

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1030

By: Representative Bentley

For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS RURAL MEDICAL PRACTICE STUDENT LOAN AND SCHOLARSHIP PROGRAM AND THE COMMUNITY MATCH RURAL PHYSICIAN RECRUITMENT PROGRAM TO IMPROVE AND INCREASE ACCESS TO HEALTH CARE IN MEDICALLY UNDERSERVED COMMUNITIES; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE ARKANSAS RURAL MEDICAL PRACTICE STUDENT LOAN AND SCHOLARSHIP PROGRAM AND THE COMMUNITY MATCH RURAL PHYSICIAN RECRUITMENT PROGRAM TO IMPROVE AND INCREASE ACCESS TO HEALTH CARE IN MEDICALLY UNDERSERVED COMMUNITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 6-81-701 is amended to read as follows:
6-81-701. Definitions.

As used in this subchapter:

~~(1) "Board" means the Arkansas Rural Medical Practice Student Loan and Scholarship Board;~~

~~(2) "Designated specialty" means a medical practice other than primary care that a loan or income incentive recipient and the board have agreed will be practiced in the qualified rural community;~~

~~(3)~~(1) "Medically underserved" means an area in Arkansas that the ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board



determines ~~to have~~ has unmet needs for medical services due to factors, including without limitation:

- (A) The ratio of primary care physicians to population;
- (B) The infant mortality rate;
- (C) The percentage of:
 - (i) Population with incomes below the federal poverty level, as it existed on ~~January 1, 2007~~ January 1, 2017;
 - (ii) Resident individuals sixty (60) years of age and older; and
 - (iii) Physicians sixty (60) years of age and older;
- (D) Accessibility within the area to primary care medicine; and
- (E) Other relevant criteria the board may deem necessary for a determination of unmet needs for medical services;

~~(4)~~(2) "Primary care medicine" means health care provided in one (1) of the following areas of practice:

- (A) Family medicine;
- (B) General internal medicine;
- (C) General internal medicine and pediatrics;
- (D) General pediatrics;
- (E) General obstetrics and gynecology;
- (F) General surgery;
- (G) Emergency medicine; and
- (H) Geriatrics; and

~~(5)~~(3) "Qualified rural community" means an area:

- (A) With a population below twenty thousand (20,000) according to the most recent federal census;
- (B) That is at least twenty (20) miles from a city or town with a population of more than twenty thousand (20,000) according to the most recent federal census; and
- (C) Is reasonably determined by the board to be medically underserved.

SECTION 2. Arkansas Code § 6-81-708 is amended to read as follows:

6-81-708. Loan contracts – Rural Medical Practice Loans – Obligations and conditions.

(a) The Arkansas Rural Medical Practice Student Loan and Scholarship Board shall enter into a loan contract with the applicant to whom a rural medical practice loan is made.

(b) The contract shall be approved by the Attorney General and shall be signed by the Chair of the Arkansas Rural Medical Practice Student Loan and Scholarship Board, countersigned by the Secretary of the Arkansas Rural Medical Practice Student Loan and Scholarship Board, and signed by the applicant.

(c) Each applicant to whom a rural medical practice loan or loans ~~shall be~~ is granted by the Arkansas Rural Medical Practice Student Loan and Scholarship Board shall execute a written loan contract that ~~shall incorporate~~ incorporates the following obligations and conditions:

(1)(A) The recipient of a rural medical practice loan or loans shall bindingly contract that he or she shall practice primary care medicine ~~or a designated specialty approved by the Arkansas Rural Medical Practice Student Loan and Scholarship Board~~ full time in a qualified rural community upon completion of:

(i) His or her medical internship of one (1) year undertaken immediately following the earning of the degree of Doctor of Medicine;

(ii) Four (4) additional years of medical training beyond the internship if the training has been approved in advance by the Arkansas Rural Medical Practice Student Loan and Scholarship Board and includes practice experience in a rural community ~~or, if approved by the board, he or she shall practice a designated specialty in a qualified rural community or communities;~~ or

(iii) At the request of the recipient of a rural medical practice loan, the Arkansas Rural Medical Practice Student Loan and Scholarship Board may approve the recipient's request to practice in more than one (1) qualified rural community to meet his or her obligation to practice full time if the Arkansas Rural Medical Practice Student Loan and Scholarship Board determines, ~~on~~ based upon guidelines established by the board, that the physician need in the rural communities cannot sustain a full-time medical practice or that other compelling circumstances exist.

(B) The recipient of a rural medical practice loan or loans shall bindingly contract that for each year's loan he or she shall

practice medicine in accordance with subdivision (c)(1)(A) of this section for a whole year.

(C) For each continuous whole year of medical practice, in accordance with subdivision (c)(1)(A) of this section, subject to reasonable leave periods, including without limitation, vacation, sick leave, continuing medical education, jury duty, funerals, holidays, or military service, the Arkansas Rural Medical Practice Student Loan and Scholarship Board shall cancel, by converting to a scholarship grant, the full amount of one (1) year's loan plus accrued interest;

(2)(A) The recipient of a rural medical practice loan or loans shall bindingly contract that not engaging in the practice of medicine in accordance with the loan contract and with this subchapter may result in suspension of his or her license to practice medicine in this state.

(B) For any contract entered into after August 1, 2007, the recipient's medical license may not be suspended unless the recipient's contract contained a specific term that loss of license was a consequence of breach and the recipient signed a written acknowledgment of understanding that the suspension of license was explained to him or her orally as a potential consequence of breach of the contractual provisions.

(C) The suspension may be for a period of years equivalent to the number of years that the recipient is obligated to practice medicine in a rural area but has not so practiced and until the loan with interest together with any civil money penalties, as reduced by each full year of medical practice according to the terms of the loan contract, is paid in full;

(3) Any communication from the College of Medicine of the University of Arkansas for Medical Sciences with any state medical licensing board shall include a notation that the recipient of a rural medical practice loan has a contract with the State of Arkansas to practice medicine in a rural community and that breach of that contract may result in suspension of the recipient's Arkansas medical license;

(4)(A) In the event that any rural medical practice loan recipient under this subchapter does not engage in the practice of medicine in accordance with the terms of this section and of his or her loan contract in order to have the loan contract recognized as a scholarship, the recipient shall remain obligated to repay the loan or loans received, together with

interest ~~thereon~~ at the maximum rate allowed by Arkansas law or the federal discount rate plus five percent (5%) per annum, whichever is the lesser, the interest to accrue from the date each payment of funds was received by the recipient.

(B) ~~No interest~~ Neither interest nor the obligation to repay the principal sums accrued shall accrue ~~nor obligation to repay the principal sums accrued~~ during any one (1) period of time that the recipient involuntarily serves on active duty in the United States Armed Forces.

(C) Repayment of principal with interest shall be due and payable in full at the earliest to occur of the following events:

(i) Failure to remain enrolled in a medically underserved and rural practice curriculum;

(ii) Failure to remain in enrollment status continuously to completion of the degree of Doctor of Medicine for any reason other than temporary personal illness;

(iii) Failure to complete internship;

(iv)(a) Failure to engage in the full-time practice of medicine while residing in a qualified rural community in Arkansas as defined in § 6-81-701.

(b) However, the Arkansas Rural Medical Practice Student Loan and Scholarship Board may waive the residency requirement on a case-by-case basis; and

(v) Failure to establish ~~such~~ a practice as described under subdivision (c)(4)(C)(iv)(a) of this section within six (6) months following either internship or four (4) additional years of medical education that includes practice experience in a rural community ~~or a designated specialty in accordance with subsection (c)(1)(A) of this section beyond his or her internship when approved by the Arkansas Rural Medical Practice Student Loan and Scholarship Board.~~

(D) In the event of the death of the recipient, the entire loan amount that has not been converted to a scholarship grant pursuant to the terms of the loan contract shall be due and payable;

(5) If an alternate on the waiting list for acceptance to the College of Medicine of the University of Arkansas for Medical Sciences enters into a rural medical practice program contract conditioned only upon the applicant's being accepted for admission to the college and otherwise meets

the requirements of § 6-81-706 and if the applicant is moved to the top of the waiting list under § 6-81-718, the alternate's contract shall contain an additional term that breach of the contract may result in civil money penalties in the amount of one hundred percent (100%) of the loan amount; and

(6) ~~Nothing stated in this subsection (e)~~ This subsection shall ~~be construed to not~~ prohibit the ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board from considering and entering into a negotiated settlement with the rural medical practice loan recipient involving the license suspension, the amount of the civil money penalty, and the terms of repayment of the loan.

(d) The Arkansas Rural Medical Practice Student Loan and Scholarship Board may amend agreements entered into with any loan recipient at any time prior to full performance of the recipient's contractual obligations.

(e)(1) A rural medical practice loan recipient may apply to the Dean of the College of Medicine of the University of Arkansas for Medical Sciences for a waiver of the contractual provisions set forth in subdivision (c)(2) of this section.

(2)(A) If the dean as Chair of the Arkansas Rural Medical Practice Student Loan and Scholarship Board determines that exigent circumstances warrant a waiver, the loan recipient shall be notified in writing.

(B) The dean shall immediately notify the Arkansas State Medical Board of such determination.

SECTION 3. Arkansas Code § 6-81-715 is amended to read as follows:

6-81-715. Medical school graduates – Community match contract – Eligibility ~~for community match loans~~.

(a)(1) The Arkansas Rural Medical Practice Student Loan and Scholarship Board shall administer the Community Match Rural Physician Recruitment Program.

(2)(A) Interested rural communities may apply to the ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board to participate in the program as a qualified rural community.

(B) The ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board shall approve a designated representative or representatives of the qualified rural community to assist the ~~board~~ Arkansas

Rural Medical Practice Student Loan and Scholarship Board in matters relating to any community match contracts entered into by the ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board and the qualified rural community.

(b) The ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board, in conjunction with a qualified rural community, may grant community match income incentives to applicants, each incentive being expressly made subject to § 6-81-716, if it finds that:

(1) The applicant is a graduate of ~~the~~:

(A) The College of Medicine of the University of Arkansas for Medical Sciences or any accredited medical school in the United States; or

(B) A foreign medical school if the applicant:

(i) Was a resident of Arkansas and citizen of the United States prior to enrollment in the foreign medical school; and

(ii) Has been licensed by the Arkansas State Medical Board;

(2) The applicant satisfies one (1) of the following criteria:

(A) He or she is enrolled in a residency or other training program in an area of primary care medicine ~~or, upon approval of the board, in a designated specialty;~~ or

(B) No more than two (2) years before the date of the application, he or she completed a residency or other training program in an area of primary care medicine ~~or, upon approval of the board, in a designated specialty;~~

(3) The applicant desires to practice medicine in the qualified rural community; and

(4) The designated representative or representatives of the qualified rural community approve the applicant.

SECTION 4. Arkansas Code § 6-81-716 is amended to read as follows:

6-81-716. Medical school graduates – Community match contract – Obligations and conditions.

(a)(1)~~(A)~~ The Arkansas Rural Medical Practice Student Loan and Scholarship Board and the qualified rural community shall enter a joint community match contract with the applicant.

~~(B) Any agreements made between the qualified rural community and a recipient regarding the community match contract, including establishing a medical practice in the community, shall be in writing and included as an addendum to the contract.~~

(2) The form of the community match contract shall be approved by the Attorney General and shall be signed by the Chair of the Arkansas Rural Medical Practice Student Loan and Scholarship Board, the Secretary of the Arkansas Rural Medical Practice Student Loan and Scholarship Board, the designated representative or representatives of the qualified rural community, and the applicant.

(b) Each applicant to whom a community match income incentive is granted by the board shall execute a written contract that shall incorporate the following obligations and conditions:

(1)(A) The recipient of a community match income incentive shall bindingly contract that he or she shall practice primary care medicine full time in the contracting qualified rural community for a period of four (4) years ~~or, if approved by the board, he or she shall practice a designated specialty full time in the contracting qualified rural community for a period of four (4) years.~~

(B)(i) The recipient shall receive the income incentive funds according to a disbursement schedule acceptable to the board, the qualified rural community, and the recipient as set forth in writing in the community match contract.

(ii) For each three-month period of full-time medical practice by the recipient, according to the terms of the community match contract, the board and the qualified rural community shall award one-quarter ($\frac{1}{4}$) of the income incentive for the year of service;

(2)(A) If any recipient does not begin or ceases the full-time practice of medicine in breach of the community match contract or otherwise breaches the ~~loan~~ community match contract, the recipient shall ~~repay all unearned income paid under the terms of the contract, any actual costs paid by the community in reliance for the income incentive recipient's agreement to practice full time in that community~~ pay twenty thousand dollars (\$20,000) for each uncompleted full year of the four-year contract term, and any civil money penalties that apply.

(B) The board may impose civil money penalties of up to

fifty percent (50%) of the principal amount of the income incentive ~~paid~~ under the terms of the community match contract as a consequence of breach; and

(3) ~~No interest~~ Neither interest nor the obligation to repay the principal sums accrued shall accrue, ~~nor obligation to repay the principal sums accrued,~~ during any one (1) period of time that the recipient involuntarily serves on active duty in the United States Armed Forces, ~~and.~~

~~(4) In the event of the death of the recipient, any unearned income paid under the terms of the community match contract is due and payable.~~

(c) Subsection (b) of this section does not prohibit the board from considering and entering into a negotiated settlement with the income incentive recipient involving the terms of repayment of amounts paid under the terms of the community match contract.

(d) Community match ~~loan~~ contracts may be amended at any time before the income incentive has been paid in full or terms and conditions of the contract are satisfied.

(e) The board shall promulgate rules setting forth additional terms and conditions of community match contracts.

APPROVED: 02/06/2017