

Substitute for HOUSE BILL No. 2057

AN ACT concerning medical scholarships and loans; concerning medically underserved areas; amending K.S.A. 65-2811a, 76-379, 76-383 and 76-384 and K.S.A. 2001 Supp. 74-32,132, 76-375, 76-381 and 76-385 and repealing the existing sections; also repealing K.S.A. 76-373, 76-374, 76-377, 76-377a and K.S.A. 2001 Supp. 76-376.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2001 Supp. 76-375 is hereby amended to read as follows: 76-375. ~~(a) On or before December 31 in each year, the chancellor of the university of Kansas, or the designee of the chancellor secretary of health and environment, shall prepare a list of the areas of this state which the chancellor, or designee of the chancellor, secretary determines to be critically medically underserved areas by specialty and the areas of this state which the chancellor, or designee of the chancellor, determines to be medically underserved areas by specialty. In preparing such a list the chancellor, or designee of the chancellor, shall consult with the medical scholarship advisory committee. All state medical care facilities or institutions, all medical centers operated in the state of Kansas by the veterans administration of the United States, and all full-time faculty positions at the university of Kansas school of medicine in family medicine or family practice are qualified for service in both service commitment area I and service commitment area II without being determined medically underserved areas. In preparing such a list, the portion of time of persons engaged in the practice of medicine and surgery at any institution under the jurisdiction and control of the secretary of social and rehabilitation services shall not be included in determining whether an area is critically medically underserved or medically underserved. Every such list shall note that all state medical care facilities or institutions qualify for such service commitments, in addition to listing those areas determined to be critically medically underserved or medically underserved. Critically medically underserved areas by specialty and medically underserved areas by specialty Medically underserved areas established prior to the effective date of this act by the secretary of health and environment chancellor of the university of Kansas, or the designee of the chancellor, shall continue in effect for the purposes of this act until changed by the chancellor of the university of Kansas, or the designee of the chancellor secretary of health and environment. The chancellor of the university of Kansas, or the designee of the chancellor, upon a finding of exceptional circumstances, may modify areas or portions of areas determined to be critically medically underserved or medically underserved by specialty.~~

~~(b) (1) A service commitment area shall be designated as a service commitment area I or a service commitment area II. Service commitment area I shall be any area determined by the chancellor of the university of Kansas, or the designee of the chancellor, under subsection (a) to be, for purposes of all agreements entered into under K.S.A. 76-374 and amendments thereto, a medically underserved area or a critically medically underserved area. Service commitment area II shall be, for purposes of all agreements entered into under K.S.A. 76-374 and amendments thereto, the state of Kansas.~~

~~(2) The service commitment area I or II for persons first awarded scholarships after December 31, 1985, shall be an incorporated city of this state as specified in subsection (d)(2) of K.S.A. 76-374 and amendments thereto, all state medical care facilities or institutions, all medical centers operated in the state of Kansas by the veterans administration of the United States, and the full-time faculty positions at the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine or family practice, except that, at the time any person commences satisfying a service commitment under this subsection as a full-time faculty member, the number of persons satisfying service commitments or service obligations, pursuant to agreements under K.S.A. 76-374 and amendments thereto or the medical student loan act, as full-time faculty members pursuant to this subsection shall not exceed the number equal to 25% of the total number of full-time faculty members of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine or family practice.~~

~~(c) In selecting a service commitment area I or II, whichever is applicable, prior to the commencement of the full-time practice of medicine and surgery pursuant to all agreements entered into under K.S.A. 76-374 and amendments thereto requiring service for a period of time in a service commitment area I or II, whichever is applicable, the person so selecting~~

shall select such area from among those areas appearing on the list of areas prepared by the chancellor of the university of Kansas, or the designee of the chancellor, under this section. The service commitment area selected shall have appeared on any such list not more than 36 months prior to the commencement of such full-time practice of medicine and surgery by the person selecting such service commitment area. Upon the selection of such service commitment area, the person so selecting shall inform the university of Kansas school of medicine of the area selected.

(d) A person serving in a service commitment area I or II, whichever is applicable, pursuant to any agreement under this act may serve all or part of any commitment in the service commitment area initially selected by such person. If such person moves from one service commitment area I or II to another service commitment area I or II, as applicable, such person shall notify the university of Kansas school of medicine of such person's change of service commitment area. Service in any such service commitment area I or II, as applicable, selected from the appropriate lists of service commitment areas, shall be deemed to be continuous for the purpose of satisfying any agreement entered into under this act. Any service commitment area I or II, as applicable, selected after the initially selected service commitment area I or II shall have appeared on a service commitment area I list or on a service commitment area II list, as applicable, which shall have been prepared not more than 12 months prior to the move by such person from one service commitment area I or II to another service commitment area I or II, as applicable.

(e) (1) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area I even though such person is engaged in such practice in two or more locations within the state of Kansas, at least one of which is not located in a service commitment area I, if the person is engaged in the full-time practice of medicine and surgery in such locations pursuant to a practice affiliation agreement approved by the chancellor of the university of Kansas, or the designee of the chancellor.

(2) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in either service commitment area I or service commitment area II by performing at least 100 hours per month of on-site primary care as defined in K.S.A. 76-374 and amendments thereto at a medical facility operated by a local health department or nonprofit organization in this state serving medically indigent persons. As used in this paragraph, "medically indigent" means a person: (A) Who is unable to secure health care because of inability to pay for all or a part of the costs thereof due to inadequate personal resources, being uninsured, being underinsured, being ineligible for governmental health benefits, or (B) who is eligible for governmental benefits but is unable to obtain medical services.

(3) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in either service commitment area I or II by engaging in such full-time practice of medicine and surgery, other than in a primary care specialty, anywhere in the state of Kansas with the exception of the following counties: Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wyandotte, except that the full-time practice of medicine and surgery within the six listed counties will qualify if the selected county is designated as a service commitment area I or II in accordance with the provisions of this section, or whenever there are fewer than three persons engaged in the full-time practice of medicine and surgery in a designated specialty in the selected county. Any person who satisfies the obligation to engage in the full-time practice of medicine and surgery in accordance with this subsection (e)(3) shall remain obligated to repay the amounts received for living expenses as prescribed in subsection (a)(5) of K.S.A. 75-376 and amendments thereto. As used in this subsection (e)(3), "primary care" means general pediatrics, general internal medicine or family practice.

(f) A person awarded a scholarship in accordance with the provisions of K.S.A. 76-373 through 76-377a and amendments thereto may satisfy the obligation to engage in the practice of medicine and surgery, under an agreement entered into pursuant to K.S.A. 76-374 and amendments thereto even though such person is engaged in practice in an area not

~~designated a medically underserved area by specialty, or a critically medically underserved area by specialty, through employment on a part-time basis by the state of Kansas which has been approved by the chancellor of the university of Kansas, or the designee of the chancellor, for the practice of medicine and surgery at any state medical care facility or institution.~~

~~(g) In connection with the determination of critically medically underserved areas and medically underserved areas under this section, the chancellor of the university of Kansas, or the designee of the chancellor, shall assess annually the need in the state as a whole for medical services provided by persons engaged in the practice of medicine and surgery and shall report thereon annually to the legislature. Each report shall include any recommendations for needed legislation, including any recommended amendments to this act, which relate to the need for such medical services in the various areas of this state.~~

~~(h) There is hereby established the medical scholarship advisory committee. Members of the medical scholarship advisory committee shall be appointed by the chancellor of the university of Kansas as follows: (1) One member shall be from the office of the chancellor of the university of Kansas; (2) one member shall be a representative of the Kansas medical society; (3) one member shall be a member of the Kansas legislature; (4) one member shall be a student at the university of Kansas school of medicine; and (5) one member shall be a representative of the Kansas hospital association. The medical scholarship advisory committee shall meet periodically upon the call of the chancellor, or the designee of the chancellor, and shall make recommendations to the chancellor, or the designee of the chancellor, in regard to the administration of the provisions of this act.~~

~~(i) The chancellor of the university of Kansas may appoint a medical scholarship program coordinator for the purpose of planning and administering the provisions of this act. The coordinator shall be in the unclassified service under the Kansas civil service act.~~

~~(j) For all purposes under this section, service or employment after June 30, 1988, on a part-time basis (1) pursuant to a practice affiliation agreement approved by the chancellor of the university of Kansas, or the chancellor's designee, or (2) at a state medical care facility or institution, shall be on the basis of at least the equivalent of 1/2 time in order to satisfy the obligation to engage in the practice of medicine and surgery under an agreement entered into pursuant to K.S.A. 76-374 and amendments thereto.~~

~~(k) As used in this section, "state medical care facility or institution" includes, but is not limited to, the Kansas state school for the visually handicapped, the Kansas state school for the deaf, any institution under the secretary of social and rehabilitation services, as defined by subsection (b) of K.S.A. 76-12a01 and amendments thereto, any institution under the commissioner of juvenile justice, as defined by K.S.A. 38-1602, and amendments thereto, the Kansas soldiers' home, the Kansas veterans' home and any correctional institution under the secretary of corrections, as defined by subsection (d) of K.S.A. 75-5202 and amendments thereto, but shall not include any state educational institution under the state board of regents, as defined by subsection (a) of K.S.A. 76-711 and amendments thereto, except as specifically provided by statute.~~

Sec. 2. K.S.A. 76-379 is hereby amended to read as follows: 76-379. Any person awarded a scholarship in accordance with the provisions of K.S.A. 76-373 through 76-377a and amendments thereto may satisfy any obligation to engage in the practice of medicine and surgery under any agreement entered into pursuant to K.S.A. 76-374 and amendments thereto by engaging in the full-time practice of medicine and surgery in a service commitment area, as defined by subsection (c) of K.S.A. 76-381, in lieu of an appropriate service commitment as otherwise required under K.S.A. 76-373 through 76-377a and amendments thereto, but in accordance with and subject to the other conditions and requirements prescribed under those statutes, except that any such person, who also enters into a medical student loan agreement under the medical student loan act and who has not commenced the required primary care postgraduate residency training program on the effective date of this act, may satisfy the requirement to enter and complete an approved three-year primary

care residency training program under any such agreement by entering and completing an approved postgraduate residency training program as defined by subsection (b) of K.S.A. 76-381. The provisions of this section shall apply only to residency training and the practice of medicine and surgery commenced on or after the effective date of this act.

Sec. 3. K.S.A. 76-383 is hereby amended to read as follows: 76-383. A medical student loan agreement entered into by the university of Kansas school of medicine and an undergraduate student enrolled in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine for the purpose of receiving a medical student loan under this act shall require that the person receiving the loan:

(a) Complete the required course of instruction and receive the degree of doctor of medicine and apply for, enter and complete an approved postgraduate residency training program;

(b) apply for and obtain a license to practice medicine and surgery in Kansas;

(c) engage in the full-time practice of medicine and surgery for a period of 12 months within a service commitment area, except as otherwise provided in subsection (c) of K.S.A. 76-384 *and amendments thereto* for service as a full-time faculty member of the university of Kansas school of medicine in family medicine or family practice;

(d) commence such full-time practice of medicine and surgery within nine months after completion of an approved postgraduate residency training program and licensure in a service commitment area and continue such full-time practice in such service commitment area for a consecutive period of months equal to the total number of months required under the agreement;

(e) agree that the service commitment for each agreement entered into under this act is in addition to the service commitment contained in any other agreement which has been or may be entered into under this act for the purpose of obtaining a medical student loan or under ~~K.S.A. 76-373 through 76-377a and amendments thereto~~ *other agreements* for the purpose of obtaining scholarship aid;

(f) maintain records and make reports to the university of Kansas school of medicine to document the satisfaction of the obligation under such agreement to engage in the full-time practice of medicine and surgery within a service commitment area and to continue such full-time practice in such service commitment area for a consecutive period of months equal to the total number of months required under the agreement; and

(g) upon failure to satisfy an agreement to engage in the full-time practice of medicine and surgery within a service commitment area for the required period of time under any such agreement, the person receiving a medical student loan under this act shall repay amounts to the university of Kansas school of medicine as provided in K.S.A. 76-385 *and amendments thereto*.

Sec. 4. K.S.A. 76-384 is hereby amended to read as follows: 76-384.

(a) Upon the selection of a service commitment area for the purposes of satisfying a service obligation under a medical student loan agreement entered into under this act, the person so selecting shall inform the university of Kansas school of medicine of the service commitment area selected.

(b) A person serving in a service commitment area pursuant to any agreement under this act may serve all or part of any commitment in the service commitment area initially selected by such person. If such person moves from one service commitment area to another service commitment area, such person shall notify the university of Kansas school of medicine of such person's change of service commitment area. Service in any such service commitment area shall be deemed to be continuous for the purpose of satisfying any agreement entered into under this act.

(c) A person receiving a medical student loan under this act, may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area if the person serves as a full-time faculty member of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine or family practice and serves two years for each one year of such obligation, or the equiv-

alent thereof on a two-for-one basis, except that, at the time any person commences satisfying such service obligation as a full-time faculty member pursuant to this subsection, the number of persons satisfying service commitments or service obligations, pursuant to agreements under ~~K.S.A. 76-374 and amendments thereto~~ or the medical student loan act, as full-time faculty members pursuant to this subsection shall not exceed the number equal to 25% of the total number of full-time faculty members of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine or family practice.

(d) A person may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area by performing at least 100 hours per month of on-site primary care ~~as defined in K.S.A. 76-374 and amendments thereto~~ at a medical facility operated by a local health department or nonprofit organization in this state serving medically indigent persons. As used in this subsection, “medically indigent” means a person: (1) Who is unable to secure health care because of inability to pay for all or a part of the costs thereof due to inadequate personal resources, being uninsured, being underinsured, being ineligible for governmental health benefits; or (2) who is eligible for governmental benefits but is unable to obtain medical services; and “primary care” means general pediatrics, general internal medicine, family medicine and family practice.

Sec. 5. K.S.A. 65-2811a is hereby amended to read as follows: 65-2811a. (a) The state board of healing arts may issue a special permit to practice the appropriate branch of the healing arts, under the supervision of a person licensed to practice such branch of the healing arts, to any person who has completed undergraduate training in a branch of the healing arts and who has not engaged in a full-time approved postgraduate training program.

(b) Such special permit shall be issued only to a person who: (1) Has made proper application for such special permit upon forms approved by the state board of healing arts;

(2) meets all qualifications of licensure except examinations and postgraduate training, as required by the Kansas healing arts act;

(3) is not yet but will be engaged in a full-time, approved postgraduate training program in Kansas;

(4) has obtained the sponsorship of a person licensed to practice the branch of the healing arts in which the applicant is training, which sponsor practices in an area of Kansas which is determined under K.S.A. 76-375 and amendments thereto to be medically underserved or ~~critically medically underserved~~; and

(5) has paid the prescribed fees as established by the state board of healing arts for the application for and granting of such special permit.

(c) The special permit, when issued, shall authorize the person to whom the special permit is issued to practice the branch of the healing arts in which such person is training under the supervision of the person licensed to practice that branch of the healing arts who has agreed to sponsor such special permit holder. The special permit shall not authorize the person holding the special permit to engage in the private practice of the healing arts. The holder of a special permit under this section shall not charge patients a fee for services rendered but may be compensated directly by the person under whose supervision and sponsorship the permit holder is practicing. The special permit shall expire on the day the person holding the special permit becomes engaged in a full-time, approved postgraduate training program or one year from its date of issuance, whichever occurs first.

(d) This section shall be part of and supplemental to the Kansas healing arts act.

Sec. 6. K.S.A. 2001 Supp. 74-32,132 is hereby amended to read as follows: 74-32,132. As used in this act:

(a) “Committee” means the nursing service scholarship review committee established under K.S.A. 74-3299, and amendments thereto.

(b) “Executive officer” means the chief executive officer of the state board of regents appointed under K.S.A. 2001 Supp. 74-3203a, and amendments thereto.

(c) “Educational and training program for advanced registered nurse practitioners” means a post-basic nursing education program a graduate

of which meets the education requirements of the board of nursing for a certificate of qualification as an advanced registered nurse practitioner.

(d) “Medically underserved area” means a practice location designated medically underserved by the ~~state board of regents~~ *secretary of health and environment*.

(e) “Rural area” means any county of this state other than Douglas, Johnson, Sedgwick, Shawnee and Wyandotte counties.

Sec. 7. K.S.A. 2001 Supp. 76-381 is hereby amended to read as follows: 76-381. As used in K.S.A. 76-380 through 76-386 and amendments thereto:

(a) “Act” means the medical student loan act;

(b) “approved postgraduate residency training program” means a residency training program in general pediatrics, general internal medicine, family medicine, family practice or emergency medicine;

(c) “service commitment area” means (1) any community within any county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county, (2) any state medical care facility or institution, (3) any medical center operated by the veterans administration of the United States, or (4) the full-time faculty of the university of Kansas school of medicine in family medicine or family practice; and

(d) “state medical care facility or institution” includes, but is not limited to, the Kansas state school for the visually handicapped, the Kansas state school for the deaf, any institution under the secretary of social and rehabilitation services, as defined by subsection (b) of K.S.A. 76-12a01 and amendments thereto, any institution under the commissioner of juvenile justice as defined by K.S.A. 38-1602, and amendments thereto, the Kansas soldiers’ home, the Kansas veterans’ home and any correctional institution under the secretary of corrections, as defined by subsection (d) of K.S.A. 75-5202 and amendments thereto, but shall not include any state educational institution under the state board of regents, as defined by subsection (a) of K.S.A. 76-711 and amendments thereto, except as specifically provided by statute.

Sec. 8. K.S.A. 2001 Supp. 76-385 is hereby amended to read as follows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2), (3), (4) and (5) of this subsection (a) or in K.S.A. 76-386, and amendments thereto, upon the failure of any person to satisfy the obligation to engage in the full-time practice of medicine and surgery within a service commitment area of this state for the required period of time under any medical student loan agreement entered into under this act, such person shall repay to the university of Kansas school of medicine in accordance with subsection (b) an amount equal to the total of (A) the amount of money received by such person pursuant to such agreement, or the amount of money determined under rules and regulations of the university of Kansas plus (B) annual interest at a rate of 15% from the date such money was received.

(2) Any person who fails to apply for and enter an approved postgraduate residency training program shall be required to repay all moneys received pursuant to an agreement entered into for any such medical student loan, plus accumulated interest at an annual rate of 15% and shall commence such repayment in accordance with subsection (b) within 90 days of graduation from the school of medicine or upon termination or completion of a residency training program which does not comply with the provisions of this act, whichever is later.

(3) If at any time a person is failing to satisfy an obligation to engage in the full-time practice of medicine and surgery in Kansas for the required period of time under an agreement entered into under this act because such person is engaged in the full-time practice of medicine and surgery in a state other than Kansas, or within Kansas in an area that is not a service commitment area or in the practice of medicine and surgery which does not otherwise comply with the agreement entered into under this act, and if such person is subject to or currently making repayments under this section and if such person subsequently commences the practice of medicine and surgery in this state which is in a service commitment area or which otherwise complies with the agreement entered into under this act, the balance of the repayment amount, including interest thereon, from the time of such commencement of practice until the obligation of such person is satisfied, or until the time such person again becomes

subject to repayments, shall be waived. All repayment amounts due prior to such commencement of practice, including interest thereon, shall continue to be payable as provided in this section. If subsequent to such commencement of practice, the person fails to satisfy such obligation, the person again shall be subject to repayments, including interest thereon, as otherwise provided in this section.

(4) If, during the time a person is satisfying the service requirement of an agreement entered into under this act, such person desires to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state and remain in satisfaction of such service requirement, such person may make application to the chancellor of the university of Kansas or the designee of the chancellor for permission to engage in less than such full-time practice of medicine and surgery. Upon a finding of exceptional circumstances made by the chancellor of the university of Kansas, or the designee of the chancellor, such person may be authorized to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state for the remaining required period of time under such agreement and for an additional period of time which shall be equal to the length of the originally required period of time multiplied by the decimal fraction which is equal to the reduction of the full-time practice of medicine and surgery to be authorized hereunder, multiplied by two. In any such determination of the period required to be engaged in the less than full-time practice of medicine and surgery, the decimal fraction utilized shall not exceed .5 and any person granted permission to engage in less than the full-time practice of medicine and surgery in accordance with the provisions of this paragraph (4) shall be required to engage in at least the half-time practice of medicine and surgery.

(5) Any person who enters but fails to complete an approved postgraduate residency training program, or who enters and completes an approved postgraduate residency training program but fails to satisfy the obligation to engage in the full-time practice of medicine and surgery within a service commitment area of this state for the required period of time shall be required to repay all money received pursuant to an agreement entered into under this act a medical student loan, plus accumulated interest at an annual rate of 15% and shall commence such repayment in accordance with subsection (b) within 90 days of failure to complete an approved postgraduate residency training program or 90 days of failure to commence qualifying practice, whichever occurs first.

(b) For any repayment requirement under this section, the person shall repay an amount totaling the entire amount to be repaid under all such agreements for which such obligations are not satisfied, including all amounts of interest at the rate prescribed. The repayment shall be made in not more than 10 equal annual installment payments.

(c) All installment payments under this section shall commence six months after the date of the action or circumstance that causes the failure of the person to satisfy the obligations of such agreements, as determined by the university of Kansas school of medicine based upon the circumstances of each individual case. In all cases, if an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all amounts of interest at the rate prescribed.

(d) The total repayment obligation imposed under all agreements entered into under this act may be satisfied by the person who entered into the agreements at any time prior to graduation from the university of Kansas school of medicine by making a single lump-sum payment equal to the total of (1) the entire amount to be repaid under all such agreements upon failure to satisfy the obligations under such agreements to practice in Kansas, plus (2) all amounts of interest thereon at the rate prescribed to the date of payment.

(e) The university of Kansas school of medicine shall remit all moneys received under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the medical ~~scholarship and~~ loan repayment fund.

(f) *There is hereby created in the state treasury the medical loan repayment fund. All expenditures from the medical loan repayment fund*

shall be for medical student loans under the medical student loan act and for the expenses of administration of the medical student loan act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or by a person designated by the chancellor. On the effective date of this act, the director of accounts and reports shall transfer all moneys in the medical scholarship and loan repayment fund to the medical loan repayment fund. On the effective date of this act, all liabilities of the medical scholarship and loan repayment fund are hereby imposed on the medical loan repayment fund and the medical scholarship and loan repayment fund is hereby abolished. Whenever the medical scholarship and loan repayment fund, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the medical loan repayment fund.

Sec. 9. K.S.A. 65-2811a, 76-373, 76-374, 76-377, 76-377a, 76-379, 76-383 and 76-384 and K.S.A. 2001 Supp. 74-32,132, 76-375, 76-376, 76-381 and 76-385 are hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.