

11 KAR 14:080. Deferment of Osteopathic Medicine Scholarship Program repayment.

RELATES TO: KRS 164.740, 164.7891

STATUTORY AUTHORITY: KRS 164.7891(9)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.7891(9) requires the authority to promulgate administrative regulations for administration of the Osteopathic Medicine Scholarship Program. This administrative regulation establishes conditions for deferment of the repayment obligation under the Osteopathic Medicine Scholarship Program.

Section 1. Definitions.

- (1) "Authority" is defined in KRS 164.740(1).
- (2) "Default" means the status of an obligation under this program that has entered repayment and upon which no payment has been made for a cumulative period of 180 days following the repayment begin date for the obligation.
- (3) "Deferment" means a temporary waiver of the obligation of an osteopathic medicine scholarship recipient to make payments to the authority pursuant to one (1) or more promissory notes, executed between the recipient and the authority, which is granted by the authority, for a specified period of time, upon a showing of cause by the recipient.
- (4) "Full-time practice in the Commonwealth of Kentucky as a licensed doctor of osteopathy for a majority of the calendar year" means practicing in a qualified field for at least 2000 hours per calendar year.
- (5) "Qualified field" means family practice, general practice, general internal medicine, general pediatrics, general obstetrics or gynecology.
- (6) "Qualified service" is defined in KRS 164.7891(3)(c).

Section 2. Request for Deferment.

- (1) The osteopathic medicine scholarship recipient shall request a deferment in writing by submitting to the authority complete and accurate information verifying the recipient's circumstances that qualify for deferment in accordance with this administrative regulation.
- (2) The recipient's submission of a request for deferment shall constitute authorization for the authority to request and receive from a third-party verification of facts represented by the recipient.

Section 3. Effect on Repayment.

- (1) During a deferment:
 - (a) A principal or interest repayment shall not be required; and
 - (b) Interest shall continue to accrue on the unpaid principal balance owed by the recipient during the period specified in Section 4(4) of this administrative regulation.
- (2) The authority shall not grant a deferment if a deferment would legally impair the ultimate recovery of the principal and accrued interest otherwise owed by the recipient.
- (3) A promissory note for which repayment is deferred in accordance with this administrative regulation shall subsequently be cancelled in accordance with KRS 164.7891(5) if the osteopathic medicine scholarship recipient resumes full-time enrollment in an accredited program of study at a school of osteopathic medicine located in the Commonwealth or renders qualified service.

Section 4. Types of Deferments. Except as provided in subsection (5) of this section, the authority shall grant deferment of repayment for a period of twelve (12) months, not to exceed an aggregate of thirty-six (36) months, excluding military service deferment or an internship and residency deferment, for the circumstances described in this section.

- (1) Disability deferment.

(a) A deferment may be granted to an osteopathic medicine scholarship recipient who is:

1. Temporarily totally disabled and, therefore, unable to attend school or perform qualified service; or
2. Unable to attend school or perform qualified service due to the temporary, total disability of the osteopathic medicine scholarship recipient's spouse who requires continuous (twenty-four (24) hour) nursing or similar care by the recipient.

(b) For purposes of this deferment, an osteopathic medicine scholarship recipient, or the spouse of a recipient, shall be considered temporarily totally disabled if he suffers an injury or illness which necessitates an extended or indefinite period of recovery which can be expected to preclude school attendance or employment and, in case of a recipient's spouse, he is not confined to a hospital, nursing home, intermediate care facility, or similar institution.

(c) The recipient shall provide to the authority a statement from a licensed physician (other than the osteopathic medicine scholarship recipient) certifying that the recipient or spouse is temporarily totally disabled in accordance with the requirements established in paragraph (b) of this subsection. The recipient shall be solely responsible for securing the physician's certification and ensuring that it is received by the authority.

(d) If the deferment is granted for a period of less than one (1) year at a time, the deferment shall be subject to periodic review of a physician's certification every six (6) months.

(e) After the third year of a recipient's deferment, pursuant to this subsection, the authority shall cancel the debt if it reasonably appears to the authority based on the certification of a licensed physician other than the scholarship recipient that the scholarship recipient is totally disabled and the disability is expected to be permanent and continue to preclude the scholarship recipient's school attendance and employment for an indefinite time.

(2) Hardship deferment.

(a) The authority shall determine that a hardship exists and grant a hardship deferment if:

1. Enrollment in an accredited program at a school of osteopathic medicine located in the Commonwealth or performance of qualified service is temporarily interrupted due to circumstances beyond the recipient's control, including natural disaster or death in the family, after which the recipient intends to resume the enrollment or qualified service position; or
2. The recipient is insolvent due to circumstances beyond his control, including natural disaster, involuntary unemployment, or unforeseen medical expenses.

(b) This deferment shall:

1. Be granted for a period of less than one (1) year; and
2. Be subject to periodic review of documentation every six (6) months.

(3) Military service deferment. The authority shall grant a military service deferment to a recipient upon proof of current active duty status in the United States Armed Forces, subject to annual review and verification by the authority.

(4) Internship and residency deferment.

(a)

1. An osteopathic medicine scholarship recipient shall receive a deferment during the normal term of service in a single American Osteopathic Association approved rotating internship in osteopathic medicine prior to beginning practice in osteopathic medicine.
2. An osteopathic medicine scholarship recipient shall receive a deferment during the normal term of service in:

- a. A single American Osteopathic Association approved residency program in a qualified field; or
 - b. The Family Practice plus One year Neuromuscular Medicine (FP+1) residency program.
- (b) The recipient shall submit to the authority verification that he is enrolled in the internship or residency program, the start date, and anticipated end date of the internship or residency from the hospital, clinic, or other institution where the internship or residency is being performed.
- (c) This verification shall contain the following information:
- 1. The recipient's name, Social Security number, current home address, and telephone number;
 - 2. The name and address of the hospital, clinic, or other institution where the internship or residency is being performed;
 - 3. The name, title, address, telephone number, and signature on a statement of certification or verification of the person supervising the recipient's internship or residency program; and
 - 4. The expected date that the internship or residency program will be completed.
- (d) A recipient whose period of obligated service has been deferred under this subsection shall begin full-time practice in the Commonwealth of Kentucky as a licensed doctor of osteopathy for a majority of the calendar year in a qualified field immediately following the completion of the initial residency period and licensure to practice osteopathic medicine in the Commonwealth of Kentucky.
- (5) Upon default of a repayment obligation under this program, a recipient shall be permanently barred from eligibility for all other deferments provided for in this administrative regulation.
- (25 Ky.R. 462; 815; eff. 10-1-1998; 28 Ky.R. 660; 1108; eff. 11-5-2001; 33 Ky.R. 1873; 2929; eff. 4-6-2007; 34 Ky.R. 1769; 2078; eff. 4-4-2008; 35 Ky.R. 959; 1429; 1-5-2009; Crt eff. 9-28-2018; Crt eff. 2-28-2025.)