

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

HOUSE BILL 1785

By: Representatives L. Johnson, Boyd

By: Senator M. Pitsch

## For An Act To Be Entitled

AN ACT CONCERNING MEDICAL EDUCATION GRANTS AND LOANS;  
TO CREATE THE GRADUATE MEDICAL EDUCATION RESIDENCY  
EXPANSION BOARD; TO REQUIRE THE GRADUATE MEDICAL  
EDUCATION RESIDENCY BOARD TO ADMINISTER AND  
DISTRIBUTE PLANNING GRANTS TO CERTAIN ENTITIES IN  
ORDER TO ESTABLISH ADDITIONAL FIRST-YEAR RESIDENCY  
PROGRAMS, ESTABLISH NEW GRADUATE MEDICAL EDUCATION  
PROGRAMS WITH FIRST-YEAR RESIDENCY POSITIONS, AND  
SUPPORT ADDITIONAL YEARS OF RESIDENCY FOR CERTAIN  
INDIVIDUALS; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE THE GRADUATE MEDICAL EDUCATION  
RESIDENCY EXPANSION BOARD; TO REQUIRE THE  
BOARD TO DISTRIBUTE PLANNING GRANTS TO  
CERTAIN ENTITIES IN ORDER TO EXPAND  
FIRST-YEAR RESIDENCY PROGRAMS AND  
POSITIONS.

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

SECTION 1. Arkansas Code Title 6, Chapter 82, is amended to add an  
additional subchapter to read as follows:

Subchapter 20 – Graduate Medical Education Residency Expansion Board

6-82-2001. Graduate Medical Education Residency Expansion Board.



(a) There is established the Graduate Medical Education Residency Expansion Board, which shall administer the program under this subchapter and shall be composed of:

- (1) One (1) representative from each medical school in Arkansas;
- (2) Two (2) physician members appointed by the Arkansas State Medical Board, giving preference to physicians who have received rural medical practice loans, community match loans, or income incentives; and
- (3) Two (2) representatives appointed by the Arkansas Hospital Association, Inc.

(b) The board shall:

- (1) Promulgate rules necessary to execute this subchapter, including without limitation rules that address the requirements and are in conformance with the requirements of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.;
- (2) Prescribe forms for and regulate the submission of grant applications;
- (3) Determine the eligibility of applicants;
- (4) Manage, operate, and control all funds and property appropriated or otherwise contributed for this purpose;
- (5) Accept gifts, grants, bequests, or devises and apply them as a part of the program under this subchapter;
- (6) Sue and be sued as the board; and
- (7) Accept moneys from federal programs that may be used for furtherance of the purposes of this subchapter.

(c) The members of the board may receive expense reimbursement and stipends in accordance with § 25-16-901 et seq.

(d) The Department of Higher Education shall administer the Graduate Medical Education Fund under § 19-5-1264 and disburse the funds at the direction of the board under this subchapter.

6-82-2002. Planning grants.

(a) As used in this subchapter, a "planning grant" is a grant awarded by the Graduate Medical Education Residency Expansion Board to eligible entities and individuals under this subchapter.

(b) The board shall:

- (1) Allocate funds appropriated for purposes of this subchapter;

(2) Award a one-time planning grant under this section to an entity in this state that:

(A) Has never had a graduate medical education program;  
and

(B) Is eligible for Medicare funding of graduate medical education;

(3) Award planning grants on a competitive basis according to the criteria adopted by the board under its rules; and

(4) Determine the number of planning grants awarded and the amount of each planning grant.

(c)(1) An application for a planning grant under this section shall be submitted by an entity to the board no later than July 15 of the year preceding the year for which the planning grant will be used.

(2) The board shall award a planning grant to an eligible entity under this section no later than August 15 of the year in which the eligible entity's application was submitted.

(d) An entity that is awarded a planning grant under this section and establishes additional first-year residency positions after the receipt of a planning grant is eligible for additional funds for each position established.

6-82-2003. Planning grants for program expansion or new programs.

(a) The Graduate Medical Education Residency Expansion Board shall award planning grants to enable entities with existing graduate medical education programs to:

(1) Increase the number of first-year residency positions; and

(2) Provide for the establishment of new graduate medical education programs with first-year residency positions.

(b) The board shall determine the number of planning grants awarded under this section and the amount of each planning grant awarded under this section.

(c) A planning grant under this section shall be used to support the direct resident costs to the graduate medical education program, including without limitation stipends and benefits.

(d) An entity applying for a planning grant under this section shall:

(1) Include a plan for receiving accreditation for the increased

number of residency positions or for the new graduate medical education program, as applicable; and

(2) Be submitted to the board no later than October 1 preceding the academic year for which the planning grant is made.

(e) The board shall:

(1) Award a planning grant under this section no later than January 1 of the year in which the planning grant will be used; and

(2) Distribute a planning grant amount for a residency position under this section only upon receiving verification that the applicable residency position has been filled.

(f)(1) A planning grant awarded under this section shall be in effect for no more than three (3) consecutive fiscal years.

(2) For each first-year residency position for which an entity with a graduate medical education program receives an initial planning grant under this section, the board shall award the entity with the graduate medical education program an equal planning grant amount for the following fiscal year, not to exceed three (3) fiscal years.

6-82-2004. Priority of planning grants – Adjustment of amounts.

(a) If the Graduate Medical Education Residency Expansion Board determines that the number of first-year residency positions proposed by eligible applicants under § 6-82-2003 exceeds the amount of funding appropriated for the planning grants under this subchapter, the board:

(1) May give priority for up to fifty percent (50%) of the funded first-year residency positions to be in primary care or other critical shortage areas in this state; and

(2) Shall not reduce planning grant amounts awarded for each resident position, but may proportionately reduce the number of positions funded for each graduate medical education program.

(b) If the board determines that, based on the applications it has received for planning grants under § 6-82-2003, the entire appropriation for planning grants under this subchapter shall not be awarded for a particular year, the board may transfer and use the funds appropriated to award planning grants under § 6-82-2002.

6-82-2005. Planning grants for additional years of residency.

(a) If the Graduate Medical Education Residency Expansion Board determines that funds appropriated under this subchapter are available after all eligible planning grant applications under §§ 6-82-2002 and 6-82-2003 have been funded, the board shall award planning grants from excess funds to support medical residents who:

(1) Have completed at least three (3) years of residency; and  
(2) Are enrolled in a residency program in a field in which this state has less than eighty percent (80%) of the national average of physicians per one hundred thousand (100,000) people, as determined by the board.

(b) The board shall determine the following with respect to planning grants under this section:

(1) The amount of a planning grant awarded under this section;  
(2) The number of planning grants awarded under this section;

and

(3) The residency fields in which recipients of planning grants under this section work.

(c) A planning grant under this section shall be used to support the direct resident costs to the graduate medical education program, including without limitation stipends and benefits.

(d) The board shall distribute a planning grant amount for a residency position under this section only upon receiving verification that the applicable residency position has been filled.

SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12, is amended to add an additional section to read as follows:

19-5-1264. Graduate Medical Education Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Graduate Medical Education Fund".

(b) The fund shall consist of:

(1) Gifts, grants, and donations,  
(2) Any revenues provided by law; and  
(3) Any other funds and fund transfers authorized or provided for by law.

(c)(1) The fund shall be administered by the Department of Higher

Education as provided in § 6-82-2001 et seq., and as provided by any other relevant provisions of law.

(2) The moneys in the fund shall be disbursed at the direction of the Graduate Medical Education Residency Expansion Board as provided under § 6-82-2001 et seq.

**APPROVED: 4/10/19**