

University of Hawaii

JABSOM RESIDENT LOAN REPAYMENT PROGRAM PARTICIPATION & APPLICATION TERMS AND CONDITIONS

The undersigned individual (hereafter "Participant") agrees to the following terms and conditions (hereafter the "Terms and Conditions") as a condition for participation in the Freeman Scholars: JABSOM Resident Loan Repayment Program ("Program"), administered by the University of Hawaii (hereafter "UH"), for the benefit of its John A. Burns School of Medicine (hereafter "JABSOM") in accordance with and governed by applicable policies, rules, and procedures of UH. In accordance with the Terms and Conditions, the Participant shall be awarded a one-time award of \$40,000 in loan repayment funding. The one-time award shall be disbursed to the Participant no later than October, 20__. Loan repayment funding shall be made in one installment. The Participant agrees as follows:

I. RESPONSIBILITIES

The Program offers funding for payment of qualified education loans (as described in Exhibit A attached hereto and made part hereof) in exchange for the Participant practicing medicine and providing clinical services at an approved practice site (or sites) in Hawaii (hereafter "Site"), as approved by the JABSOM Office of the Designated Institutional Official (hereafter "ODIO"). As provided for under the Terms and Conditions, Participant agrees to work at a Site for a minimum of two years (24 months), beginning such service commitment as further provided herein.

The Program award for the 20__ fiscal year (July 1, 20__ – June 30, 20__) shall be in the amount of \$40,000. Funding may not be deferred. The granting of loan repayment funding shall be contingent upon:

- 1) The Program Participant's continued eligibility to participate in the Program;
- 2) Compliance with the terms and conditions specified herein; and
- 3) Past and continued compliance with the policies, procedures and requirements of UH and the Program.

A. Participant responsibilities while in medical residency

The Participant shall complete post-MD residency training in an ACGME-accredited training program ("residency program") and shall begin performance of the Participant's Hawaii-based service commitment no later than twelve (12) months after completion of the Participant's residency program. Participant shall complete Participant's residency program without any absences or breaks in Participant's participation in such residency program.

B. Responsibility for medical licensure

Prior to commencing the Participant's service commitment, the Participant shall obtain a licensure to practice medicine in the State of Hawai'i. No credit towards fulfillment of the service commitment shall be given in the absence of a current, full, regular, non-limited, non-temporary, unencumbered, unrestricted medical license in the State of Hawai'i. The Participant shall take the applicable licensure exam, if any, at the earliest possible date. Participant is wholly responsible for obtaining Participant's State of Hawai'i medical license and meeting applicable board and licensure requirements, including but not limited to those requirements of the Site.

II. SERVICE COMMITMENT AND OBLIGATION

- A. **The Participant shall practice medicine at a Site for two years on a full-time service basis (at least 45 weeks a year for 32 hours a week, as described in Exhibit B attached hereto and made part hereof) in consideration of the support provided by the Program.** The Participant shall incur a 2-year full-time service commitment, as set forth herein (post-residency advanced training may be applied in accordance with Section I.A. herein).

- B. The Participant shall begin performance of the Participant's service commitment no later than twelve (12) months following completion of the Participant's residency program.
- C. Credit towards the service commitment shall not begin until the Participant: (1) has obtained a permanent, unrestricted license to practice medicine in the State of Hawai'i; (2) has received written approval from UH (ODIO) to serve at a specific Site; and (3) has begun to provide full-time clinical services at the approved Site.
- D. Participant shall provide confirmation to UH (ODIO), in such a manner or form as UH may request, that Participant has completed post MD residency training.
- E. Participant shall provide confirmation to the JABSOM Area Health Education Center (hereafter "AHEC"), in such manner or form as UH may request, that Participant is actively providing clinical services and patient care in accordance with the terms and conditions herein and/or any applicable policies and procedures of UH and the Program. AHEC will confirm Participant's employment or work status with employer and/or applicable Site on a monthly basis. Participant shall endeavor to notify AHEC of any changes in work situation (location, hours, etc.) or employment or work status prior to the occurrence of any such change(s), but in any event the Participant shall notify AHEC of such a change no later than 30 days after such change(s).
- F. If Participant needs to practice less than 32 hours a week, the Participant may apply to UH (ODIO) for an adjustment to part-time status; the determination whether or not to grant such an adjustment to part-time status, and the criteria used in making the determination whether or not to grant such an adjustment, shall be entirely at the discretion of UH (ODIO). For each month of part time service at between 20 to 32 hours a week (at least 45 weeks a year), the service commitment will increase by one month for each month of service at half time (two months of service required at part-time instead of one month of service at full-time). Participant may apply to UH (ODIO) to return to full-time practice and return to meeting the commitment on a month to month basis (the granting of which is entirely at the discretion of the UH (ODIO)).

III. AWARD FOR QUALIFIED EDUCATIONAL LOANS

- A. UH will award the Participant from available funds an amount for the purposes of paying qualified educational loans. The amount of the award is included on page 1 of the contract. Payment of qualified educational loans shall be administered directly by JABSOM.
- B. Loan repayment funds must be used to pay principal, interest, and related expenses (including tuition, fees, books, lab expenses and reasonable living expenses) incurred for qualified education loans, as described under Exhibit A.
- C. Participant shall submit timely reports or other information as may be specified under the Terms and Conditions and/or in accordance with any applicable policies or procedures of UH or the Program, or as may otherwise be reasonably requested by UH.
- D. Funds from this Program are limited to payment of qualified educational loans and related expenses as above.

IV. BREACH

Failure of the Participant to perform or comply with any of the terms and conditions herein or any applicable policies and procedures of UH or the Program shall constitute a breach or default under the Terms and Conditions, entitling UH to exercise such rights and resort to such remedies as are available under the Terms and Conditions and by law.

V. TERMINATION

UH may, upon thirty (30) days prior written notice to Participant, terminate Participant's participation in the Program for any reasonable cause, or if Participant breaches or fails to timely perform or comply with any of Participant's obligations under the Terms and Conditions, including, without limitation:

- 1) Failure to timely perform or complete post MD residency training;
- 2) Failure to timely begin, perform or complete the service commitment as specified herein;
- 3) Failure to maintain employment at a Site during the period of the service commitment; or
- 4) Failure to maintain Participant's medical license, DEA number, state controlled substances registration, board certification or Medicaid/Medicare/insurance billing privileges, as may be required for employment in Hawaii.
- 5) Failure to provide JABSOM AHEC with updates on name of Participant practice state(s), location(s) and/or Site(s) and hours of service when changes occur.

In the event the Participant's participation is terminated by UH, Program shall seek restitution and/or repayment with penalties in accordance with the terms and conditions herein and applicable policies and procedures of the Program and UH.

In the event of termination by UH, the Participant is liable to pay UH damages equal to the amount of the Program support received plus interest from the date received (calculated at five percent (5%) per annum), proportionally reduced for any period of service commitment completed. Such damages shall be paid within one (1) year of the date of termination by UH.

Repayment shall accrue interest from the date of termination by UH. In the event the Participant fails to make any payment when due, the repayment shall be accelerated, including possible collections. The Participant shall pay any attorney fees and costs necessary for collection if the Participant fails to make payment when due.

VI. WAIVER AND SUSPENSION

The Participant may request a waiver or temporary suspension if the Participant is unable to comply with any Program obligations, including but not limited to the service commitment, due to illness or other compelling personal circumstances; the determination whether or not to grant such a waiver or temporary suspension, and the criteria used in making the determination whether or not to grant a waiver or temporary suspension, shall be entirely at the discretion of UH (ODIO). A waiver permanently relieves the participant of all or part of the service commitment.

VII. OTHER CONDITIONS AND TERMS

The Participant further agrees:

- A. To be responsible for any and all tax liabilities incurred in the acceptance of the award;
- B. To complete all necessary reports and requests required by UH and submit them to the UH or its designee on a timely basis;
- C. To inform UH in writing, of any change of employment status, professional licensure, name or address, and of any action which may affect the ability to participate in this Program; and
- D. To work at a Site that accepts Medicare and Medicaid insurances, unless an exception is granted by the JABSOM Dean.

VIII. NO EMPLOYER/EMPLOYEE RELATIONSHIP; NO AGENCY

Participant understands and agrees that nothing in the Terms and Conditions is intended to, nor shall be construed to create, an employer/employee relationship between UH and the Participant. Participation in the Program shall not constitute nor be construed as employment of the Participant by UH, and Participant shall not be entitled to vacation, sick leave, retirement, or other benefits afforded UH's employees. Participant further understands and agrees that participation in the Program does not, and shall not be deemed to, make

Participant the agent or legal representative of UH for any purpose whatsoever. Participant shall not have the right or authority to assume or create any obligations or responsibility whatsoever, express or implied, on behalf of or in the name of UH, or to bind UH in any respect whatsoever.

IX. GOVERNING LAW

The Terms and Conditions shall be governed by and construed, interpreted, and enforced in accordance with the laws of the State of Hawai'i, and the courts of the Circuit Court of the First Circuit of the State of Hawai'i shall have exclusive jurisdiction in any action to interpret or enforce the Terms and Conditions.

X. SIGNATURE

The undersigned "Participant" agrees to the above terms and conditions as evidenced by the signature below.

PARTICIPANT:

Signature: _____ Date: _____

Name: _____

Exhibit A

DEFINITION OF QUALIFIED EDUCATIONAL LOAN

Qualified educational loan means a government loan for actual costs paid for tuition, reasonable education expenses and reasonable living expenses related to obtaining an MD degree from the JABSOM MD Program.

Qualified educational loan does not include any educational loan that has been paid in full, is provided by a commercial non-government lender, is in default, or was obtained for someone other than the Participant. Qualified educational loan also does not include a personal line of credit, credit card debt, and any debt associated with relocation or residency programs

(Amended 6-15-20)

Exhibit B

Requirements for Full-Time Clinical Practice

Participants must be engaged in the full-time clinical practice of medicine at the approved practice site. Full-time practice is defined as a minimum of 32 hours per week, for a minimum of 45 weeks per year. The 32 hours per week may be compressed into, in general, no less than 3 days per week, with no more than 12 hours of work to be performed in any 24-hour period.

For all Participants, time spent "on call," shall NOT count toward the required 32 hours/week. No more than 7 weeks (35 work days) per year can be spent away from the practice for holidays, vacation, continuing professional education, illness, or any other reason. All Participants shall work under the personnel system of the approved site. Malpractice insurance should be addressed in any written employment contract between the Participant and the employing entity.

For absences greater than 7 weeks in a 52-week service year, the participant should request a suspension. Absences greater than 7 weeks in a service year (52-week period) shall extend the service commitment end date.