

Notice of Funding
Opportunity **Application due**
January 12, 2026

HRSA

Health Resources & Services Administration

Bureau of Health Workforce








Division of the National Health Service Corps

State Loan Repayment Program (State LRP)

Opportunity number: HRSA-26-015



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Before you begin

If you believe you are a good candidate for this funding opportunity, secure your [SAM.gov](#) and [Grants.gov](#) registrations now. If you are already registered, make sure your registrations are active and up-to-date.

SAM.gov registration (this can take several weeks)

You must have an active account with SAM.gov. This includes having a Unique Entity Identifier (UEI).

[See Step 2: Get Ready to Apply](#)

Grants.gov registration (this can take several days)

You must have an active Grants.gov registration. Doing so requires a Login.gov registration as well.

[See Step 2: Get Ready to Apply](#)

Apply by the application due date

Applications are due by 11:59 p.m. Eastern Time on January 12, 2026.



To help you find what you need, this NOFO uses internal links. In Adobe Reader, you can go back to where you were by pressing Alt + Left Arrow (Windows) or Command + Left Arrow (Mac) on your keyboard.



Step 1:

Review the Opportunity

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Basic information

Health Resources and Services Administration (HRSA)

Bureau of Health Workforce

Division of the National Health Service Corps

Grants to states and U.S. Territories to support loan repayment programs for primary health care workers in Health Professional Shortage Areas.

Summary

The Health Resources and Services Administration (HRSA) is accepting applications for the Fiscal Year 2026 State Loan Repayment Program (State LRP). This program grants funds to the 50 states, the District of Columbia, and U.S. Territories. The goal is to help them run their own state loan repayment programs. These programs are for primary care providers working in Health Professional Shortage Areas (HPSA) in their states.

Funding details

Application Types: New

Expected total available funding in FY 2025: \$20,000,000

Expected number and type of awards: Up to 50 Grants

Funding range per award: Up to \$1,000,000 per recipient

HRSA plans to fund awards over a 3-year period of performance starting July 1, 2026, to June 30, 2029.



Have questions?

Go to [Contacts and Support](#).

Key facts

Opportunity name:

State Loan Repayment Program (State LRP)

Opportunity number:

HRSA-26-015

Announcement version:

New

Federal assistance listing:

93.165

Statutory authority:

Public Health Service Act, Title III, Section 338I(a)-(i) (42 U.S.C. 254q-1(a)-(i)).

Key dates

NOFO issue date:

July 24, 2025

Informational webinar:

[Information will be posted on our website.](#)

Application deadline:

January 12, 2026

Expected award date is

by: April 1, 2026

Expected start date:

July 1, 2026

See [other submissions](#) for other time frames that may apply to this NOFO.

Eligibility

Who can apply

You can apply if you are in one of the 50 United States, the District of Columbia, or Domestic (US) territories. The term “states” is used throughout this NOFO to refer to all eligible organization types.

Types of eligible organizations

These types of domestic* organizations may apply.

- State governments, including the District of Columbia and or Domestic (US) territories
- Native American tribal governments
- Native American tribal organizations

*“Domestic” means the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Individuals are not eligible applicants under this NOFO.

Other eligibility criteria

- States must show that a state agency will run the grant-funded program.
 - States must identify the key personnel who would administer the State LRP and describe their qualifications and experiences with the State’s health care delivery system and health workforce needs.
- States must also agree that all funds will pay all or part of the principal, interest, and related expenses of qualifying educational loans of health care professionals’ educational loans.
 - This is in exchange for providing primary care in HPSAs.
- Funds cannot be used for administering the program.
- Contracts between the state and health care professionals must contain a breach provision, and contracts must not be provided on terms that are more favorable to the health professionals than the most favorable terms of the National Health Service Corps (NHSC) Loan Repayment Program (LRP). [See 42 U.S.C. 254q-1\(c\).](#)

Completeness and responsiveness criteria

We will review your application to make sure it meets these basic requirements to move forward in the competition.

We will not consider an application that:

- Is from an organization that does not meet all [eligibility criteria](#).
- Requests funding above the award ceiling shown in the [funding range](#).
- Is submitted after the [deadline](#).
- Any pages over the page limit will not be reviewed.

Application limits

You may not submit more than one application. If you submit more than one application, we will only accept the last on-time submission.

Cost sharing

Cost sharing/matching is required. States will be required to demonstrate a \$1 for \$1 match for the federal funding received through this award. Grantees will need to secure a 1:1 match from non-federal sources.

You can meet your match requirement through any combination of:

- Cash contributed by your organization, partners, or other third parties.
- State appropriations, foundations, service sites, licensing fees, or tobacco taxes, as per the standard guidelines.

States may not use any other federal funds to satisfy the non-federal match requirement.

Note: We waive cost sharing requirements up to \$200,000 for any award to the U.S. Virgin Islands, Commonwealth of the Northern Mariana Islands, American Samoa, Guam, Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands.

Source: ([48 U.S.C. 1469a\(d\)](#)).

We will hold you accountable for any funds you add, including through [Reporting](#).

Program description

Purpose

The purpose of this program is to offer grant funds available to all 50 states, the District of Columbia, and the U.S. Territories to help them run their own loan repayment programs for primary care providers to serve in HPSAs. In return for serving in these underserved communities, providers receive loan repayment awards.

Recipients can choose the eligible primary care disciplines their programs support and HPSA locations based on their needs. HRSA encourages applicants to consider how they can use funds to meet and further HHS priorities. This includes placing providers in areas at-risk of experiencing a public health emergency.

What is new?

Discipline Expansion

- Dental Therapists
- Registered Dietitians (considered part of Primary Care team)

Award increase

It also increases the maximum award to \$75,000 for full-time primary care medical providers assigned to a primary care HPSA.

Eligible sites

Rural Emergency Hospitals with affiliated outpatient clinics are now eligible practice sites.

Background

Since 1987, State LRP has, through its grant funding to recipient states, recruited and kept clinicians in HPSAs after their service obligation ends. The program leverages each recipient's expertise to match community needs. Successful projects have improved primary health access for underserved groups. Many recipient states combine federal, state, and other loan repayment programs to meet their health professional needs.

Program goals

- Recruit and retain providers to grow the primary health care workforce in HPSAs within the state.
- Increase access to primary care in underserved communities and for underserved populations.
- Reduce disparities and improve health care outcomes for all in underserved communities.

Program objectives

- Develop partnerships between academia, primary care delivery sites, primary care associations, primary care offices, governor's offices, health departments, and community-based organizations.
- Increase the primary health care workforce in HPSAs.
- Encourage providers to work in HPSAs by repaying their eligible educational loans.

Award information

Funding policies and limitations

Policies

- Awards will be made only if funding is available and allocated for this program and purpose, at which point we will move forward with the review and award process.
- Support beyond the first budget year will depend on:
 - Appropriation of funds
 - Satisfactory progress in meeting the project's objectives.
 - A decision that continued funding is in the government's best interest.

If we receive more funding for this program, we may:

- Fund more applicants from the rank order list.
- Extend the period of performance.
- Award supplemental funding.

General limitations

- For guidance on some types of costs we do not allow or restrict, see Project Budget Information in section 3.1.4 of the [R&R Application Guide](#). You can also see 45 CFR part 75, or any superseding regulation, [General Provisions for Selected Items of Cost](#).
- You cannot earn profit from the federal award. See [45 CFR 75.400\(g\)](#).
- Current appropriations law includes a salary limit of \$225,700 as of January 2025 that applies to this program. You may pay salaries at a higher rate if the rate beyond the salary rate limit (Executive Level II) is paid with non-HHS funds not associated with the HHS awarded project.

Program-specific statutory or regulatory limitations

- The State LRP does not allow for use of funds for administering the program.

Program income

Program income is money earned as a result of your award-supported project activities. You must use any program income you generate from awarded funds for approved project-related activities. Find more about program income at [45 CFR 75.307](#).

See [Manage Your Grant](#) for other information on costs and financial management.



Step 2:

Get Ready to Apply

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Get registered

SAM.gov

You must have an active account with SAM.gov to apply. This includes having a Unique Entity Identifier (UEI). SAM.gov registration can take several weeks. Begin that process today.

To register, go to [SAM.gov Entity Registration](#) and select Get Started. From the same page, you can also select the Entity Registration Checklist to find out what you'll need to register.

When you register or update your SAM.gov registration, you must agree to the [financial assistance general certifications and representations](#). You must agree to those for grants specifically, as opposed to contracts, because the two sets of agreements are different. You will have to maintain your registration throughout the life of any award.

Grants.gov

You must also have an active account with [Grants.gov](#). You can see step-by step instructions at the Grants.gov [Quick Start Guide for Applicants](#).

Need Help? See [Contacts and Support](#).

Find the application package

The application package has all the forms you need to apply. You can find it online. Go to [Grants Search at Grants.gov](#) and search for opportunity number HRSA-26-015.

After you select the opportunity, we recommend that you click the Subscribe button to get updates.

Application writing help

Visit [HHS Tips for Preparing Grant Proposals](#).

Visit [HRSA's How to Prepare Your Application](#) page for more guidance.

Join the webinar

For more information about this opportunity, visit the Bureau of Health Workforce's [open opportunities](#). The Webinar will be recorded.



Step 3:

Prepare Your Application

In this step

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Application contents and format

Applications include five main components. This section includes guidance on each.

Application page limit: 60 pages.

Submit your information in English and express whole number budget figures using U.S. dollars.

Make sure you include each of these:

Components	Submission Form	Included in the page limit?
Project abstract	Use the Project Abstract Summary Form.	No
Project narrative	Research and Related Other Project Information	Yes
Budget narrative	Use the Research and Related Budget form. (Line L)	Yes
Attachments	Insert each in the Other Attachments form.	Yes, unless otherwise marked.
Other required forms	Upload using each required form.	Indicated in the other required forms section.

See the [application checklist](#) for a full list of all application requirements. See [form instructions](#) for more detail on completing each form.

Required format

You must format your narratives and attachments using our required formats for fonts, size, color, format, and margins. See the formatting guidelines in section 3.2 of the [R&R Application Guide](#).

Project abstract

Complete the information in the Project Abstract Summary Form. Include a short description of your proposed project. Include the needs you plan to address, the proposed services, and the population groups you plan to serve. For more information, see section 3.1.2 of the [R&R Application Guide](#).

To ensure that you fully address the review criteria, this table provides a crosswalk between the narrative language and where each section falls within the review criteria.

Any attachments referenced in a narrative section may be considered during the objective review.

Narrative Section	Criterion	Total number of points = 100
Introduction and purpose, Need	1. Purpose & need	15 points
Approach, High level work plan, Resolving challenges	2. Response	35 points
Performance report & evaluation, Sustainability	3. Impact	25 points
Performance report & evaluation, Organizational information	4. Resources & capabilities	10 points
Budget & budget narrative	5. Support requested	15 points

Project narrative

In this section, you will describe all aspects of your project. Use the section headers and the order as listed.

Introduction and purpose

See merit review criterion 1: [Purpose and need](#)

Briefly describe the purpose of your project.

- This section must outline the healthcare needs of underserved populations in your state.
 - It should describe how the project will meet these needs, and how it will improve healthcare access and outcomes for these communities.
- Provide a clear and brief overview of the project.
 - It should clarify the project's scope, objectives, and anticipated impact.
 - The overview should be self-explanatory, summarizing key elements.
- If applicable, describe the health care workforce needs related to registered dietitians and dental therapists .

Need

See merit review criterion 1: [Purpose and need](#)

- Describe the target population and current workforce gaps in primary, dental, and mental health care, including community health factors.
- Identify disparities impacting the population and communities served, as well as unmet workforce needs.
- Describe the capacity of the current health care workforce and note trends, such as in telehealth, or maternal and child health.
- Specify the workforce disciplines and types of HPSAs that your project will address.

Approach

See merit review criterion 2: [Response](#)

- Describe your objectives and planned activities.
 - Show how they meet the project's purpose.
 - Show how they meet stated needs for the target population.
 - Describe the key elements of your state loan repayment program:
 - Participant eligibility
 - Discipline eligibility
 - Practice site eligibility
 - Program administrative management and oversight.

Participant Eligibility

- Describe how you determine program eligibility for participants, including applicable federal and state requirements.
 - See the [Critical Elements](#) in the Appendix for more information about eligible participants.
- Describe your recruitment strategies and how you will create a competitive applicant pool.
 - Also address how you'll retain providers.
- Describe how you will verify eligible educational loans.
- Describe how you will verify that funds should be used for loan repayment.

Discipline Eligibility

- List the primary care disciplines your program supports and their effects on HPSA populations.
 - See the [Critical Elements](#) in the Appendix for more information about eligible State LRP disciplines.
- Describe how these disciplines will fill health care workforce gaps.
 - Indicate if state law or policy decides the eligible disciplines.
- Indicate how the disciplines match the goals of addressing gaps in primary, dental, or mental health care workforce.
- Specify the primary care services this funding supports and the populations it helps.
- Identify if the funding will expand the types of providers you are currently recruiting.

Practice Site Eligibility

- Identify which sites State LRP will support.
 - See the [Critical Elements](#) in the Appendix for more information about eligible site types.
- Describe strategies for recruiting practice sites and how to determine their eligibility.
 - See [Attachment 2](#) for Information about Memoranda of Understanding (MOU) and sub-recipient agreements.

Program Administrative Management and Oversight

- Provide an overview of the organizational and management structure of the state entity running the Loan Repayment program.
 - See the [Critical Elements](#) Appendix for more information about program administrative management and oversight.
- Describe any partnerships with federal, state, and other statewide health care organization.
 - Include those that provide guidance through advisory committees or similar groups.
- Describe how sites and participants comply with program and state guidelines, including:
 - The policies and processes states use to ensure requirements and service obligations are met.
 - Actions taken when a participant does not meet obligations.

- The monitoring process for service verification, eligibility, and clinician oversight at practice sites.
- Processes to make sure the salaries for State LRP participants match the prevailing rate and are not lowered due to their award.

High-level work plan

See merit review criterion 2: [Response](#)

- Describe how you will meet each objective during the period of performance.
- Provide a timeline for each activity, naming who is responsible for each activity.
 - As needed, show how key stakeholders will help plan, design, and carry out all activities.
- Include how these stakeholders meet the needs of the populations and communities they serve.
- You will also include a more detailed work plan in your Standardized Work Plan (SWP).

See [Standard Forms](#).

Resolving challenges

See merit review criterion 2: [Response](#)

Discuss challenges that you might face in designing and carrying out the work plan. Explain your solutions.

Performance reporting and evaluation

See merit review criteria 3: [Impact](#) and 4: [Resources and capabilities](#)

- **Outcomes:** Describe the desired results of the activities.
- **Performance Measurement and Reporting:**
 - Describe how you will collect and report performance data accurately and on time.
 - Describe how you will manage and securely store data.
 - Include how you will report National Provider Identifier (NPI) numbers for participants.
 - Project loan repayment recipients in eligible disciplines must apply for and report on an NPI.

- Describe how you will track awardees for up to a year after they complete the program. Include collecting awardees' NPIs.
- Describe how you will monitor and analyze performance data to continuously improve.
- **Program Evaluation:** The evaluation should assess processes and progress towards [program goals](#), program objectives, and expected outcomes.
 - Evaluations must follow the HHS Evaluation Policy, as well as the standards and best practices described in [OMB Memorandum M-20-12](#).
 - Describe how you will evaluate the project by including:
 - The evaluation questions, methods, data that will be collected, and timeline for implementation.
 - Evaluation barriers and your solutions.
 - Your organization's capacity, including experience and skills.
 - Plans for sharing results, assessing effectiveness, evaluating whether the results are national in scope, and replication potential.
- See [Reporting](#) for more information.

Sustainability

See merit review criterion 3: [Impact](#)

We expect you to sustain key project elements that improve practices and outcomes for the target population. Propose a plan for sustainability after the period of federal funding ends.

Describe the actions you'll take to:

- Obtain future funding to secure match from non-federal sources.
- Become self-sufficient as a state, if federal funds are not available.
- Discuss challenges that you will likely encounter in sustaining the program, and your solutions.

Organizational information

See merit review criterion 4: [Resources and capabilities](#)

- Briefly describe your mission, structure, and current activities.
 - Explain how they meet program needs.
 - Include an organizational chart.
- Discuss how you'll follow the approved plan, manage federal funds, and record all costs to avoid negative audit findings.

- Describe the organizations you will partner with to fulfill the [program goals](#).
 - Include key agreements [Attachment 3](#) and letters of support in [Attachment 6](#).
- Include a staffing plan and job descriptions for key staff in [Attachment 4](#).
- Also include biographical sketches for key staff using the Research and Related Senior/Key Person Profile form.

See [Standard Forms](#).

Budget and budget narrative

See merit review criterion 5: [Support requested](#)

Your **budget** should follow the instructions in section 3.1.4 of the [R&R Application Guide](#) and any specific instructions listed in this section.

The **budget narrative** supports the information you provide in the Research and Related Budget Form. See [Other required standard forms](#). Your budget should show a well-organized plan. The merit review committee reviews both.

HHS now uses the definitions for [equipment](#) and [supplies](#) in 2 CFR 200.1. The new definitions change the threshold for equipment to the lesser of the recipient's capitalization level or \$10,000 and the threshold for supplies to below that amount.

- Note: The State LRP does not allow for use of funds on equipment.

The budget narrative includes an itemized breakdown and a clear justification of the requested costs. As you develop your budget, consider:

- If the costs are reasonable and consistent with your project's purpose and activities.
- The restrictions on spending funds. See [funding policies and limitations](#).

To create your budget narrative, see detailed instructions in section 3.1.5 of the [R&R Application Guide](#). Follow these additional instructions specific to this NOFO.

Attachments

Place your PDF attachments in order in the Attachments form.

Attachment 1: Project organizational chart

Required — Counts toward page limit.

Provide a one-page diagram that shows the project's complete structure. Include all parts, not just your organization.

Attachment 2: Letters of agreement, memoranda of understanding, and contracts

As applicable — Counts toward page limit.

- Provide documents that describe the working relationships between your organization and other organizations and programs you include in the proposal.
- Documents that confirm actual or pending agreements should clearly describe the roles of the contractors, partners, and any deliverables.
- It is not necessary to include the entire contents of lengthy agreements, so long as the portions you include describe the working relationship between you and the other organization.
- Make sure all documents are signed and dated.

Attachment 3: Staffing plan and job descriptions

Required — Counts toward page limit.

See Section 3.1.7 of the [R&R Application Guide](#).

- Include a staffing plan with roles and key information about each.
 - Justify your staffing choices, including education and qualifications, as well as your reasons for the amount of time you request for each position.
 - For key personnel, attach a one-page job description.
 - It must include the role, responsibilities, and qualifications.

Attachment 4: Sample contract

Required — Does not count toward page limit.

- Provide a copy of a sample contract for State LRP participants.
 - It should include a clear default provision.

- This provision must match the rigorousness (i.e., is not more favorable than) of the NHSC loan repayment program's default penalty in [42 U.S.C. § 254o\(c\)\(1\)](#).
- Incorporate language that permits the State to adjust the participant's service obligation if the provider no longer maintains qualifying educational debt due to participation in another loan forgiveness program (e.g., Public Service Loan Forgiveness (PSLF)). Specifically, the contract shall state that if a participant's qualifying educational debt is reduced or eliminated by such programs, the State reserves the right to either prorate the service obligation accordingly or, at its sole discretion, void the contract entirely.
- We recommend including language in the contract that clearly states providers are not permitted to undertake multiple service obligations concurrently. Should a provider incur additional service obligations, the State reserves the right to void their State LRP contract and require full repayment of the award.

Attachment 5: Tables and charts

As Applicable — Counts toward page limit.

Provide tables or charts that give more details about the proposal. These might be Gantt, PERT, or flow charts.

Attachment 6: Letters of support

As Applicable — Counts toward page limit.

- You can provide letters of support from other organizations or departments involved in the proposed project.
- Letters of support can also be from individuals within your institution who have authority to speak for the organization, such as a CEO or chair.
- Recommenders should show they understand the project and their role in it.
- Recommenders should sign and date their letter of support.

Attachments 7- 15: Other relevant documents

Provide any additional data, information, letters, memoranda, or reports that demonstrate how your project will meet State LRP program goals.

Other required standard forms

You will need to complete some other forms. Upload the forms listed at Grants.gov. You can find them in the NOFO [application package](#) or review them and any available instructions at [Grants.gov Forms](#). See the [application checklist](#) for a full list of all application requirements.

Forms	Submission Requirement
SF-424 R&R (Application for Federal Assistance) form	Yes, with application.
Research and Related Other Project Information	Yes, with application.
Standardized Work Plan (SWP) form	Yes, with application.
Research & Related Senior/Key Person Profile (Expanded) form	Yes, with application.
Research and Related Budget form	Yes, with application.
R&R Subaward Budget Attachment(s) Form	Yes, with application, if applicable.
Disclosure of Lobbying Activities (SF-LLL) Form	If applicable, with the application or before the award.

Form instructions

SF-424 R&R Application For Federal Assistance

Does not count toward the page limit

Follow the instructions for Application for Federal Assistance in section 3.1.1 of the [R&R Application Guide](#).

Research and Related Other Project Information

Only the project narrative counts toward the page limit

In addition to the requirements in the [project narrative](#) section, you will provide some additional information in this form.

- Complete sections 1 through 6.
- Upload a blank document in item 7: Project Summary/Abstract to avoid a cross-form error with your Project Abstract Summary Form.

- Upload your project narrative in item 8.
- Leave items 9, 10, and 11 blank.
- If you have more than 10 subawards, you may use item 12 to add subaward budgets that could not fit in your R&R Subaward Budget Attachment(s) form.

Standardized Work Plan (SWP)

Does not count toward the page limit

In addition to the requirements in [project narrative](#), [high-level work plan](#), follow these instructions:

- Submit your workplan through the [SWP form](#).
 - Provide a detailed work plan that shows your ability to implement a project of the proposed scope.
- Follow the instructions in the SWP form.
- Select your organizational priorities that best fit the objective.
- As specified in the NOFO, [program goals](#) must be copied as stated.
- Some program objectives might need to match the NOFO exactly.

Research and Related Senior/Key Person Profile (Expanded)

Does not count toward the page limit

In addition to the requirements in [Project Narrative](#), [Organizational Information](#), follow these instructions.

- Include biographical sketches for people with key positions.
- Try to use no more than two pages per person.
- Do not include non-public, [personally identifiable information](#).
- If you include someone you have not hired yet, include a letter of commitment from that person with their sketch.
- Upload sketches in this form.
- Include:
 - Name and title.
 - Education and training: Include institution and location, degree, date earned (if any), and field of study.
 - Section A, Personal Statement: Briefly describe why they're well-suited for their role.

- Section B, Positions and Honors: In chronological order, list previous and current roles, honors, and federal public advisory committee memberships.
- Section C, Other Support (optional): List ongoing and completed projects from the last three years, focusing on the most relevant. Briefly indicate the overall goals of the projects and related responsibilities.
- Other information: If applicable, include language skills and experience with target populations.

Please note, the [R&R Application Guide](#) states that biographical sketches count toward the page limit. However, they will not for this NOFO.

Research and Related Budget

Only the budget narrative counts toward the page limit

In addition to the requirements in the [budget and budget narrative section](#), follow these instructions:

Complete the Research and Related Budget Form. Follow the instructions in section 3.1.4 of the [R&R Application Guide](#).

You will complete the form for each budget year for the proposed performance period. After completing the first budget period in the form, you may click “Add Period” to move to the next.

R&R Subaward Budget Attachment(s) Form

Counts toward the page limit*

You will also complete the R&R Subaward Budget Attachment form for each subaward you propose, including subcontracts. You will do this using the R&R Subaward Budget Attachment(s) form.

To complete the budget forms, follow the instructions in Grants.gov.

If you have more than 10 subawards, you may upload the extra budget forms in the Research and Related Other Project Information form in Block 12, “Other Attachments”.

Disclosure of Lobbying Activities (SF-LLL) form

Does not count toward the page limit

Follow the instructions in Grants.gov.

Important: public information

When filling out your SF-424 form, pay attention to Box 15: Descriptive Title of Applicant's Project.

We share what you put there with [USAspending](#). This is where the public goes to learn how the federal government spends their money.

Instead of just a title, insert a short description of your project and what it will do.

[See instructions and examples.](#)



Step 4:

Learn About Review & Award

In this step

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Application review

Initial review

We review each application to make sure it meets [eligibility](#) criteria, including the [completeness and responsiveness](#) criteria. If your application does not meet these criteria, it will not be funded.

Also, we will not review any pages over the page limit.

Merit review

A panel reviews all applications that pass the initial review. The members use these criteria.

Criterion	Total number of points = 100
1. Purpose and need	15 points
2. Response	35 points
3. Impact	25 points
4. Resources and capabilities	10 points
5. Support requested	15 points

Criterion 1: Purpose and need (15 points)

See Project Narrative [Introduction and purpose](#), and [Need](#) sections.

The panel will review your application for how well it:

- Proposes a program with a strong public health impact on the target population.
- Describes the target population and current gaps in the dental, mental health and primary care workforce, including community health factors.
- Identifies gaps in healthcare and unmet workforce needs.
- Describes efforts to overcome barriers to participants' access and success.
 - These barriers might include economic stability, physical health, psychological health, and the physical and social environment.
 - Participants include clinicians as program participants.
- Describes the current healthcare workforce capacity and trends.

- Trends might be the adoption of artificial intelligence or telehealth, or maternal and child health efforts.
- Specifies disciplines and types of HPSAs to address.

Criterion 2: Response (35 points)

See Project Narrative [Approach](#), [High-level work plan](#), and [Resolving challenges](#) sections.

Approach (15 points)

The panel will review your application for how well it:

- Proposes a project aligned with the program's [purpose](#).
- Proposes [program goals](#) and objectives linked to the project.
- Addresses the eligibility of disciplines, participants, and practice sites, as well as program administrative management and oversight.

High-Level Work Plan (10 points)

The panel will review your application for how well it:

- Describes activities that will solve the problem and achieve program goals.
- Creates a timeline for each activity and names responsible people.
 - Also describes key stakeholders' involvement and how they will contribute to planning, designing, and executing these activities.
- Explains strategies to meet the needs of underserved communities.

Resolution of Challenges (10 points)

- The panel will review your application for how well it describes the obstacles you may face during project design and implementation, and your solutions.

Criterion 3: Impact (25 points)

See Project Narrative [Performance reporting and evaluation](#) and [Sustainability](#) sections.

Performance reporting and evaluation (10 points)

The panel will review your application for how well it:

- Describes plans to share results national in scope, or for others to replicate.
- Shows effective methods to monitor and evaluate results.
- Includes measures to assess goals and achievement level.
- Presents a plan for accurate, timely data collection and management.

- Describes your process to collect, manage, store, and report NPI numbers for eligible participants.
- Proposes using data for continuous improvement, monitoring, and evaluation.
- Anticipates evaluation obstacles and proposes solutions.

Sustainability (15 points)

The panel will review your application for how well it:

- Proposes a plan to continue the project after federal funding ends.
- Describes potential challenges in sustaining the program and offers logical solutions.

Criterion 4: Resources and capabilities (10 points)

See Project Narrative [Organizational information](#) and [Performance reporting and evaluation](#) sections.

The panel will review your application to determine the extent to which:

- Project staff are trained and experienced for this project.
- You have the skills needed for the proposed project.
- You have the facilities required for the project.

Criterion 5: Support requested (15 points)

See [Budget and budget narrative](#) section.

The panel will review your application to determine the extent to which:

- Your budget is reasonable, including whether it matches federal funds dollar-for-dollar each year of the period of performance.
- Costs and required resources align with the program's scope.
- Key staff have enough time to dedicate to the program to meet the goals.
- Your organization has a history of using funds appropriately.

We do not consider **voluntary** cost sharing during merit review.

Risk review

Before making an award, we review your award history to assess risk. We need to ensure all prior awards were managed well and demonstrated sound business practices. We:

- Review any applicable past performance
- Review audit reports and findings

- Analyze the budget
- Assess your management systems
- Ensure you continue to be eligible
- Make sure you comply with any public policies.
- We may ask you to submit additional information.

As part of this review, we use SAM.gov Entity Information [Responsibility/Qualification](#) to check your history for all awards likely to be more than \$250,000 over the period of performance. You can comment on your organization's information in SAM.gov. We'll consider your comments before making a decision about your level of risk.

If we find a significant risk, we may choose not to fund your application or to place specific conditions on the award.

For more details, see [45 CFR 75.205](#).

Selection process

When making funding decisions, we consider:

- The available funds.
- Assessed risk.
- Merit review results. These are key in making awards but are not the only factor.

We may:

- Fund out of rank order.
- Fund applications in whole or in part.
- Fund applications at a lower amount than requested.
- Choose to fund no applications under this NOFO.

Award notices

We issue Notices of Award (NOA) on or around the [start date](#) listed in the NOFO. See Section 4 of the [R&R Application Guide](#) for more information.

By drawing down funds, you accept the terms and conditions of the award.



Step 5:

Submit Your Application

In this step

Application submission and deadlines	<u>34</u>
Application checklist	<u>36</u>

Application submission and deadlines

Your organization's authorized official must certify your application. See the section on [finding the Application Package](#) to make sure you have everything you need.

Make sure you are current with SAM.gov and UEI requirements. When you register or update your SAM.gov registration, you must agree to the [financial assistance general certifications and representations](#), and specifically with regard to grants.

Make sure that your SAM.gov registration is accurate for both contracts and grants, as these registrations differ. See [information on getting registered](#). You will have to maintain your registration throughout the life of any award.

Deadlines

Application

You must submit your application by **January 12, 2026, at 11:59 p.m. ET**.

Grants.gov creates a date and time record when it receives the application.

Submission method

Grants.gov

You must submit your application through Grants.gov. You may do so using Grants.gov Workspace. This is the preferred method. For alternative online methods, see [Applicant System-to-System](#).

For instructions on how to submit in Grants.gov, see the [Quick Start Guide for Applicants](#). Make sure that your application passes the Grants.gov validation checks, or we may not get it. Do not encrypt, zip, or password protect any files.

Have Questions? Go to [Contacts and Support](#).

Other submissions

Intergovernmental review

This NOFO is not subject to [Executive Order 12372](#), Intergovernmental Review of Federal Programs. No action is needed.

Application checklist

Make sure that you have everything you need to apply:

Form	See Instructions	Included in page limit*?
<input type="checkbox"/> Project Abstract Summary	Project Abstract	No
<input type="checkbox"/> Research and Related Other Project Information	Project narrative and Form instructions	Only the attached project narrative
<input type="checkbox"/> Research and Related Budget	Budget and budget narrative and Form instructions	Only the attached project narrative
Attachments include: <ul style="list-style-type: none"> <input type="checkbox"/> 1-Project organizational chart <input type="checkbox"/> 2-Letters of agreement, MOUs, and contracts <input type="checkbox"/> 3-Staffing plan and job descriptions <input type="checkbox"/> 4-Sample contract <input type="checkbox"/> 5-Tables and charts <input type="checkbox"/> 6-Letters of support <input type="checkbox"/> 7-15-Other relevant documents. If you have additional material to submit, such as explanations of mandatory disclosures, you can use this form. 	Attachments	Yes Yes Yes Yes Yes Yes Yes
Other required forms <ul style="list-style-type: none"> <input type="checkbox"/> SF-424 R&R (Application for Federal Assistance) <input type="checkbox"/> Standardized Work Plan (SWP) form 	Form instructions Project narrative , High-level work plan and Form instructions	No No No

Form	See Instructions	Included in page limit*?
<input type="checkbox"/> Research and Related Senior/Key Person Profile (Expanded) form	Project narrative , Organizational information and Form instructions	No
<input type="checkbox"/> R & R Subaward Budget Attachment(s)	Form instructions	Yes*
<input type="checkbox"/> Disclosure of Lobbying Activities (SF-LLL)	Form instructions	No

*Only what you attach in addition to these forms counts toward the page limit. The form itself does not count.



Step 6:

Learn What Happens After Award

In this step

Post-award requirements and administration [39](#)

Post-award requirements and administration

Administrative and national policy requirements

There are important rules you need to know if you get an award. You must follow:

- All terms and conditions in the Notice of Award. We incorporate this NOFO by reference.
- The regulations at [45 CFR part 75](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, or any superseding regulations. Effective October 1, 2024, HHS adopted the following superseding provisions:
 - [2 CFR 200.1](#), Definitions, Modified Total Direct Cost.
 - [2 CFR 200.1](#), Definitions, Equipment.
 - [2 CFR 200.1](#), Definitions, Supply.
 - [2 CFR 200.313\(e\)](#), Equipment, Disposition.
 - [2 CFR 200.314\(a\)](#), Supplies.
 - [2 CFR 200.320](#), Methods of procurement to be followed.
 - [2 CFR 200.333](#), Fixed amount subawards.
 - [2 CFR 200.344](#), Closeout.
 - [2 CFR 200.414\(f\)](#), Indirect (F&A) costs.
 - [2 CFR 200.501](#), Audit requirements.
- The [HHS Grants Policy Statement](#) (GPS). Your NOA will reference this document. If there are any exceptions to the GPS, they'll be listed in your Notice of Award.
- All federal statutes and regulations relevant to federal financial assistance, including those highlighted in [HHS Administrative and National Policy Requirements](#).
- See the requirements for performance management in [2 CFR 200.301](#).
- See the requirements for performance management in [2 CFR 200.301](#).

Cybersecurity

You must create a cybersecurity plan if your project involves both of the following conditions:

- You have ongoing access to HHS information or technology systems.
- You handle personal identifiable information (PII) or personal health information (PHI) from HHS.

You must base the plan on the [NIST Cybersecurity Framework](#). Your plan should include the following steps:

Identify:

- List all assets and accounts with access to HHS systems or PII/PHI.

Protect:

- Limit access to only those who need it for award activities.
- Ensure all staff complete annual cybersecurity and privacy training. Free training is available at 405(d): [Knowledge on Demand \(hhs.gov\)](#).
- Use multi-factor authentication for all users accessing HHS systems.
- Regularly backup and test sensitive data.

Detect:

- Install antivirus or anti-malware software on all devices connected to HHS systems.

Respond:

- Create an incident response plan. See [Incident-Response-Plan-Basics_508c.pdf \(cisa.gov\)](#) for guidance.
- Have procedures to report cybersecurity incidents to HHS within 48 hours. A cybersecurity incident is:
 - Any unplanned interruption or reduction of quality, or
 - An event that could actually or potentially jeopardize confidentiality, integrity, or availability of the system and its information.

Recover:

- Investigate and fix security gaps after any incident.

Reporting

If you are funded, you will have to follow the reporting requirements in Section 4 of the [R&R Application Guide](#). The NOA will provide specific details.

You must also follow these program-specific reporting requirements:

- We will require progress reports.
- We will require an Annual Performance Report (APR) annually via the [Electronic Handbooks \(EHBs\)](#).
- All HRSA recipients must collect and report performance data so that HRSA can meet its obligations under the Government Performance and Results Modernization Act of 2010 (GPRMA) and the Foundations for Evidence-Based Policymaking Act of 2018.
- The APR collects data on State LRP clinicians for activities between July 1 to June 30 of each budget year. It is due to HRSA on or about September 21 each year. If award activity extends beyond August 31 in the final year of the grant, HRSA may require a Final Performance Report (FPR) to collect the remaining performance data. The FPR is due within 120 calendar days after the period of performance ends.
- You can find examples of APRs at [Report on Your Grant](#) on the HRSA website. Performance measures and reporting forms may change each academic year. HRSA will provide additional information in the NOA.



Contacts and Support

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Agency contacts

Program and eligibility

Opeoluwa Daramola

Project Officer National Health Service Corps

Attn: State Loan Repayment Program

Bureau of Healthcare Workforce

Health Resources and Services Administration

odaramola@hrsa.gov

Financial and budget

Timothy Coyle

Grants Management Specialist

Division of Grants Management Operations, OFAAM

Health Resources and Services Administration

TCoyle@hrsa.gov

HRSA Contact Center

Open Monday – Friday, 7 a.m. – 8 p.m. ET, except for federal holidays.

Call: 877-464-4772 / 877-Go4-HRSA

TTY: 877-897-9910

[Electronic Handbooks Contact Center](#)

Grants.gov

Grants.gov provides 24/7 support. You can call 800-518-4726, search the [Grants.gov Knowledge Base](#), or [email Grants.gov for support](#). Hold on to your ticket number.

SAM.gov

If you need help, you can call 866-606-8220 or live chat with the [Federal Service Desk](#).

Helpful websites

- [Find a Health Center](#)
- [Find Shortage Areas by Address](#) and [HPSA Find](#)
- [HRSA Grants page](#)
- [HRSA Manage Your Grant](#) webpage.
- [Bureau of Health Workforce Glossary](#)
- [State Loan Repayment Program \(State LRP\)](#)
- [THCGME Academic Year 2023-2024 Awardees](#)

Appendix: State Loan Repayment Program requirements and critical elements

Critical Element 1: Participant eligibility

State LRP participants must meet the following program eligibility requirements:

- Be a United States citizen or national.
- Not have any contractual obligations for health care professional service to the federal government (e.g., an NHSC Scholarship or Loan Repayment Program obligation, or a NURSE Corps Loan Repayment Program obligation), or other entities.
- However, if the service obligation will be met before the State LRP contract has been signed, then it is acceptable.
- Not have an existing service obligation.
- Providers cannot have an employment contract that has a service obligation requirement. For example, an employer offering a physician a recruitment bonus in return for the physician's agreement to work at that facility for a certain period or pay back the bonus.
- They must not have:
- Federal judgment liens.
- A current default on any federal payment obligations (e.g., Health Education Assistance Loans, Nursing Student Loans, federal income tax liabilities, Federal Housing Authority Loans, etc.) even if the creditor now considers them to be in good standing.
- Breached a prior service obligation to the federal/state/local government or other entity, unless it was later satisfied.
- Had any federal or non-federal debt written off as uncollectible or received a waiver of any federal service or payment obligation.

- For full time primary care providers at a primary care HPSA, the initial contract can fund up to \$75,000 of loan repayment for two years of service at a State LRP-approved site.
- Dental and mental health care providers can receive awards of up to \$50,000 in loan repayment for two years of service at approved sites.
- For primary care providers at a primary care HPSA, the limit is \$75,000.
 - Any amount above this, or the dental and mental health cap of \$50,000, must come from non-federal sources.
- All half-time providers will receive half the award for their obligation period.
- Must work in a HPSA that corresponds to their training and/or discipline. For example, psychiatrists and other mental health care providers must serve in a mental health HPSA.
- Must agree to use SLRP funds only to repay qualifying educational loans. Qualifying educational loans are Government and commercial loans for actual costs paid for tuition and reasonable educational and living expenses related to the education of the participant.
- They must provide **full-time** or **half-time** primary health care services at an eligible site.
- Table: Full-time or Half-time

Disciplines	Full-Time (40 hours/week)	Half-Time (20-39 hours/week)
Primary Care	<ul style="list-style-type: none"> • Direct Clinical Care: At least 36 hours/week, which may include up to 8 hours/week in teaching activities and up to 12 hours/week in approved alternative settings. • Administrative Duties: Up to 4 hours/week. 	<ul style="list-style-type: none"> • Direct Clinical Care: At least 18 hours/week, which may include up to 4 hours/week in teaching activities and up to 4 hours/week in approved alternative settings. • Administrative Duties: Up to 2 hours/week.
Oral Health	<ul style="list-style-type: none"> • Direct Clinical Care: At least 36 hours/ week, which may include up to 8 hours/week in teaching activities or in approved alternative settings. • Administrative Duties: Up to 4 hours/week. 	<ul style="list-style-type: none"> • Direct Clinical Care: At least 18 hours/week, which may include up to 4 hours/week in teaching activities or in approved alternative settings. • Administrative Duties: Up to 2 hours/week.
Behavioral Health	<ul style="list-style-type: none"> • Direct Clinical Care: At least 36 hours/week, which may include up 	<ul style="list-style-type: none"> • Direct Clinical Care: At least 18 hours/week, which may include up

Disciplines	Full-Time (40 hours/week)	Half-Time (20-39 hours/week)
Note: <i>Must serve in Mental Health Professional Shortage Area</i>	to 8 hours/week in teaching activities, and up to 20 hours/week in approved alternative settings or performing services as a behavioral or mental health professional in schools or other community-based settings as directed by the site. • Administrative Duties: Up to 4 hours/week	to 4 hours/week in teaching capacity, and up to 10 hours/week in approved alternative settings or performing services as a behavioral or mental health professional in schools or other community-based settings as directed by the site. • Administrative Duties: Up to 2 hours/week.

Administrative duties

- Allowable administrative duties may include:
- Charting
- Administrative care coordination activities
- Training
- Laboratory follow-up
- Patient correspondence
- Attending staff meetings
- Activities related to maintaining professional licensure
- Other nontreatment related activities related to the participant's NHSC practice
- Any time spent in a management role is also considered to be an administrative activity.
- The duties of a medical director are also considered mostly administrative.
- Applicants in this role cannot count more than four hours per week of administrative and management time toward the total required 40 hours per week.
- In the case of half-time participants, the maximum is two hours per week (during their 20–39-hour week).

Reservist exception

- Members of the U.S. Armed Forces Reserve or the National Guard can participate in State LRP.

- State LRP recipients must inform reservists who receive awards that placement opportunities may be limited in order to minimize the impact of deployment on vulnerable populations.
- Military training or service does not count towards the State LRP service commitment.
- If a participant's military training, service, or absences exceed 35 workdays per service year, their State LRP service obligation must be extended.
- If a reservist's site cannot rehire them after deployment, they will be moved to another site to finish their service commitment.
- It is sometimes difficult to identify short-term assignments, and this fact might require reservists to sign an employment contract that goes beyond their commitment's completion date.
- If the participant is a reservist and is called to active duty, the amount of time they are on active duty (which does not count as State LRP service) must be added to their original State LRP obligation.

Critical Element 2: Discipline eligibility

State LRP participants must have completed training in an accredited graduate program. They must also have an active, valid, and unrestricted license to practice in one of the following **eligible disciplines**:

- MD: Allopathic Medicine
- DO: Osteopathic Medicine
- DDS/DMD: General and Pediatric Dentistry
- DT: Dental Therapist (licensed to practice within the state)
- RD: Registered Dietician (licensed to practice within the state)
- NP: Nurse Practitioner
- CNM: Certified Nurse-Midwife
- PA: Physician Assistant
- RDH: Registered Dental Hygienist
- HSP: Health Service Psychologist (Clinical and Counseling)
- LCSW: Licensed Clinical Social Worker
- PNS: Psychiatric Nurse Specialist
- LPC: Licensed Professional Counselor
- MFT: Marriage and Family Therapist

- RN: Registered Nurse
- Pharm: Pharmacist
- Alcohol and Substance Abuse Counselors licensed/credentialed/certified by their state of practice that meet educational requirements and master's degree requirement.

Approved primary care specialties for physicians:

- Family Medicine (and osteopathic general practice)
- Internal Medicine
- Pediatrics
- Obstetrics/Gynecology
- Geriatrics
- Psychiatry

General practitioners who have not completed residency programs are not eligible for funding under State LRP.

Approved primary care specialties for nurse practitioners and physician assistants:

- Adult
- Family
- Pediatrics
- Psychiatry/mental health
- Geriatrics
- Women's health

Critical Element 3: Practice site eligibility

Practice Site Requirements

- Be public or non-profit private entities located in a HPSA and providing health care services there.

- A non-profit private entity is one that cannot lawfully hold or use any part of its net earnings to benefit any private shareholder or individual.
- Non-profit organizations that operate for-profit health care facilities must accept reimbursement from Medicare, Medicaid, and the Children's Health Insurance Program.
- They must use a sliding fee scale and see all patients regardless of their ability to pay.
- All sites must be in a federally designated HPSA.
- Medically Underserved Areas or Populations and shortage areas designated by the state do not qualify.
- Eligible sites, except free clinics, must charge the usual and customary rates for professional services.
- Eligible sites must offer discounts to low-income individuals, such as through a sliding fee scale.
- For information about current HHS Poverty Guidelines, visit [Federal Register / Vol. 90, No. 11 / Friday, January 17, 2025 / Notices](#).

The following site types are eligible practice sites for participants:

- Federally Qualified Health Centers (FQHCs)
- Community Health Centers
- Migrant Health Centers
- Homeless Programs
- Public Housing Programs
- FQHC Look-A-Likes
- Centers for Medicare & Medicaid Services Certified Rural Health Clinics
- Other health facilities
- Community outpatient facilities
- Community mental health facilities
- State and county health department clinics
- Immigration and Customs Enforcement Health Service Corps
- Free clinics
- Mobile units
- School-based programs
- Critical Access Hospitals affiliated with a qualified outpatient clinic
- Rural Emergency Hospitals affiliated with a qualified outpatient clinic
- State mental health facilities.

- Indian Health Service Facilities, Tribally Operated 638 Health Programs, and Urban Indian Health Programs
- Federal Indian Health Service (IHS) Clinical Practice Sites
- Tribal/638 Health Clinics
- Urban Indian Health Program
- IHS and tribal hospitals
 - You can view the [National Health Service Corps' IHS and tribal hospital site expansion](#)
- Correctional or detention facilities
- Federal prisons
- State prisons
- Private practices (solo or group).

Critical Element 4: Program administrative management and oversight

State LRP recipients must follow these program requirements. These will be monitored by HRSA staff.

- States must ensure free or low-cost services at practice sites for those earning at or below 100% of the HHS Poverty Guidelines.
- For individuals earning between 100% and 200%, states must provide a discount schedule.
 - This schedule must reflect minimal charges covered by third parties (either public or private).
- States may allow sites to charge for services if a third party is authorized or obligated to pay.
- State LRP programs can award of up to \$37,500 per year in federal funds to a participant providing primary care.
- Recipients may award more than \$37,500 per year if the excess comes from non-federal sources.
- Before granting initial and continuation awards, verify participants' loan balances.
- Describe the verification process.
- Contracted participants must use the funds to repay eligible educational loans.

- State LRP contracts must include:
- Contract period (award period).
- Total award amount.
- Name and location of approved practice site, including 9-digit zip code and HPSA identification number.
- The state will cover all or part of a health care professional's student loans.
 - Additional funds must be from non-federal sources.
 - In return for loan repayment, the recipient commits to two years full-time, or two years at half-time (for half the award), of primary care.
 - This service must be at a public or private nonprofit entity in a federally designated HPSA.
- The health care professional will provide clinical services at a site in a HPSA either full or half-time.
- They will accept Medicare, Medicaid and the Children's Health Insurance Program, as appropriate for their designated discipline.
 - They will also use a sliding fee scale and treat all patients, regardless of their ability to pay.
- If they don't start or complete their service, they will owe the state a debt of at least the damages outlined in the [NHSC LRP default provision](#).
- The state must have suspension and waiver policies for those unable to serve due to illness or other compelling personal circumstances.
 - The suspension and waiver policies cannot be more lenient than the NHSC Loan Repayment Program's, which allows for temporary suspensions (for up to one year) and full or partial waivers in cases of extreme hardship or impossibility.
- The state must cancel the obligation in the case of the participant's death.
- The state may allow participants to request to end their State LRP contract.
 - The contract must outline the termination terms.
 - The state may create its own termination provision as long as it is not more favorable than the NHSC LRP's, which requires a written termination request 60 days from the effective date of the contract, OR before funds are disbursed, and the return of any funds received.

State LRP recipients are also encouraged to include the following information and terms:

- Beginning and ending dates of service commitment.

- A participant's employment before the State LRP contract starts does not qualify for service credit.
- In addition, if the state contract allows participants a delayed start (e.g., within 3 months of signing the contract), service credit starts only when the participant begins practicing at the service site.
 - For example, in the NHSC LRP contract, service credit starts either when both parties sign the contract or when the participant begins work at the approved site, whichever is later.
- The number of absences allowed in a service year before service credit may be at risk. Participants are required to serve at least 45 weeks per year; participants who fail to serve at least 45 weeks for any reason—vacation, sick leave, Continuing Medical Education, or other reasons—fail to meet this requirement.
- Should a participant's absences from the service site exceed 7 weeks per service year, the program service obligation end date will be extended, or the participant will be in breach of contract.
- Adjustments to the clinical service requirements.
- For example, states can count teaching as clinical practice.
- Full-time participants can teach up to eight hours per week.
 - At a [HRSA-funded Teaching Health Center](#), this limit rises to 20 hours per week toward a full time service obligation.
- Half-time participants can only teach or perform administrative duties four hours of the required 20.
 - At a HRSA-funded Teaching Health Center, this limit rises to 10 hours per week.

NHSC LRP default provision

State LRP recipients must adhere to the NHSC LRP default provision found at 42 U.S.C. § 254o(c)(1). State LRP participants are considered to be in default if they do not complete the period of obligated service at an eligible site in accordance with their State LRP contract or otherwise fail to comply with the terms of the contract, even if no monies have yet been disbursed to the participant. That is, if a state does not release State LRP funds to a participant until the service obligation is completed, the participant's failure to complete service would still be considered a default that is reportable to HRSA, and they would still incur a debt to the State. The amount owed is due to be paid within one year of breach.

The NHSC LRP default provision is found at 42 U.S.C. § 254o(c)(1) and reads:

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 254l-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 i(A) the total of the amounts paid by the United States under section 254l- 1(g) of this title on behalf of the individual for any period of obligated service not served;

(B) 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

(C) the interest on the amounts described in subparagraphs (A) and (B), at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of the breach; except that the amount the United States is entitled to recover under this paragraph shall not be less than \$31,000.

- States can use a different breach formula for State LRP contracts.
- However, the amount due to the State cannot be less than what would be owed if the default provision formula is used.
- The minimum individuals who breach will owe the state will not be less than \$31,000, regardless of the formula used.
- If a state had health care professionals breach State LRP contracts in the fiscal year before applying for a grant or within the project period of an existing grant, the Secretary of HHS must reduce its grant award.
 - The offset formula is found at 42 U.S.C. § 254q-1(g)(2).
 - The Secretary can waive this reduction if a breach was solely due to a serious illness.