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SENATE BILL NO. 625

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations
on February 11, 2026)

(Patron Prior to Substitute—Senator Deeds)

A *BILL* to amend the Code of Virginia by adding in Chapter 6 of Title 23.1 an article numbered 8, consisting of sections numbered 23.1-643 through 23.1-648, relating to public institutions of higher education; financial assistance; Medical Education Service Grant Program established; report.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 6 of Title 23.1 an article numbered 8, consisting of sections numbered 23.1-643 through 23.1-648, as follows:

*Article 8.**Medical Education Service Grant Program.***§ 23.1-643. Definitions.**

As used in this article, unless the context requires a different meaning:

"Approved medical specialty" means general pediatrics, family medicine, emergency medicine, obstetrics and gynecology, general psychiatry, child psychiatry, geriatric medicine, or a high-needs specialty as determined by the Authority.

"Approved postgraduate residency training program" means a residency training program in an approved medical specialty.

"Authority" means the Virginia Health Workforce Development Authority established pursuant to § 32.1-122.7.

"Designated service area" means any of the following located in the Commonwealth: (i) a geographic health professional shortage area designated in accordance with the criteria set forth in 42 C.F.R. Part 5; (ii) a locality designated by the U.S. Office of Management and Budget as micropolitan or non-metropolitan; (iii) a Federally Qualified Health Center or Rural Health Clinic, as defined in 42 C.F.R. § 405.2401(b); (iv) a critical access hospital as designated pursuant to 42 C.F.R. Part 485, Subpart F; (v) a clinic organized in whole or in part for the delivery of health care services without charge; or (vi) a rural emergency hospital as designated pursuant to 42 C.F.R. Part 485, Subpart E.

"Eligible institution" means any accredited medical or osteopathic school in the Commonwealth that awards the degree of doctor of medicine or doctor of osteopathic medicine and is approved by the program administrator.

"Full-time clinical practice" means the practice of medicine for an average of 40 hours per week for at least 45 weeks per year, of which not less than 32 hours per week is devoted to direct patient care.

"Half-time clinical practice" means the practice of medicine for 20 to 39 hours per week for at least 45 weeks per year, of which not less than 18 hours is devoted to direct patient care and which meets such other requirements as are established by the program administrator.

"Program" means the Medical Education Service Grant Program established pursuant to § 23.1-644.

"Program administrator" means the Council, in partnership with the Authority.

"Service agreement" means a written agreement entered into by a grant recipient under the Program to engage in clinical practice in a designated service area for the requisite period as a condition of the grant award.

§ 23.1-644. Medical Education Service Grant Program established; purpose; administration.

The Authority shall establish the Medical Education Service Grant Program for the purpose of providing grants to any person enrolled in or admitted to an eligible institution that shall be awarded, in whole or in part, upon satisfactory completion of a service agreement in accordance with the provisions of this article. The Council, in partnership with the Authority, shall administer the Program as the program administrator.

§ 23.1-645. Program eligibility; prioritization of applications.

A. Eligibility to apply for a grant pursuant to the Program shall be limited to any person who has (i) enrolled in or been accepted at an eligible institution; (ii) demonstrated financial need, as determined by the Council; (iii) agreed to enter into a written agreement to pursue clinical practice in an approved medical specialty; and (iv) agreed to enter into a service agreement in accordance with the provisions of § 23.1-646.

B. The Council, in coordination with the Authority, shall establish policies for the prioritization of the selection of applicants, including prioritizing applications from (i) prior-year recipients under the Program who are in good standing at the time of reapplication and (ii) applicants who are domiciled in the Commonwealth, as established in accordance with § 23.1-502.

C. The Council, in coordination with the Authority, shall develop a process for eligible institutions to nominate students for receipt of support from the Program and, to the extent practicable, ensure representation from each eligible institution among applicants selected under this section.

60 **§ 23.1-646. Receipt of grants; service agreements; terms and conditions.**

61 A. Subject to appropriation by the General Assembly, the Council shall award a grant in an amount of up
62 to \$50,000 to a recipient who has completed a service agreement pursuant to the Program for each academic
63 year of participation. Recipients under the Program may renew grants received pursuant to the Program on
64 an annual basis for up to four years, provided that the total award over such four-year period shall not
65 exceed a total award amount of \$200,000 for the duration of enrollment at an eligible institution.

66 B. For each academic year a recipient receives a grant pursuant to the Program, the recipient shall be
67 required to complete a service agreement to engage in clinical practice in a designated service area. The
68 service agreement shall require the recipient to complete (i) two years of full-time clinical practice for the
69 first academic year for which the recipient receives a grant pursuant to the Program and (ii) one additional
70 year of full-time clinical practice for each additional academic year for which the recipient receives a grant
71 pursuant to the Program. However, the service agreement may be satisfied through half-time clinical
72 practice at a rate equivalent to two years of half-time practice for each year of full-time practice required.

73 **§ 23.1-647. Authority of Council for administration.**

74 The Council, in coordination with the Authority, shall establish policies and procedures for the
75 administration of the Program. Such policies and procedures shall address, at a minimum:

76 1. Requirements for recipients to maintain communication with the program administrator throughout the
77 duration of the recipient's participation in the Program, including requirements for recipients to regularly
78 verify the status of their educational training, practice, and setting;

79 2. Procedures by which recipients may request deferment of their service agreement, not to extend beyond
80 five years from the date on which the service was originally required to commence, except in the case of
81 temporary disability, for any of the following reasons: (i) completion of a medical fellowship following
82 residency; (ii) required active military service of the recipient or the recipient's spouse; (iii) temporary
83 medical disability that renders the recipient unable to engage in the practice of medicine; (iv) family medical
84 leave, including parental leave or leave to care for a member of the recipient's immediate family; or (v) other
85 eligible reasons, as determined by the program administrator; and

86 3. Procedures for the verification by the program administrator of the eligibility of the recipient's practice
87 setting and geographic location, including the procedures governing transitions between approved or
88 otherwise eligible practice sites.

89 **§ 23.1-648. Program administrator; report.**

90 A. The program administrator shall annually collect and maintain data as necessary to evaluate the
91 effectiveness and outcomes of the Program, including (i) the number and total amount of grants awarded; (ii)
92 the number of recipients disaggregated by eligible institution, specialty, and year of participation; (iii) the
93 number and geographic distribution of recipients who fulfill their service agreement; and (iv) to the extent
94 practicable, the number of former recipients who remain in practice within a designated service area
95 following completion of their service agreement.

96 B. No later than January 1 of any year in which funds are made available for the Program, the program
97 administrator shall submit to the Governor and the Chairs of the Senate Committees on Education and
98 Health and Finance and Appropriations and the House Committees on Education, Health and Human
99 Services, and Appropriations a report on the activities of the Program during the preceding fiscal year,
100 including (i) the data collected pursuant to subsection A; (ii) any additional data on grant awards and
101 service locations; and (iii) any recommendations for legislative or administrative action as may be necessary
102 to improve the Program's effectiveness and sustainability.

103 **2. That the first summarized report required pursuant to subsection B of § 23.1-648 of the Code of**
104 **Virginia, as created by this act, shall be due no later than January 1, 2027.**