Center of Excellence in Rural Health

KORH
Kentucky Office of Rural Health

Kentucky State Loan Repayment Program

Program Guidelines and Instructions 2026 Application Cycle

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Program Overview

Since 2003, the **Kentucky State Loan Repayment Program (KSLRP)** has served as a recruitment and retention tool to help reduce primary care workforce shortages in rural and underserved locations throughout the Commonwealth. Applicants selected to participate in the competitive program are required to commit to working full time (a minimum of 40 hours a week for two (2) years, or part time (20 – 39 hours a week for three (3) years) for a minimum of 45 weeks, providing primary care services at an eligible site in the state.

Participants receive tax-free student loan repayment assistance in exchange for their service commitment. Loan repayment offered through KSLRP is based on a 50/50 match: For every federal dollar provided by the initiative, participants must have a 1:1 match from a sponsor source. Sponsors can include the participant's employer at their practice site; private foundations, corporations, community organizations, and/or philanthropies; and rurally-oriented organizations requesting that their funds be used to support the placement of practitioners in rural areas. Total loan repayment awards can range from $20,000-$75,000 a year, based on provider type, level of loan indebtedness, and sponsor commitment level.

The **Kentucky Office of Rural Health (KORH)** serves as the administrator for KSLRP, which is funded through the National Health Service Corps (NHSC), a federal program administered by the Bureau of Health Workforce, Health Resources and Services Administration, U.S. Department of Health and Human Services. Applicants who are selected to participate in KSLRP will be required to sign a two (2)- or three (3)-year contract with KORH, the University of Kentucky Research Foundation (UKRF), and their employer.

Program applicants — who must be either Physicians, Physician Assistants, Nurse Practitioners, Certified Nurse-Midwives, Registered Nurses, Dentists, Registered Dental Hygienists, Certified Dietitians (part of primary care team, providing Medical Nutrition Therapy), Behavioral and Mental Health Specialists (including Physicians, Social Workers, Counselors, Psychologists, Therapists, Nurse Practitioners, Physician Assistants, Psychiatric Nurse Specialists), Alcohol and Substance Abuse Counselors, or Pharmacists — must meet individual eligibility requirements (outlined on Pages 3-4 of this guide). Applicants must also demonstrate a commitment to providing health care services to rural or underserved populations through documented experience and a statement of intent.

Eligible practice sites must be public or private non-profit entities located in a federally designated Health Professional Shortage Area (HPSA). Additional site eligibility requirements are outlined on Page 9 of this guide.

Applicant Eligibility

To be eligible to apply to the Kentucky State Loan Repayment (KSLRP), applicants must:

1. Be a U.S. citizen (either U.S. born or naturalized) or U.S. National.

2. Have been trained and licensed to provide direct patient care in one of the program's eligible disciplines and specialties (see Page 5 for a complete listing).

3. Have a current, full, permanent, unencumbered, unrestricted professional license, certificate, or registration in Kentucky in the discipline in which they are applying to serve.

4. Be employed at an eligible practice site or have accepted an offer of employment at an eligible site where service will begin (and the applicant will begin seeing patients) no later than October 1, 2026.

5. Work in a Health Professional Shortage Area (HPSA), a Primary Care HPSA, Dental Health HPSA, or Mental Health HPSA that corresponds to their training and/or discipline. For example, psychiatrists and other mental health providers must serve in a mental health HPSA. (Applicants can determine if they work in a HPSA by searching HPSA data at https://data.hrsa.gov/tools/shortage-area/hpsa-find or by contacting KORH.)

6. Practice full-time, defined by a minimum of 40 hours per week for a minimum of 45 weeks per year, providing primary care health services at an eligible site of which 4 hours per week can be administrative, OR part-time, defined as 20 - 39 hours per week of which 2 hours per week can be administrative for a minimum of 45 weeks per year, providing primary care health services at an eligible site. Part-time hours will extend initial contract to three years. (Administrative Duties may include charting, administrative care coordination activities, laboratory follow-up, patient correspondence, attending staff meetings)

7. Participate or be eligible to participate as a provider in the Medicare, Medicaid, and Children's Health Insurance Programs, as appropriate.

8. Agree to use KSLRP funds only to repay qualifying educational loans.

KSLRP applicants must also meet the following additional applicant criteria:

Applicants should have a history of honoring prior legal obligations.
Applicants will be deemed **ineligible** and will **not** be selected for an award if they have a history of not honoring prior legal obligations, as evidenced by one or more of the following factors:

1. They are in default on any federal payment obligations (e.g., Health Education Assistance Loans, Nursing Student Loans, federal income tax liabilities, Federal Housing Authority loans, etc.) or any non-federal payment obligations (e.g., court-ordered child support payments or state tax liabilities), even if the applicant is currently considered to be in good standing by that creditor.

2. They have had any federal or non-federal debt written off as uncollectible or received a waiver of any federal service or payment obligation.

3. They have breached a prior service obligation to the federal government, a state or local government, or other entity, even if the applicant subsequently satisfied that obligation through service, monetary payment, or other means.

4. They have judgment liens arising from federal debt.

Applicants should have no existing service obligation, nor will they incur any service obligation that would be performed concurrently with, or overlap with, their KSLRP service obligation. *Applicants who have an outstanding contractual obligation for health professional service to the federal government (e.g., a National Health Service Corps Scholarship or Loan Repayment Program obligation, or a NURSE Corps Loan Repayment Program obligation), a state program (e.g., the Kentucky Osteopathic Medicine Scholarship Program), or other entity will be deemed ineligible and will not be selected for an award UNLESS that obligation will be completely satisfied before the KSLRP contract is signed. Please note that certain provisions in employment contracts can create a service obligation (e.g., an employer offers a physician a recruitment bonus in return for the physician's agreement to work at that facility for a certain period of time or pay back the bonus).*

EXCEPTION: Individuals in the Reserve Component of the U.S. Armed Forces or National Guard are eligible to participate in KSLRP.

Applicants should not be currently excluded, debarred, suspended, or disqualified by a federal agency. Applicants will be deemed **ineligible** and will **not** be selected for an award if they are currently excluded, debarred, suspended, or disqualified by a federal agency.

Applicant Disciplines and Specialties

Primary Care Clinicians

Physician (MD, DO)
  Family Medicine, General Internal Medicine, General Pediatrics, Geriatrics, Obstetrics and Gynecology
Physician Assistant (PA)
  Adult Family Medicine, Geriatrics, Pediatrics, Women's Health
Certified Nurse Midwife (CNM)
Nurse Practitioner (NP)
  Adult Family Medicine, Geriatrics, Pediatrics, Women's Health
Registered Dietitian (RD)
  As part of the primary care team providing Medical Nutrition Therapy (MNT)
Registered Nurse (RN)

Dental Care Clinicians

Dentist (DDS, DMD)
  General Dentistry, Geriatric Dentistry, Pediatric Dentistry
Registered Dental Hygienist (RDH)

Behavior and Mental Health Clinicians

Physician (MD, DO)
Licensed Clinical Social Worker (LCSW)
Licensed Professional Clinical Counselor (LPCC)
Health Service Psychologist (HSP)
Marriage and Family Therapist (MFT)
Nurse Practitioner (NP) Physician Assistant (PA)
Psychiatric Nurse Specialist (PNS)

Pharmacy Clinicians

Pharmacist (RPh, PharmD)

Qualifying and Non-Qualifying Educational Loans

KSLRP participants will receive funding for loan repayment to be applied to the principal, interest, and related expenses of outstanding government (federal, state, or local) and commercial (i.e., private) student loans for undergraduate or graduate education obtained by the participant. Loans must have been obtained to pay for only school tuition, other reasonable educational expenses, and reasonable living expenses.
Educational loans must be obtained prior to the date participants submit their application to KSLRP.

If KSLRP participants obtain additional educational loans toward another health professions degree that will result in a change in discipline (e.g., a Licensed Professional Counselor obtains a doctorate in clinical psychology), they will need to apply to KSLRP as a new participant in a subsequent application cycle.
Their application materials will be reviewed competitively against other applicants.

Consolidated or refinanced loans may be considered for repayment as long as they are from a government (federal, state, or local) or private student loan lender and include only qualifying educational loans of the applicant. If an otherwise eligible educational loan is consolidated/refinanced with ineligible (non-qualifying) debt of the applicant, no portion of the consolidated/refinanced loan will be eligible for loan repayment. For loans to remain eligible, participants must keep their eligible educational loans segregated from all other debts. Eligible educational loans consolidated with loans owed by any other person, such as a spouse or child, are ineligible for repayment.

Loans that **do not qualify** for loan repayment include, but are not limited to:

1. Loans for which the applicant incurred a service obligation, which will not be fulfilled before the KSLRP contract is signed.
2. Loans for which the associated documentation cannot identify that the loan was solely applicable to the undergraduate or graduate education of the applicant.
3. Loans not obtained from a government entity or private student loan lending institution. (Most loans made by private foundations to individuals are not eligible for repayment.)
4. Loans that have been repaid in full.
5. Primary Care Loans (http://www.hrsa.gov/loanscholarships/loans/primarycare.html).
6. Parent PLUS Loans (made to parents).
7. Personal lines of credit.
8. Loans subject to cancellation.
9. Residency loans.
10. Credit card debt.

Practice Site Eligibility

Program participants must fulfill their service obligation at an eligible site within the Commonwealth of Kentucky. Sites must provide comprehensive outpatient, ambulatory, and primary health care services.

The following site types are eligible as practice sites for KSLRP participants:

1. **Federally Qualified Health Centers (FQHCs)**, including Community Health Centers (CHCs), Migrant Health Centers, Homeless Programs, and Public Housing Programs

2. **FQHC Look-A-Likes**

3. **Centers for Medicare & Medicaid Services Certified Rural Health Clinics (RHCs)**

4. **Other Health Facilities**, including Community Outpatient Facilities, Community Mental Health Facilities, State and County Health Department Clinics, Immigration and Customs Enforcement (ICE) Health Service Corps (IHSC), Free Clinics, Mobile Units, School-based Programs, Critical Access Hospitals (CAH) and Rural Emergency Hospitals (REM) affiliated with a qualified outpatient clinic, Long-Term Care Facilities, and State Mental Health Facilities

5. **Correctional or Detention Facilities**, including federal prisons and state prisons

6. **Private Practices (Solo or Group)** [Note: Solo or group practices must be a public or private non-profit entity.]

*The following site types are **not** eligible to be approved as practice sites — even if they are located in a HPSA:* for-profit health care facilities, and inpatient hospitals and other inpatient facilities (with the exception of Critical Access Hospitals and Rural Emergency Hospitals).

Eligible site type must meet the following criteria:

1. Be a **public** or **private non-profit** entity located in and providing health care services within Kentucky. "Non-profit private entity" means an entity which may not lawfully hold or use any part of its net earnings to the benefit of any private shareholder or individual and which does not hold or use its net earnings for that purpose. (42 C.F.R. 62.52). *For-profit health facilities operated by non-profit organizations must follow the same guidelines as all other eligible sites.*

2. Be located in a federally-designated Health Professional Shortage Area (HPSA). Medically Underserved Areas or Populations and shortage areas designated by the state **do not qualify**.

3. Accept reimbursement from Medicare, Medicaid, and the Children's Health Insurance Program, utilize a sliding fee scale to individuals and families with annual incomes at or below 100% of the most current federal poverty guidelines, and see all patients regardless of ability to pay.

4. Charge for professional services at the usual and customary prevailing rates.

5. Properly display and advertise their sliding fee scale and their commitment to provide care to patients regardless of ability to pay.

Matching Requirement

KSLRP loan repayment awards are offered through a one-to-one (1:1) match, with half of the funding provided through KORH and the other half of the funding provided by the applicant's sponsor.

Sponsor funding must come from a non-federal source and documentation of source funding must be provided if requested. Examples of sponsors include, but are not limited to:

a. Employers at practice sites;

b. Private foundations, corporations, community organizations, and/or philanthropies; and,

c. Rurally-oriented organizations requesting that their funds be used to support the placement of practitioners in rural areas.

If the applicant's employer is providing the matching funds, the employer must agree that the funds will not be used as a salary offset. And, when agreeing to provide the matching funds, the sponsor may not add additional service obligations to the applicant.

Please contact KSLRP@uky.edu for information on other potential loan repayment programs if you are unable to obtain matching funds.

Additional Program Information

Contracts
Funding for KSLRP participants is awarded through an initial two- or three-year commitment, with additional one-year contracts (extension contracts) available for re-applying participants. Extension contracts must be applied for during each open application window.

Applicants may be awarded no more than four (4) contract extensions for a total of six (6) years of service with KSLRP, including the initial two- or three-year contract period. Applicants who have participated in other National Health Service Corps (NHSC) programs administered directly by the NHSC are eligible to participate in KSLRP for the full six (6) years possible.

Maximum Award Levels for Full-Time Participation
Program participants are awarded funding in a tiered format, based on their provider type, level of loan indebtedness, and sponsor commitment level. Maximum award levels are as follows:

<u>Tier 1</u>

- Physicians

  Maximum Annual Award (from Sponsor): $31,250
  Maximum Annual Award (from KSLRP): $31,250
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $62,500
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $125,000

- Dentist
- Pharmacist

  Maximum Annual Award (from Sponsor): $25,000
  Maximum Annual Award (from KSLRP): $25,000
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $50,000
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $100,000

<u>Tier 2</u>

- Nurse Practitioners
- Physician Assistants
- Licensed Clinical Social Workers
- Licensed Professional Clinical Counselors
- Registered Dietitians
- Health Service Psychologists
- Marriage and Family Therapists

  Maximum Annual Award (from Sponsor): $15,000
  Maximum Annual Award (from KSLRP): $15,000
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $30,000
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $60,000

<u>Tier 3</u>

- Alcohol and Substance Use Disorder Counselors
- Registered Dental Hygienists
- Registered Nurses

  Maximum Annual Award (from Sponsor): $10,000
  Maximum Annual Award (from KSLRP): $10,000
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $20,000
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $40,000

Maximum Award Levels for Part-Time Participation
Program participants are awarded funding in a tiered format, based on their provider type, level of loan indebtedness, and sponsor commitment level. Maximum award levels are as follows:

Tier 1

- Physicians

  Maximum Annual Award (from Sponsor): $15,625
  Maximum Annual Award (from KSLRP): $15,625
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $31,250
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $62,500

- Dentist
- Pharmacist

  Maximum Annual Award (from Sponsor): $12,500
  Maximum Annual Award (from KSLRP): $12,500
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $25,000
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $50,000

Tier 2

- Nurse Practitioners
- Physician Assistants
- Licensed Clinical Social Workers
- Licensed Professional Clinical Counselors
- Registered Dietitians
- Health Service Psychologists
- Marriage and Family Therapists

  Maximum Annual Award (from Sponsor): $7,500
  Maximum Annual Award (from KSLRP): $7,500
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $15,000
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $30,000

Tier 3

- Alcohol and Substance Use Disorder Counselors
- Registered Dental Hygienists
- Registered Nurses

  Maximum Annual Award (from Sponsor): $5,000
  Maximum Annual Award (from KSLRP): $5,000
  TOTAL Maximum Annual Award (KSLRP + Sponsor): $20,000
  TOTAL Loan Repayment Award Possible (2-year contract, KSLRP + Sponsor): $20,000

Payments to Participants
Loan repayment funds from sponsors should be paid to participant within 90 days of contract start date. KSLRP funds shall be paid to participant within 60 days of submission of required documentation of sponsored funds being applied to loan balance.

Verification of Payments
Verification of payments made toward loan debt is required periodically throughout the service obligation. Program participants will be asked to submit (1) copies [photo, photocopy, screenshot of direct deposit, etc.] of checks from their sponsor; and, (2) payment/account documentation [e.g., a screenshot with timestamp/ date and account holder's name] showing that all sponsor funds have been applied to their loan **debt within 30 days of receipt** and have cleared. In addition, once KSLRP funds have been disbursed, program participants must submit payment/account documentation [e.g., a screenshot with timestamp/date and account holder's name] showing that all KSLRP funds have been applied to their loan debt and have cleared.

KSLRP payments will not be made to participants until all documentation relating to sponsor payments is provided to KORH. **Payment verification should be submitted to KORH within 30 days of receiving funds.**

Failure to document that all funds were applied to loan repayment may place a KSLRP participant in default.

Breach of Contract
Participants will be considered in default of their service obligation if they fail to provide primary care services to individuals without discrimination, as defined in this agreement, during the contract time period and at the approved practice site location.

In addition, participants will be considered in default if the loan repayment amounts are not applied toward their eligible loans.

No additional loan repayment will be approved for any participant who defaults.

Default Provisions
The current National Health Service Corps Loan Repayment Program default provision (as amended Oct. 2002 and which governs this contract) is found at 42 U.S.C. 254(c) (1): If [for any reason not specified in subsection (a) of this section or section 254p(d) of this title] an individual breaches the written contract of the individual under section 2541-1 of this title by failing either to begin such individual's service obligation in accordance with section 254m or 254n of this title or to complete such service obligation, the UKRF shall be entitled to recover from the individual an amount equal to the sum of the following:

i. the amount of the loan repayments paid to the participant representing any period of obligated service not completed;
ii. an amount equal to the product of the number of months of obligated service that were not completed by the individual, multiplied by $7,500; and,
iii. the interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of the breach.

The amount the UKRF is entitled to recover shall not be less than $31,000.

Application Components

All application forms for the Kentucky State Loan Repayment Program can be found on-line at: http://medicine.uky.edu/centers/ruralhealth/state-loan-repayment-program

All applications **must be typed and submitted electronically** from the KSLRP website; handwritten applications will not be accepted. (Please note that required signatures may be handwritten or digitally signed.)

Applicants are responsible for initiating their host site to complete the Site Application on-line.

A) Provider Application (New or Extension)
A Provider Application to be completed and signed by the applicant. Provider must upload additional documentation of loans: a current lender statement that includes the applicant's name, the name and payment address of the lender, the account number, and the current principal balance—for each of the loans for which you are applying for repayment.
(Note: This type of printable document can usually be generated online, with the click of a button, at the website for your loan provider.) All loan information provided in this application— including the current lender statement — must be dated and current within 30 days of your application submission.

B) Site Application
A Site Application to be completed and signed by officials (Executive Director, CEO, or another legal representative) at the applicant's practice site, along with uploading copy of the sites **posted** sliding fee scale. (A new Site Application must be completed for each applicant from east site).

C) Sponsor Application (If Applicable)
A Sponsor Application is only required in the instance that the applicant's employer will not serve as the sponsoring entity. It must be signed by the appropriate officials.

Kentucky State Loan Repayment Program
Application Cycle Timeline

Monday, July 6, 2026	Kentucky State Loan Repayment Program application materials are available at the program website (https://medicine.uky.edu/centers/ruralhealth/state-loan-repayment-program)
Friday, July 31, 2026 (11:59 p.m. EST)	Application materials for Kentucky State Loan Repayment Program must be submitted electronically
August 1 - 21, 2026	Kentucky State Loan Repayment Program application materials are processed and evaluated
August 22 - 30, 2026	Award notification is made to selected Kentucky State Loan Repayment Program applicants; official decisions are required of awardees
September 2026	Contract signings for Kentucky State Loan Repayment Program awardees
October 1, 2026	Kentucky State Loan Repayment Program awardees must begin service (seeing patients) at their practice site

The projected timeline is subject to change.