

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
94th General Assembly  
Regular Session, 2023

As Engrossed: H4/3/23  
**A Bill**

HOUSE BILL 1747

By: Representative McAlindon

### **For An Act To Be Entitled**

AN ACT TO AMEND THE LAW CONCERNING RURAL MEDICAL PRACTICE STUDENT LOANS AND SCHOLARSHIPS; TO AMEND THE LAW TO INCLUDE STUDENTS ENROLLED IN ADDITIONAL MEDICAL PROGRAMS AS ELIGIBLE FOR RECEIPT OF RURAL MEDICAL PRACTICE LOANS; AND FOR OTHER PURPOSES.

### **Subtitle**

TO AMEND THE LAW CONCERNING RURAL MEDICAL PRACTICE STUDENT LOANS AND SCHOLARSHIPS; AND TO AMEND THE LAW TO INCLUDE STUDENTS ENROLLED IN ADDITIONAL MEDICAL PROGRAMS AS ELIGIBLE FOR RECEIPT OF RURAL MEDICAL PRACTICE LOANS.

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

SECTION 1. Arkansas Code § 6-81-703 is amended to read as follows:

6-81-703. Loan applications – ~~Medical students and medical school graduates~~ Eligible applicants.

(a) Any student ~~accepted for admission to or enrolled in good standing in the College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine~~ who is a bona fide resident of Arkansas and meets at least one (1) of the following eligibility criteria may apply for a loan under this subchapter on forms prescribed by the Arkansas Rural Medical Practice Student Loan and Scholarship Board:

(1) A student who has been accepted for admission to or is enrolled in good standing in the College of Medicine of the University of



Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine;

(2) A student who has been accepted for admission to or is enrolled in good standing in an educational program for physician assistants accredited by the Accreditation Review Commission on Education for the Physician Assistant, Inc. or its successor, as required for licensing purposes under § 17-105-101 et seq.; or

(3) A student who has been accepted for admission to or is enrolled in good standing in a regionally accredited United States college or university with a program in human nutrition, food and nutrition, dietetics, or food systems management, as required for licensing purposes under § 17-87-301 et seq.

(b) A graduate of the College of Medicine of the University of Arkansas for Medical Sciences or any accredited medical school in the United States may apply for the community match income incentive program under this subchapter on forms prescribed by the board so long as the applicant satisfies the criteria set forth in § 6-81-715.

SECTION 2. Arkansas Code § 6-81-706 is amended to read as follows:

6-81-706. ~~Medical students~~ Applicants – Eligibility for initial and renewal loans.

(a) The Arkansas *Rural* Medical Practice Student Loan and Scholarship Board may make rural medical practice loans to ~~the~~ an applicant, each *rural* medical practice loan being expressly made subject to the provisions of § 6-81-708(c) and § 6-81-710, if it finds that:

(1) The applicant is a bona fide resident of Arkansas;

(2) ~~The applicant has been accepted for admission to or is enrolled in good standing in the College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine~~ is a student who has been accepted for admission to or is enrolled in good standing in:

(A) The College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine;

(B) An educational program for physician assistants located in the State of Arkansas and accredited by the Accreditation Review Commission on Education for the Physician Assistant, Inc. or its successor,

as required for licensing purposes under § 17-105-101 et seq.; or

(C) A regionally accredited United States college or university located in the State of Arkansas with a program in human nutrition, food and nutrition, dietetics, or food systems management, as required for licensing purposes under § 17-87-301 et seq.;

(3) The applicant is enrolled in a medically underserved *and rural practice* curriculum, as applicable to the college or educational program for which an applicant has been accepted for admission or in which an applicant is enrolled in good standing;

(4) The applicant needs financial assistance to complete his or her medical studies;

(5) *The applicant desires to practice ~~medicine~~ in an eligible qualified rural community; and*

(6) The applicant is a person of good moral character and one who has the talent and capacity to profit by medical studies.

(b) Subject to the availability of funds, an initial *rural* medical practice loan for one (1) academic year shall be renewable annually for the number of years required to complete studies leading to ~~the Doctor of Medicine~~ a degree necessary for an eligible profession under this subchapter or for additional amounts, not to exceed the maximum amounts specified in § 6-81-707, but all subsequent *rural* medical practice loans shall be granted only upon application by the recipient and a finding by the board that:

(1) The applicant has completed successfully the ~~medical~~ required studies of the preceding academic year and remains in good standing as an enrolled student in the college or educational program;

(2) The applicant is enrolled or participating in a medically underserved *and rural practice* curriculum, as applicable to the college or educational program for which an applicant has been accepted for admission or in which an applicant is enrolled in good standing;

(3) The applicant continues to be a resident of Arkansas; and

(4) The applicant's financial situation continues to warrant financial assistance made under the conditions of this section.

SECTION 3. Arkansas Code § 6-81-708(c), concerning obligations and conditions incorporated into a written loan contract granted by the Arkansas Rural Medical Practice Student Loan and Scholarship Board, is amended to read

as follows:

(c) *Each applicant to whom a rural medical practice loan or loans is granted by the Arkansas Rural Medical Practice Student Loan and Scholarship Board shall execute a written loan contract that 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~~ full time in a qualified rural community upon completion of:*

(i) For students who have been accepted for admission to or are enrolled in good standing in the College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine:

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

~~(ii)(b)~~ 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

~~(iii)(c)~~ 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, based upon guidelines established by the Arkansas Rural Medical Practice Student Loan and Scholarship Board, that the physician need in the rural communities cannot sustain a full-time medical practice or that other compelling circumstances exist; and

(ii) For students who have been accepted for admission to or are enrolled in good standing in a college or educational program under §§ 6-81-706(a)(2)(B) or (C), the educational program and accompanying requirements in which the students are enrolled.

(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~~ shall not be suspended unless the ~~recipient's contract;~~

(i) Contract contained a specific term that loss of license ~~was~~ is a consequence of breach; and ~~the recipient~~

(ii) 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 University of Arkansas College of Medicine 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 a 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 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) Neither interest nor the obligation to repay the principal sums accrued shall accrue 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, as applicable to the college or educational program for which an applicant has been accepted for admission or in which an applicant is enrolled in good standing*;

(ii) Failure to remain in enrollment status continuously to completion of ~~the a degree of Doctor of Medicine~~ necessary to meet eligibility criteria under this subchapter for any reason other than temporary personal illness;

(iii) ~~Failure~~ For students who have been accepted for admission to or are enrolled in good standing in the College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine, failure to complete internship;

(iv)(a) Failure to engage in ~~the a~~ 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 a practice as described under subdivision (c)(4)(C)(iv)(a) of this section within six (6) months following ~~either~~;

(a) Either internship or four (4) additional *years of medical education that includes practice experience in a rural community; or*

(b) The completion of an educational program in which a student is enrolled and as described under §§ 6-81-706(a)(2)(B) and (C) and any additional licensure requirements, as applicable;

~~(5) If an alternate on the waiting list for acceptance to the University of Arkansas College of Medicine 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~~ A contract for an alternate on the waiting list for acceptance to the University of Arkansas College of Medicine 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 if the applicant who is an alternate on the waiting list for acceptance:

(A) Has been accepted for admission to the college;

(B) Meets the requirements of § 6-81-706, as applicable;

and

(C) Is moved to the top of the waiting list under § 6-81-718.

*(6) This subsection shall not prohibit the 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.*

*/s/McAlindon*