and highly
23 contagious coronavirus strain identified as SARS-CoV-2, which was
24 first detected in China in late 2019, first detected in the United States
25 in January 2020, and to which humans have no natural immunity, and
26 which has quickly spread across the globe and resulted in a
27 worldwide pandemic, as declared by the World Health Organization
28 in March 2020.

29 “Eligible qualifying loan expenses” means the cumulative
30 outstanding balance of student loans covering the cost of a program
31 applicant’s attendance at undergraduate and graduate institutions of
32 education at the time the applicant is selected to participate in the
33 program, as well as any interest paid or due on qualifying loans that
34 a program applicant has taken out for use in paying the costs of
35 undergraduate and graduate education, except that, for physicians,
36 “eligible qualifying loan expenses” shall include only the cumulative
37 outstanding balance of, and any interest paid or due on, those
38 qualifying loans that cover the costs of education occurring between
39 the time of the physician’s entry into medical school and the
40 awarding of the physician’s degree in allopathic or osteopathic
41 medicine.

42 “Executive director” means the executive director of the Higher
43 Education Student Assistance Authority, or the executive director’s
44 designee.

45 “Health care professional” means a licensed physician, nurse,
46 physician’s assistant, or other health care practitioner, or any person
47 working in the area of hospital or health care facility administration,
48 who is capable of providing needed health care services or health

1 care-related administrative services, on a paid or unpaid, temporary,
2 short-term, or long-term basis, at an approved site during the
3 COVID-19 pandemic. “Health care professional” includes a licensed
4 physician, nurse, physician’s assistant, or other health care
5 practitioner who would ordinarily be capable of providing health care
6 services to COVID-19 patients at an approved site during the
7 COVID-19 pandemic, but who is currently unavailable to provide
8 those services because the health care professional is self-isolating or
9 is subject to mandatory quarantine as a result of having contracted
10 COVID-19, showing symptoms of COVID-19, or having been
11 exposed to COVID-19 in the workplace.

12 “Medicare” means the federal Medicare program established
13 pursuant to Pub.L.89-97 (42 U.S.C. s.1395 et seq.).

14 “Program” means the COVID-19 Exemplary Service Loan
15 Redemption Program established pursuant to this act.

16 “Program participant” means a health care professional who
17 contracts with the authority and agrees to provide health care
18 services, such as intensive care or emergency care services, or health
19 care-related administrative services, at an approved site and in
20 accordance with a contract executed pursuant to section 3 of this act,
21 in exchange for the redemption of eligible qualifying loan expenses
22 under the program.

23 “Qualifying loan” means a government or commercial loan that
24 covers the actual costs paid for tuition and for reasonable educational
25 and living expenses associated with obtaining a degree in the area of
26 allopathic or osteopathic medicine, nursing, hospital or health care
27 facility administration, or any other similar health care profession.
28

29 2. a. There is established, within the Higher Education Student
30 Assistance Authority, a COVID-19 Exemplary Service Loan
31 Redemption Program to provide for the redemption of eligible
32 qualifying loan expenses of health care professionals in exchange for
33 the professionals’ ongoing provision of health care and
34 administrative services at approved sites during the COVID-19
35 pandemic.

36 b. Any health care professional who is a resident of New Jersey
37 shall be eligible to participate in the COVID-19 Exemplary Service
38 Loan Redemption Program. Any eligible health care professional
39 wishing to participate in the program shall enter into a loan
40 redemption contract with the authority, pursuant to section 3 of this
41 act.

42 c. (1) A program participant shall be eligible for redemption of
43 up to 50 percent of the program participant’s eligible qualifying loan
44 expenses, except that the total amount of qualifying loans redeemed
45 by a program participant may not exceed the maximum amount
46 authorized by the federal government, pursuant to section 338I of the
47 “Public Health Service Act,” 42 U.S.C. s.254q-1, either in State funds
48 alone or in the sum of all federal, State, and other non-federal

1 matching funds. The authority, in consultation with the Department
2 of Health, may establish other general limits, as deemed thereby to
3 be appropriate, on the total amount of qualifying loans that may be
4 redeemed by program participants.

5 (2) A person who is already participating in: (a) the federally
6 administered National Health Service Corps Loan Repayment Program,
7 established pursuant to section 338B of the “Public Health Service Act,”
8 42 U.S.C.s.254 l-1; (b) the Primary Care Practitioner Loan Redemption
9 Program, established pursuant to N.J.S.18A:71C-32 et seq.; or (c) any
10 other similar health care-related loan redemption program shall be
11 eligible to participate simultaneously in the COVID-19 Exemplary
12 Service Loan Redemption Program, provided that such simultaneous
13 participation is expressly disclosed and is authorized by the authority in
14 the loan redemption contract executed under section 3 of this act. A
15 program participant shall only be eligible to redeem eligible qualifying
16 loan expenses under the COVID-19 Exemplary Service Loan
17 Redemption Program to the extent that those expenses are not already
18 eligible for redemption under one of the other programs identified in
19 this paragraph.

20 (3) No amount of qualifying loan expenses shall be redeemed by
21 a program participant if contracted services are provided by a
22 program participant for a period of time that is less than that the term
23 of service required by paragraph (2) of subsection a. of section 3 of
24 this act. However, a health care professional shall not be penalized
25 or prevented from applying for or obtaining loan redemption under
26 this act, and shall not be subject to any reduction in the amount of
27 qualifying loan expenses redeemed under the contract, solely on the
28 basis that the health care professional is or was unable to provide
29 necessary services, for any portion of the requisite term of service,
30 for any of the reasons specified in paragraph (4) of subsection d. of
31 this section.

32 d. In determining, for loan redemption purposes, whether a
33 program participant has complied with the term of service
34 requirements established by paragraph (2) of subsection a. of section
35 3 of this act, the program participant shall receive full service credit
36 for the following time periods:

37 (1) the initial four-week probationary period served under
38 subsection a. of section 6 of this act;

39 (2) any period of time, which elapsed prior to the execution of the
40 loan redemption contract and after the first COVID-19 case was
41 discovered in New Jersey, during which the health care professional was
42 providing services, as described by paragraph (1) of subsection a. of
43 section 3 of this act, at an approved site;

44 (3) any period of time during which the program participant was
45 not providing services under the contract while waiting for the
46 executive director to authorize the program participant’s alternate
47 placement at another approved site pursuant to paragraph (2) of
48 subsection a. or subsection b. of section 6 of this act; and

1 (4) any period of time during which the program participant was
2 isolated or under mandatory quarantine and unable to provide
3 necessary services because the program participant had contracted
4 COVID-19, was showing symptoms of COVID-19, or had been
5 directly exposed to COVID-19 at the workplace; provided that the
6 program participant returned to service immediately upon the receipt
7 of medical or supervisory clearance therefor, as appropriate.

8
9 3. a. The authority shall enter into a loan redemption contract
10 with each eligible health care professional who applies to participate
11 in the program, to the extent practicable and consistent with the
12 provisions of subsection a. of section 4 of this act. The contract shall
13 require the program participant to:

14 (1) provide needed health care services or health care-related
15 administrative services at an approved site selected pursuant to
16 subsection b. of this section, as may be deemed by the approved site
17 to be necessary to fill its COVID-19 staffing needs and adequately
18 serve and treat its patients with COVID-19, regardless of whether
19 such services are within the program participant's ordinary scope of
20 practice;

21 (2) engage in the provision of necessary services, as required by
22 paragraph (1) of this subsection, for a consecutive period of at least
23 12 months or until a COVID-19 vaccine is made available to
24 residents of New Jersey, whichever is later;

25 (3) charge for professional services at the usual and customary
26 rate prevailing in the area in which the approved site is located and
27 in a manner that is consistent with the charging practices of the
28 approved site and all State and federal laws; charge a Medicare
29 beneficiary no more than the limiting fee for a service, as determined
30 by the United States Secretary of Health and Human Services; and
31 allow a patient with COVID-19 who is unable to pay for services at
32 the usual and customary rate to pay at a reduced rate or to receive
33 services at no charge; and

34 (4) not discriminate against any patient in the provision of
35 COVID-19-related health care services on the basis of: (a) the
36 patient's ability to pay or source of payment; or (b) the patient's
37 actual or perceived age, sex, gender identity or expression,
38 affectional or sexual orientation, race, creed, color, ethnicity,
39 national origin, ancestry, religion, marital status, familial status, or
40 mental or physical disability.

41 b. The contract executed pursuant to this section shall specify
42 the program participant's dates of required service, the total amount
43 of eligible qualifying loan expenses that are to be redeemed by the
44 State in return for service, and the schedule for loan redemption,
45 which shall be established by the authority and uniformly applied to
46 all program participants. The contract shall also stipulate that the
47 applicant has knowledge of and agrees to:

1 (1) comply with the performance standards established pursuant
2 to section 5 of this act; and

3 (2) participate in the four-week probationary period required by
4 section 6 of this act.

5
6 4. a. (1) The executive director shall enter into contracts with
7 eligible applicants, as provided by section 3 of this act, subject to
8 available funds and the needs of approved sites in the State. In the event
9 that there are insufficient funds or insufficient need to select all of the
10 applicants who meet the eligibility criteria, the executive director shall
11 accord priority to applicants in the following manner: (a) first, to any
12 applicant who is already providing COVID-19-related health care or
13 administrative services at an approved site; (b) second, to any other
14 applicant according to the severity of the COVID-19 outbreak and the
15 shortage of health care professionals in the applicant's county or region
16 of residence; and (c) third, to any applicant who resides in a State
17 designated underserved area. If there are more applicants than there are
18 program positions, the executive director shall select program
19 participants by means of a lottery or other form of random selection.

20 (2) Regardless of the means of program participant selection, the
21 executive director, in consultation with the Commissioner of Health,
22 shall ensure that the number of program participants is, to the greatest
23 extent possible, sufficient to meet the demand for COVID-19-related
24 health care and administrative services at approved sites in the State.

25 (3) The authority shall ensure that health care professionals
26 wishing to participate in the program are able to apply online or
27 through other remote means.

28 b. The executive director, in consultation with the commissioner,
29 shall match contracted program participants with appropriate approved
30 sites throughout the State. Primary consideration shall be given to the
31 placement of program participants at approved sites in the State that
32 have the highest numbers of patients with COVID-19 and insufficient
33 staff available to effectively and efficiently handle those patients. To
34 the extent practicable and consistent with meeting Statewide needs, the
35 executive director, in consultation with the commissioner, shall match
36 each program participant with an approved site that is located within
37 close proximity to the program participant's residence. Other factors to
38 be considered in matching program participants with approved sites
39 may include:

40 (1) the preferences of the program participant;

41 (2) statistical data projecting future regional and individual site
42 needs in association with the COVID-19 pandemic; or

43 (3) any other factor deemed by the executive director or the
44 commissioner to be relevant.

45
46 5. a. A program participant, as a condition of ongoing participation
47 in the program, shall be required to adhere to performance standards
48 established by the executive director.

- 1 b. The standards shall include, but need not be limited to,
2 requirements that a participant:
- 3 (1) maintain residency in the State;
- 4 (2) maintain a license or certification as required for the program
5 participant's declared profession;
- 6 (3) remain current with payments on student loans;
- 7 (4) enter into a mutually acceptable service agreement with the
8 approved site at which the program participant will be providing
9 services under the loan redemption contract;
- 10 (5) engage in the satisfactory performance of tasks and provision of
11 services at the approved site; and
- 12 (6) submit to the authority, prior to repayment of any amount
13 eligible for redemption, and in a form and manner prescribed by the
14 authority, a report on the services that were rendered by the program
15 participant at each approved site pursuant to the loan redemption
16 contract.
- 17
- 18 6. a. (1) Upon acceptance into the program and the execution
19 of a contract pursuant to section 3 of this act, a program participant
20 shall serve an initial four-week probationary period at an approved
21 site. During that period, and to the extent practicable in light of the
22 extreme circumstances surrounding the COVID-19 pandemic, the
23 program participant's designated supervisor, together with the
24 program participant and the executive director, shall evaluate the
25 suitability of the placement and the need for the program
26 participant's continued services, in either a health care or
27 administrative capacity, at the approved site.
- 28 (2) At the end of the initial four-week probationary period, the
29 program participant's supervisor shall recommend the continuation
30 of the program participant's present placement, a change in
31 placement, or a determination that the program participant is an
32 unsuitable candidate for participation in the loan redemption
33 program. If the supervisor recommends a change in placement, the
34 executive director shall authorize the program participant's
35 placement at another approved site, and the program participant shall
36 commence providing services at that alternate approved site as soon
37 as is practicable. If the supervisor recommends a determination that
38 the program participant is not a suitable candidate for the program,
39 the executive director shall take this recommendation into
40 consideration and make a final determination regarding the program
41 participant's suitability for continued participation in the program. If
42 the executive director determines that the program participant is
43 unsuitable for continued service, the contract shall be voided without
44 penalty and the authority's obligations thereunder shall be
45 automatically nullified.
- 46 (3) No loan redemption payments shall be made under the
47 contract during the four-week probationary period required by this
48 subsection.

1 b. If, at any time following the conclusion of the initial four-
2 week probationary period, the program participant's current
3 supervisor determines that there is no longer a need for the program
4 participant to provide services at the approved site in relation to the
5 COVID-19 pandemic, the supervisor shall notify the program
6 participant and the executive director, and the executive director shall
7 authorize the program participant's placement at another approved
8 site. The program participant shall commence providing services at
9 that alternate approved site as soon as is practicable.

10
11 7. a. A program participant who has entered into a contract with
12 the authority under this act may nullify the contract and the obligations
13 imposed thereunder by notifying the authority in writing and
14 reassuming full responsibility for the remaining outstanding balance of
15 the loan debt. A program participant who nullifies the loan redemption
16 contract under this section before completing the full term of service, as
17 required by paragraph (2) of subsection c. of section 3 of this act, shall
18 not be entitled to receive any loan redemption benefits under the
19 program, and shall be required to repay any previously redeemed
20 portion of indebtedness, with 50 percent of the redeemed portion of
21 indebtedness being repaid within one year after the contract is nullified.

22 b. If a program participant dies or becomes totally and permanently
23 disabled, the authority shall nullify the service obligation of the program
24 participant. The nullification shall also terminate the authority's
25 obligations under the loan redemption contract, except that, if the
26 program participant's death or total and permanent disability occurred
27 as a result of COVID-19 infection contracted while working at an
28 approved site under the program, the program participant or the program
29 participant's estate, as appropriate, shall be entitled to receive loan
30 redemption in association with the term actually served by the program
31 participant and shall not be required to repay any portion of
32 indebtedness that was redeemed during the period that preceded the
33 program participant's death or disability.

34 c. Whenever the continued enforcement of the contract may result
35 in extreme hardship, the authority may nullify or suspend the service
36 obligations of the program participant.

37
38 8. a. The executive director shall be authorized to terminate a
39 program participant's service in the program in the case of:

40 (1) the program participant's conviction for a crime or an act of
41 gross negligence in the performance of contractually mandated service
42 obligations;

43 (2) the program participant's conviction for a crime under section 7
44 of this act;

45 (3) the suspension or revocation of the program participant's
46 professional license or certification;

47 (4) the program participant's breach of performance standards
48 established pursuant to section 5 of this act; or

1 (5) the program participant's failure to comply with the four-week
2 probationary period required by subsection a. of section 6 of this act, or
3 the executive director's determination, at the conclusion of that four-
4 week probationary period, that the program participant is unsuitable for
5 continued participation in the program.

6 b. (1) A program participant who fails to repay any amount due
7 the authority under the program may be subject to actions initiated by
8 the authority to recover the amount due, to the extent permitted by State
9 and federal law, including, but not be limited to, recovery through: an
10 action filed in a court of competent jurisdiction; the offset of State tax
11 refunds or rebates; the making of information about delinquent
12 payments available to credit reporting agencies; or the exclusion of the
13 program participant from eligibility for any other student assistance
14 benefits administered by the authority or by the federal government, to
15 the extent that loan redemption benefits are federally funded.

16 (2) In any judicial action, filed pursuant to this section, in which the
17 authority is the prevailing party, the program participant shall be liable
18 for: (a) the actual debt incurred; (b) all interest earned on the debt at the
19 maximum legal prevailing rate as determined by the United States
20 Treasurer; and (c) the administrative and court costs associated with
21 collection of the debt.

22
23 9. The executive director may, as determined thereby to be
24 appropriate, and within the limits of available funds, make payments in
25 a reasonable amount to reimburse a program participant for all or part
26 of any increased tax liability that is incurred by the participant, pursuant
27 to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., as a
28 result of the redemption of eligible qualifying loan expenses under the
29 COVID-19 Exemplary Service Loan Redemption Program.

30
31 10. A person who knowingly or willfully furnishes any false or
32 misleading information for the purpose of receiving loan redemption
33 benefits under the COVID-19 Exemplary Service Loan Redemption
34 Program, program is guilty of a crime of the fourth degree.

35
36 11. This act shall take effect immediately, and the Higher Education
37 Student Assistance Authority shall promptly commence accepting
38 applications and executing loan redemption contracts pursuant to this
39 act, as soon after the effective date as may be reasonably practicable, in
40 order to help ensure that New Jersey is able to mobilize and employ a
41 sufficient number and type of available health care professionals to
42 successfully combat and mitigate the effects of the COVID-19
43 pandemic in the State.

44 45 STATEMENT

46
47 This bill would establish, within the Higher Education Student
48 Assistance Authority (authority), a COVID-19 Exemplary Service

1 Loan Redemption Program to provide for the redemption of eligible
2 qualifying loan expenses of health care professionals in exchange for
3 the professionals' ongoing provision of health care and
4 administrative services at approved sites during the COVID-19
5 pandemic.

6 "Approved site" is defined by the bill to mean a licensed hospital
7 or dedicated part thereof wherein patients in New Jersey with
8 COVID-19 are treated or housed in isolation and where there is an
9 insufficient number or type of professional staff to ensure the
10 provision of adequate care to those patients; and any other health care
11 facility, building, room, tent, ship, or other location that is
12 temporarily authorized and used, on an emergency or overflow basis,
13 to provide isolated bed space or intensive, emergency, or other
14 hospital-level care to patients with COVID-19 in New Jersey.
15 "Health care professional" is defined to mean a licensed physician,
16 nurse, physician's assistant, or other health care practitioner, or any
17 person working in the area of hospital or health care facility
18 administration, who is capable of providing needed health care
19 services or health care-related administrative services, on a paid or
20 unpaid, temporary, short-term, or long-term basis, at an approved site
21 during the COVID-19 pandemic. "Health care professional" includes
22 a licensed physician, nurse, physician's assistant, or other health care
23 practitioner who would ordinarily be capable of providing health care
24 services to COVID-19 patients at an approved site during the
25 COVID-19 pandemic, but who is currently unavailable to provide
26 those services because the health care professional is self-isolating or
27 is subject to mandatory quarantine as a result of having contracted
28 COVID-19, showing symptoms of COVID-19, or having been
29 exposed to COVID-19 in the workplace.

30 Any health care professional who is a resident of New Jersey
31 would be eligible to participate in the COVID-19 Exemplary Service
32 Loan Redemption Program. The bill would require the authority to
33 enter into a loan redemption contract with each eligible health care
34 professional who applies to participate in the program, to the extent
35 practicable. Each contract is to require the program participant to:

36 1) provide needed health care services or health care-related
37 administrative services at an approved site, as may be deemed by the
38 approved site to be necessary to fill its COVID-19 staffing needs and
39 adequately serve and treat its patients with COVID-19, regardless of
40 whether such services are within the program participant's ordinary
41 scope of practice;

42 2) engage in the provision of necessary services, as required by
43 the bill, for a consecutive period of at least 12 months or until a
44 COVID-19 vaccine is made available to residents of New Jersey,
45 whichever is later;

46 3) charge for professional services at the usual and customary
47 rate prevailing in the area in which the approved site is located and
48 in a manner that is consistent with the charging practices of the

1 approved site and all State and federal laws; charge a Medicare
2 beneficiary no more than the limiting fee for a service, as determined
3 by the United States Secretary of Health and Human Services; and
4 allow a patient with COVID-19 who is unable to pay for services at
5 the usual and customary rate to pay at a reduced rate or to receive
6 services at no charge; and

7 4) not discriminate against any patient in the provision of
8 COVID-19-related health care services on the basis of: a) the
9 patient's ability to pay or source of payment; or b) the patient's actual
10 or perceived age, sex, gender identity or expression, affectional or
11 sexual orientation, race, creed, color, ethnicity, national origin,
12 ancestry, religion, marital status, familial status, or mental or
13 physical disability.

14 The contract is to additionally: 1) specify the program
15 participant's dates of required service, the total amount of eligible
16 qualifying loan expenses that are to be redeemed by the State in
17 return for service, and the schedule for loan redemption, which is to
18 be established by the authority and uniformly applied to all program
19 participants; and 2) stipulate that the applicant has knowledge of and
20 agrees to both comply with performance standards established by the
21 authority's executive director and participate in a four-week
22 probationary period required by the bill.

23 A participant in the program would be eligible for redemption of
24 up to 50 percent of the program participant's eligible qualifying loan
25 expenses; however, the total amount of qualifying loans redeemed by
26 a program participant may not exceed the maximum amount
27 authorized by the federal government, pursuant to section 338I of the
28 "Public Health Service Act," 42 U.S.C. s.254q-1. The authority, in
29 consultation with the Department of Health, may establish other
30 general limits, as deemed thereby to be appropriate, on the total
31 amount of qualifying loans that may be redeemed by program
32 participants.

33 A person who is already participating in: 1) the federally
34 administered National Health Service Corps Loan Repayment Program,
35 established pursuant to section 338B of the "Public Health Service Act,"
36 42 U.S.C.s.254 l-1; 2) the Primary Care Practitioner Loan Redemption
37 Program, established pursuant to N.J.S.18A:71C-32 et seq.; or 3) any
38 other similar health care-related loan redemption program will be
39 eligible to participate simultaneously in the COVID-19 Exemplary
40 Service Loan Redemption Program, provided that such simultaneous
41 participation is expressly disclosed and is authorized by the authority in
42 the loan redemption contract. A program participant will only be
43 eligible to redeem eligible qualifying loan expenses under the COVID-
44 19 Exemplary Service Loan Redemption Program to the extent that
45 those expenses are not already eligible for redemption under one of
46 these other programs.

47 Under the bill's provisions, no amount of qualifying loan expenses
48 may be redeemed by a program participant if contracted services are

1 provided for a period of time that is less than that the term of service
2 required by the bill and contract. However, a health care professional
3 may not be penalized or prevented from applying for or obtaining
4 loan redemption under the bill, and may not be subject to any
5 reduction in the amount of qualifying loan expenses redeemed under
6 the program, solely on the basis that the health care professional is or
7 was unable to provide necessary services, for any portion of the
8 requisite term of service, because the professional was isolated or
9 under mandatory quarantine as a result of having contracted COVID-
10 19, showing symptoms of COVID-19, or being exposed to COVID-
11 19 in the workplace.

12 The authority's executive director, in consultation with the
13 Commissioner of Health, will be required to match contracted program
14 participants with appropriate approved sites throughout the State.
15 Primary consideration is to be given to the placement of program
16 participants at approved sites in the State that have the highest numbers
17 of patients with COVID-19 and insufficient staff available to effectively
18 and efficiently handle those patients. To the extent practicable and
19 consistent with meeting Statewide needs, each program participant is to
20 be matched with an approved site that is located within close proximity
21 to the program participant's residence. Other factors to be considered
22 in matching program participants with approved sites may include: 1)
23 the preferences of the program participant; 2) statistical data projecting
24 future regional and individual site needs in association with the COVID-
25 19 pandemic; or 3) any other factor deemed by the executive director or
26 the commissioner to be relevant.

27 Any program participant who nullifies the loan redemption contract
28 before completing the full term of service, as required by the bill and
29 contract, will not be entitled to receive any loan redemption benefits
30 under the program, and will be required to repay any previously
31 redeemed portion of indebtedness, with 50 percent of the redeemed
32 portion of indebtedness being repaid within one year after the contract
33 is nullified. If a program participant dies or becomes totally and
34 permanently disabled, the authority will nullify the service obligation of
35 the program participant, and the authority's obligations will terminate,
36 except that, if the program participant's death or total and permanent
37 disability occurred as a result of COVID-19 infection contracted while
38 working at an approved site under the program, the program participant
39 or the program participant's estate, as appropriate, will be entitled to
40 receive loan redemption in association with the term actually served by
41 the program participant and will not be required to repay any portion of
42 indebtedness that was redeemed during the period that preceded the
43 program participant's death or disability. The authority may also nullify
44 the program participant's contractual obligations in cases of extreme
45 hardship.

46 The bill authorizes the authority's executive director, as determined
47 thereby to be appropriate, and within the limits of available funds, to
48 make payments in a reasonable amount to reimburse a program

1 participant for all or part of any increased tax liability that is incurred
2 by the participant, pursuant to the "New Jersey Gross Income Tax Act,"
3 N.J.S.54A:1-1 et seq., as a result of the redemption of eligible qualifying
4 loan expenses under the COVID-19 Exemplary Service Loan
5 Redemption Program.

6 Any person who knowingly or willfully furnishes any false or
7 misleading information for the purpose of receiving loan redemption
8 benefits under the COVID-19 Exemplary Service Loan Redemption
9 Program will be guilty of a crime of the fourth degree.