

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1387

By: Crain

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5
6 AS INTRODUCED

7 An Act relating to health care workforce;
8 transferring powers and duties of the Physician
9 Manpower Training Commission to the State Department
10 of Health; clarifying references; directing the State
11 Board of Health to promulgate certain rules;
12 requiring certain programs to be offered to specified
13 persons; amending 70 O.S. 2011, Sections 625.1,
14 625.2, 625.3, 625.4, 625.4a, 625.5, 625.6, 625.9,
15 625.10a, 625.11, 625.12, 625.13, 625.14, 697.5,
16 697.6, 697.7, 697.8, 697.9, 697.10, 697.11, 697.12,
17 697.15, 697.17, 697.18, 697.19, 697.20 and 697.21,
18 which relate to the Physician Manpower Training
19 Commission; updating statutory references; repealing
20 70 O.S. 2011, Sections 625.7, 697.2, 697.3, 697.4 and
21 697.16, which relate to the Physician Manpower
22 Training Commission; providing for codification;
23 providing an effective date; and declaring an
24 emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 697 of Title 70, unless there is
21 created a duplication in numbering, reads as follows:

22 A. On July 1, 2012, all powers and duties of the Physician
23 Manpower Training Commission shall be transferred, along with
24

1 funding allocations, accounts, liabilities, equipment, facilities,
2 and other assets, from the Physician Manpower Training Commission to
3 the State Department of Health.

4 B. All references in the Oklahoma Statutes to the Physician
5 Manpower Training Commission shall mean the State Department of
6 Health or the State Board of Health.

7 C. The State Board of Health shall promulgate rules as
8 necessary to implement and administer the provisions of Section
9 625.1 et seq. of Title 70 of the Oklahoma Statutes and 697.1 et seq.
10 of Title 70 of the Oklahoma Statutes.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 697a of Title 70, unless there
13 is created a duplication in numbering, reads as follows:

14 Programs administered by the State Department of Health pursuant
15 to the provisions of Section 625.1 et seq. of Title 70 of the
16 Oklahoma Statutes and Section 697.1 et seq. of Title 70 of the
17 Oklahoma Statutes shall be offered to all persons who are otherwise
18 eligible until such persons graduate from medical school, nursing
19 school, or other such school for health care practitioners as
20 appropriate.

21 SECTION 3. AMENDATORY 70 O.S. 2011, Section 625.1, is
22 amended to read as follows:

23 Section 625.1. There is hereby established the Oklahoma Rural
24 Medical Education Loan and Scholarship Fund. The fund shall be

1 administered by the ~~Physician Manpower Training Commission~~ State
2 Department of Health under the provisions of Section 625.9 of this
3 title.

4 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.2, is
5 amended to read as follows:

6 Section 625.2. The ~~Physician Manpower Training Commission~~ State
7 Department of Health shall be authorized and empowered to grant
8 scholarships to qualified students who are bona fide residents of
9 the State of Oklahoma and who would not otherwise have funds
10 necessary to finance the cost of a program of study leading to the
11 ~~Degree~~ degree of Doctor of Medicine, or to the ~~Degree~~ degree of
12 Doctor of Osteopathic Medicine, to be granted by an accredited and
13 recognized college of medicine or college of osteopathic medicine.

14 SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.3, is
15 amended to read as follows:

16 Section 625.3. A. The terms and conditions governing the
17 scholarships shall be as prescribed and formulated by the ~~Physician~~
18 ~~Manpower Training Commission~~ State Department of Health, but shall
19 include the condition that each recipient, upon completion of ~~his~~
20 the recipient's course of study, shall repay ~~his~~ the scholarship by
21 practicing his or her profession in a rural community in Oklahoma
22 having a population of seven thousand five hundred (7,500) persons
23 or less according to the last preceding United States Decennial
24 Census and having a need therefor, as determined by the ~~Commission~~

1 State Department of Health, for one (1) year for each one (1) year
2 the scholarship is financed; provided, however, that the recipient
3 will be given no credit for payment and reduction of ~~said~~ the
4 obligation by serving in the defined rural communities for a period
5 less than two (2) years.

6 B. The terms of this subsection shall apply to recipients who
7 accept assistance before July 1, 1993. The contract shall provide
8 that in the event the recipient breaches the terms of the contract
9 by not serving the designated community for the specified period of
10 time ~~he~~ the recipient shall pay liquidated damages in an amount
11 agreed upon by the ~~Commission~~ Department and the recipient and
12 representing a reasonable estimate of the damage or loss to the
13 community or the state. ~~Said~~ The damages shall not exceed one
14 hundred percent (100%) of the principal. After payment of the
15 liquidated damages, repayment of the principal may be made in cash
16 with interest at the rate of twelve percent (12%) per annum, ~~said~~
17 the interest to accrue from the date each payment is made pursuant
18 to the scholarship. No interest however shall accrue during any one
19 period of time that the recipient thereof is required to serve in
20 the Armed Forces of the United States or during any period of
21 internship.

22 C. The terms of this subsection shall apply to recipients who
23 accept assistance on or after July 1, 1993. The contract shall
24 provide that in the event the recipient breaches the terms of the

1 contract by not serving the designated community for the specified
2 period of time, the ~~Commission~~ Department shall be entitled to
3 recover an amount equal to three times the principal disbursed,
4 pursuant to the contract, plus interest. Interest on all amounts
5 paid to or on behalf of the participant shall be computed at the
6 current prime rate plus one percent (1%) with ~~said~~ the interest to
7 accrue from the date each payment is made, pursuant to the contract.
8 The amount the ~~Commission~~ Department is entitled to recover shall be
9 paid within ninety (90) days of the date the recipient becomes
10 liable as determined by the ~~Commission~~ Department.

11 SECTION 6. AMENDATORY 70 O.S. 2011, Section 625.4, is
12 amended to read as follows:

13 Section 625.4. The ~~Commission~~ State Board of Health shall
14 promulgate and adopt such rules and regulations as may be necessary
15 to carry out the provisions of ~~this act~~ Section 625.1 et seq. of
16 this title. The ~~Commission~~ State Department of Health shall
17 prescribe the form and regulate the submission of applications for
18 scholarship; conduct conferences and interviews with applicants;
19 determine the eligibility of applicants; allow or disallow all
20 applications for scholarships or renewal of scholarships; contract,
21 increase, decrease, terminate and otherwise regulate all grants for
22 scholarships and their repayment in cash or services; and manage,
23 operate and control all funds and property appropriated or otherwise
24 contributed for this purpose. The ~~Commission~~ Department may acquire

1 property or money by the acceptance of gifts, grants, bequests or
2 devise, and may contract with the federal government in order to
3 secure the benefit of any federal program consistent with the
4 provisions of ~~this act~~ Section 625.1 et seq. of this title. Monies
5 received by the ~~Commission~~ Department in repayment of scholarships
6 granted from appropriated funds shall be deposited with the State
7 Treasurer who shall place the same to the credit of the ~~Commission~~
8 Department in depository funds to be known as the "Rural Medical
9 Education Scholarship Fund" and the "Community Physician Education
10 Scholarship Fund" depending on the program in which the recipient
11 participated, under and subject exclusively to the control of the
12 ~~Commission~~ Department for the purpose of fulfilling and
13 accomplishing the conditions and purposes of ~~the Physician Manpower~~
14 ~~Training Commission~~ Section 625.1 et seq. of this title and Section
15 697.1 et seq. of this title. All monies so collected and deposited
16 in the State Treasury as aforesaid shall constitute a continuing
17 fund, shall not be subject to fiscal limitations, and the unexpended
18 balance shall at all times be available for expenditures for the
19 purposes and in the manner and form provided by ~~this act~~ Section
20 625.1 et seq. of this title. All funds and property, and income
21 therefrom, received by the ~~Commission~~ Department through the
22 acceptance of gifts, grants, bequests or devise shall be held by the
23 ~~Commission~~ Department in trust, and may be sold, transferred,
24 invested and reinvested by the ~~Commission~~ Department in accordance

1 with the provisions of the Oklahoma Trust Act, and all such funds
2 and property, and income therefrom, shall be used by the ~~Commission~~
3 Department in fulfilling and accomplishing the conditions and
4 purposes of ~~the Physician Manpower Training Commission~~ Section 625.1
5 et seq. of this title and Section 697.1 et seq. of this title.

6 SECTION 7. AMENDATORY 70 O.S. 2011, Section 625.4a, is
7 amended to read as follows:

8 Section 625.4a. There is hereby created in the State Treasury a
9 revolving fund for the ~~Physician Manpower Training Commission~~ State
10 Department of Health to be designated the "~~Physician Manpower~~
11 ~~Training Commission~~ Health Care Workforce Scholarship Program
12 Revolving Fund". The fund shall be a continuing fund, not subject
13 to fiscal year limitations and shall consist of all payments
14 received by the ~~Commission~~ Department pursuant to Sections 625.3 and
15 625.10a of this title and all payments received by the ~~Commission~~
16 Department pursuant to the Allied Health Placement Program and the
17 Nursing Home Demonstration Program. All monies accruing to the
18 credit of the fund are hereby appropriated and may be budgeted and
19 expended by the ~~Physician Manpower Training Commission~~ Department
20 for any expenses incurred in the implementation of ~~its~~ the duties
21 specified in Section 625.1 et seq. of this title and Section 697.1
22 et seq. of this title. Expenditures from the fund shall be made
23 upon warrants issued by the State Treasurer against claims filed as
24

1 prescribed by law with the Director of State Finance for approval
2 and payment.

3 SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.5, is
4 amended to read as follows:

5 Section 625.5. A. An applicant may be eligible for the award
6 of a scholarship upon demonstration that the applicant:

7 1. Desires a scholarship to any accredited school of medicine
8 or school of osteopathic medicine in the United States of America;

9 2. Is a bona fide resident of Oklahoma;

10 3. Has personal financial resources such that, in the absence
11 of scholarship aid, will be unable to pursue the program of study
12 desired;

13 4. Is a person of good moral character;

14 5. Has successfully completed the program of instruction
15 prerequisite for admission to the program of study provided for in
16 Section 625.1 et seq. of this title and has applied for admission to
17 a medical school;

18 6. Has capacity to profit by the course of study for which the
19 applicant seeks aid;

20 7. Desires to practice medicine in a rural community in
21 Oklahoma; and

22 8. Submits proof that the applicant has not accepted or will
23 not accept any other scholarship assistance which has a conflicting
24 service obligation requirement.

1 In determining an applicant's capacity to profit by the course
2 of study desired, the ~~Commission~~ State Department of Health shall
3 consider the applicant's previous scholastic record, the results of
4 examinations conducted under the provisions of Section 625.1 et seq.
5 of this title, and the results of interviews and such other tests or
6 examinations which the ~~Commission~~ Department may deem advisable. In
7 establishing an applicant's financial need, the ~~Commission~~
8 Department shall conduct a thorough and complete investigation of
9 the financial resources of the applicant and family.

10 B. The amount of each scholarship grant shall not exceed
11 Fifteen Thousand Dollars (\$15,000.00) per academic year for students
12 engaged in their first, second, third or fourth year of study, or
13 equivalent number of terms completed in an education program in a
14 given period of months.

15 C. The method of payment of funds to each recipient of a
16 scholarship grant shall be in accordance with rules formulated by
17 the ~~Commission~~ State Board of Health governing the grants for each
18 type of scholarship.

19 D. Each scholarship is renewable annually for the number of
20 years required to complete the course of study in which the
21 recipient is engaged. The ~~Commission~~ Department shall grant such an
22 annual renewal only upon the recipient's application and upon the
23 ~~Commission's~~ Department finding that the recipient:

24

1 1. Has completed successfully the work of the preceding year
2 and presented evidence that the recipient is a student in good
3 standing;

4 2. Remains a resident of Oklahoma; and

5 3. Is in a financial situation that warrants the award of a
6 scholarship under the standards set forth in Section 625.1 et seq.
7 of this title.

8 E. The ~~Commission~~ Department shall make an annual report to the
9 Governor and Legislature on the activities of the ~~Commission~~
10 Department pursuant to Section 625.1 et seq. of this title and
11 Section 697.1 et seq. of this title. This report shall include the
12 names of the recipients of the scholarships, the amount of the
13 scholarship awards, an accounting of the funds expended on
14 scholarships and on the administration of the program and a budget
15 requesting the funds necessary for the operation of the ~~Commission~~
16 programs described in Section 625.1 et seq. of this title and
17 Section 697.1 et seq. of this title. The report shall also include
18 an accounting of repayments of scholarships, whether by services or
19 in cash including interest.

20 SECTION 9. AMENDATORY 70 O.S. 2011, Section 625.6, is
21 amended to read as follows:

22 Section 625.6. Each applicant, before being granted a
23 scholarship, shall enter into a contract with the ~~Commission~~ State
24 Department of Health agreeing to the terms and conditions upon which

1 the scholarship shall be granted to ~~him~~ the applicant. ~~Said~~ The
2 contract shall include such terms and provisions as will carry out
3 the full purpose and intent of ~~this act~~ Section 625.1 et seq. of
4 this title and the form thereof shall be prepared and approved by
5 the Attorney General. ~~Said~~ The contracts shall be signed by the
6 Secretary State Commissioner of Health on behalf of the ~~Commission~~
7 Department and by the applicant. The ~~Commission~~ Department is
8 hereby vested with full and complete authority and power to sue in
9 its own name any applicant for any balance due the ~~Commission~~
10 Department on any contract. The ~~Commission~~ Department shall have
11 authority to cancel any contract made between it and any recipient
12 of a scholarship upon cause deemed sufficient by the ~~Commission~~
13 Department.

14 SECTION 10. AMENDATORY 70 O.S. 2011, Section 625.9, is
15 amended to read as follows:

16 Section 625.9 The administration of the Oklahoma Rural Medical
17 Education Loan and Scholarship Fund is hereby transferred to the
18 ~~Physician Manpower Training Commission~~ State Department of Health as
19 established by law. ~~All the powers, duties, responsibilities, rules~~
20 ~~and regulations and functions of the Board of Trustees of the~~
21 ~~Oklahoma Rural Medical Education Scholarship Fund are hereby~~
22 ~~transferred to the Physician Manpower Training Commission and The~~
23 ~~Board of Trustees of the Oklahoma Rural Medical Education~~
24 ~~Scholarship Fund is hereby abolished and terminated.~~

1 SECTION 11. AMENDATORY 70 O.S. 2011, Section 625.10a, is
2 amended to read as follows:

3 Section 625.10a. The ~~Physician Manpower Training Commission~~
4 State Department of Health is hereby authorized and empowered to
5 establish and administer cost-sharing scholarships and loan fund
6 programs which shall provide for state assistance to and
7 participation with community physician education and scholarship
8 trust funds which are selected and approved by the ~~Commission~~
9 Department. ~~Said~~ The state assistance and participation shall be on
10 a state and community matching formula basis for the funding of the
11 educational costs, fees and charges of a selected and qualified
12 student in good standing and who is duly enrolled in an accredited
13 college of medicine or college of osteopathic medicine and pursuing
14 a course of study leading to the degree of Doctor of Medicine or to
15 the degree of Doctor of Osteopathic Medicine. ~~Said~~ The student
16 shall be a bona fide resident of the State of Oklahoma who desires
17 and agrees to practice his or her profession on completion of the
18 course of study and training required for licensure and
19 certification in the community providing the initial funds to be
20 matched by the state funds. Communities shall deposit the initial
21 trust funds with the ~~Physician Manpower Training Commission~~
22 Department to be administered and matched by the ~~Commission~~
23 Department for the education of selected and qualified students to
24 serve and to practice in the communities with trust funds so

1 established for that purpose with the ~~Commission~~ Department. The
2 ~~Commission~~ Department shall aid and advise communities in the
3 selection of qualified students to participate in a given community
4 scholarship program and the ~~Commission~~ Department shall approve the
5 selection of a given student for a particular community physician
6 education scholarship trust fund matching program. The ~~Commission~~
7 Department shall determine the percentage share for the state in the
8 scholarship matching program with a given community to educate a
9 given and duly selected student on the basis of the extent of need
10 of the community and its surrounding area for the services of a
11 practicing physician, the amount of the initial trust funds the
12 community has raised and deposited in the physician education
13 scholarship trust fund that is duly established and the matching
14 funds schedule developed by the ~~Commission~~ Department and based upon
15 both the population of the community determined by the latest
16 Federal Decennial Census and the estimated median family annual
17 income level as determined on the basis of the estimates of the
18 Oklahoma Department of Commerce. The state matching assistance and
19 participation in a given scholarship trust fund program shall not
20 exceed seventy-five percent (75%) of the total amount calculated to
21 be necessary to fund the costs of a course of study for the degree
22 of Doctor of Medicine or the degree of Doctor of Osteopathic
23 Medicine as determined annually by the ~~Commission~~ State Department
24 of Health. Repayment of the total amount of the scholarship by the

1 student on completion of ~~his~~ the student's course of study and on
2 the establishment of his or her practice in the community shall be
3 made to the state fund and to the community trust fund in accordance
4 with the percentage and total amounts contributed by the state and
5 by the community to the matching scholarship trust fund program and
6 in accordance with the provisions of Section 625.5 of this title and
7 contract requirements of Section 625.6 of this title which shall
8 apply in all cases to students participating in ~~said~~ the community
9 physician education scholarship trust fund programs administered by
10 the ~~Commission~~ Department with the exception of the maximum amount
11 allowable in payment to the student which shall be based on an
12 annual review of the costs, fees and charges of the school of
13 medicine or school of osteopathic medicine in which the student is
14 enrolled and participating which shall be made by the ~~Commission~~
15 Department.

16 The procedures, terms and conditions governing the scholarships
17 and how they are administered shall be as prescribed and formulated
18 by the ~~Physician Manpower Training Commission~~ State Department of
19 Health but shall include the following:

20 1. Communities desiring to participate in a loan and
21 scholarship program shall select a student who meets the
22 requirements for participation and give notice to the ~~Commission~~
23 Department.

24

1 2. The ~~Commission~~ Department shall aid and advise communities
2 in the selection of qualified students to participate in a given
3 community loan and scholarship program.

4 3. The communities shall deposit with the ~~Commission~~ Department
5 the initial year scholarship funds provided by the community which
6 funds shall be a percentage of the total educational and associated
7 costs of the student in the course of study in an accredited college
8 of medicine or college of osteopathic medicine and which funds are
9 to be used in the education of the selected student.

10 4. The ~~Commission~~ Department shall review and approve the
11 selection of a given student and shall then match the initial
12 community funds with state funds from the Oklahoma Community
13 Physician Education Loan and Scholarship Program Fund in the amount
14 needed to meet the total cost for educating the student for one (1)
15 year as agreed by the ~~Commission~~ Department and the community in
16 each particular case.

17 5. The ~~Commission~~ Department shall determine the percentage
18 share for the state in the loan and scholarship program with a given
19 community to educate a selected student on the basis of:

- 20 a. the extent of need of the community and its
21 surrounding area for the services of a practicing
22 physician;

1 b. the amount of the initial trust funds the community
2 has raised and deposited with the ~~Commission~~
3 Department for the education of a selected student;

4 c. the population of the community which shall be
5 determined on the basis of the current estimates made
6 by the Oklahoma Department of Commerce.

7 6. The state matching assistance and participation by the
8 ~~Commission~~ State Department of Health in a given loan and
9 scholarship program for a particular student shall not exceed
10 seventy-five percent (75%) of the total amount calculated to be
11 necessary to fund one (1) year of study for the degree of Doctor of
12 Medicine or the degree of Doctor of Osteopathic Medicine as
13 determined annually by the ~~Commission~~ Department at the school of
14 medicine or osteopathic medicine in which the selected student is
15 enrolled.

16 7. Each scholarship recipient, upon completion of ~~his~~ the
17 course of study, shall repay his or her loan and scholarship to the
18 state and to the community and receive forgiveness on repayment of
19 the funds from the state and from the community by practicing his or
20 her profession in the community in Oklahoma providing the initial
21 funds at a minimum for one (1) year for each Five Thousand Dollars
22 (\$5,000.00) the community and the state financed the scholarship
23 program for the student; provided, however, that the recipient will
24 be given no credit for payment, repayment and reduction of ~~said~~ the

1 obligation to the community and the state by serving the given
2 community for a period less than two (2) years ~~or, when.~~ When
3 approved by the ~~Commission~~ Department in agreement with the
4 community and terms of the contracts involved, repayment may be made
5 in cash with interest at the rate of twelve percent (12%) per annum,
6 ~~said the~~ interest to accrue from the date each payment of funds
7 pursuant to the loan and scholarship program is made. In addition,
8 should a recipient who accepts financial assistance after July 1,
9 1977, elect not to perform ~~his~~ the recipient's obligated service in
10 the sponsoring community, the agreed upon sum denoted as liquidated
11 damages in the contract shall be assessed the recipient. No interest
12 shall accrue on the principal during any one period of time that the
13 recipient thereof is required to serve in the Armed Forces of the
14 United States, or during ~~his~~ the recipient's internship or
15 residency, if in a primary care area and the required service,
16 internship or residency does not exceed four (4) years. Provided,
17 that no interest shall accrue for six (6) months following each of
18 the above exceptions.

19 Each student who applies to participate in a community and state
20 matching loan and scholarship program shall enter into a contract
21 administered by the ~~Commission~~ State Department of Health on behalf
22 of the state and a given community which has provided the initial
23 scholarship funds to educate a selected student. The contract shall
24 be between the State of Oklahoma and the selected student by which

1 contract the student agrees to return to the community which
2 provided the initial loan and scholarship funds and to practice ~~his~~
3 the recipient's profession, on completion of the course of study and
4 training required for licensure and certification, for the number of
5 years for which the student received assistance from the community
6 and the state and in accordance with the conditions specified in the
7 contract agreed to by the student and the given community which
8 selected the student. Any repayment of the total amount of the
9 scholarship or any portion thereof as provided in ~~this act~~ Section
10 625.1 et seq. of this title and in the contract between the state
11 and the student shall be made to the state deposited into the
12 Community Matching Loan and Scholarship Repayment Revolving Fund
13 hereby created in the State Treasury. The community portion of any
14 repayment monies deposited in ~~said~~ the fund shall be withdrawn from
15 the revolving fund and returned to the community on request or, if
16 the community so chooses, ~~said~~ the repayment monies shall be held
17 available in ~~said~~ the fund for reallocation by the community and the
18 state to the Community Physician Education Loan and Scholarship
19 Program Fund to educate another student selected by the community
20 and approved by the ~~Commission~~ Department. The form of the
21 contracts shall be prepared and approved by the Attorney General.
22 The ~~Commission~~ Department is hereby vested with full and complete
23 authority and power to sue in its own name any applicant for any
24 balance due the ~~Commission~~ Department for repayment of the

1 scholarship on any contract or for failure by the applicant to
2 fulfill the terms of ~~his~~ the contract in any way. ~~Said The~~
3 contracts shall be signed by the ~~Chairman of the Commission~~ State
4 Commissioner of Health and by the student for and by a
5 representative of the community which selected the student. The
6 ~~Commission~~ Department shall have authority to cancel the contract it
7 makes between the ~~Commission~~ Department and any recipient of a
8 scholarship upon cause deemed sufficient by the ~~Commission~~
9 Department.

10 SECTION 12. AMENDATORY 70 O.S. 2011, Section 625.11, is
11 amended to read as follows:

12 Section 625.11. There is hereby created and established the
13 Oklahoma Community Physician Education Scholarship Program Fund
14 which fund shall be administered by the ~~Physician Manpower Training~~
15 ~~Commission~~ State Department of Health for the purposes of providing
16 the state matching funds assistance for scholarship programs with
17 given communities. The ~~Commission~~ Department shall be empowered to
18 contract for services with any state agencies, institutions or any
19 public or private corporation involved in and conducting programs in
20 physician manpower placement in order that the ~~Commission~~ Department
21 may perform its functions in an efficient and timely fashion.

22 SECTION 13. AMENDATORY 70 O.S. 2011, Section 625.12, is
23 amended to read as follows:

24

1 Section 625.12. A. A student may be eligible to apply for and
2 be granted a scholarship under the community and state matching
3 program when the following conditions are met:

4 1. That the student desires a scholarship to cover the costs
5 and expenses of pursuing the degree of Doctor of Medicine or the
6 degree of Doctor of Osteopathic Medicine at any accredited school of
7 medicine or school of osteopathic medicine in the United States of
8 America;

9 2. That the student is a bona fide resident of the State of
10 Oklahoma;

11 3. That the student desires and agrees to practice ~~his~~ the
12 profession in the community in Oklahoma providing the initial funds
13 and subject to the terms and conditions of the contract between the
14 student and the community and the contract between the student and
15 the state;

16 4. That the student is a person of good moral character;

17 5. That the student has a capacity to profit by the course of
18 study for which ~~he~~ the student seeks aid;

19 6. That the student has successfully completed the program of
20 instruction prerequisite for admission to or continuation in the
21 program of study provided for in ~~this act~~ Section 625.1 et seq. of
22 this title and has applied and been accepted or is currently a
23 student at an accredited school of medicine or school of osteopathic
24 medicine;

1 7. That the personal financial resources of the student are
2 such that ~~he~~ the student can demonstrate need for assistance to
3 pursue successfully the course of study in which ~~he~~ the student is
4 engaged; and

5 8. That the student submits proof that he or she has not
6 accepted or will not accept any other scholarship assistance which
7 has a conflicting service obligation requirement.

8 In determining an applicant student's capacity to profit by the
9 course of study ~~he~~ the student desires to pursue, the ~~Commission~~
10 State Department of Health shall consider his or her previous
11 scholastic record, the results of examinations conducted under the
12 provisions of ~~this act~~ Section 625.1 et seq. of this title, and the
13 results of interviews and such other tests or examinations which the
14 ~~Commission~~ Department may deem advisable.

15 In establishing an applicant student's financial need, the
16 ~~Commission~~ Department shall conduct a thorough and complete
17 investigation of the financial resources of the applicant and ~~his~~
18 family.

19 B. The method of payment of funds to each student participating
20 in the scholarship program shall be in accordance with rules
21 formulated by the ~~Commission~~ State Board of Health governing the
22 grants for each type of scholarship involved.

23 C. Each scholarship shall be renegotiated annually by the
24 ~~Commission~~ Department to determine if a change has occurred in the

1 ability of the community to match funds at the agreed level or if a
2 change has occurred in the student's financial need or desire to
3 practice in the community providing the initial funds. Each
4 scholarship may be renewed annually for the number of years required
5 to complete the course of study in which the recipient is engaged.
6 The ~~Commission~~ Department shall grant such an annual renewal only
7 upon the recipient's application and upon the ~~Commission's~~
8 Department's finding that the student has completed successfully the
9 work of the preceding year and presented evidence that ~~he~~ the
10 student is a student in good standing, and that ~~he~~ the student
11 remains a resident of Oklahoma.

12 SECTION 14. AMENDATORY 70 O.S. 2011, Section 625.13, is
13 amended to read as follows:

14 Section 625.13. A. There is hereby created the "Community
15 Match Rural Scholarship Incentive Program" which shall be conducted
16 and administered by the ~~Physician Manpower Training Commission~~ State
17 Department of Health. The purpose of this program is to provide for
18 the fair and necessary distribution of funds allocated to it by the
19 Legislature to provide monies to the following programs under the
20 ~~Physician Manpower Training Commission~~ Department:

- 21 1. The Community Matching Intern/Resident Program;
- 22 2. The Oklahoma Rural Medical Education Loan Scholarship
23 Program;

24

1 3. The Family/General Practice Resident Rural Scholarship Loan
2 Program, created pursuant to this section; and

3 4. The Family/General Practice Residency Grant Program, created
4 pursuant to this section.

5 ~~The Physician Manpower Training Commission~~ Department is hereby
6 authorized to distribute such monies to the funds specified in
7 Sections 625.1, 625.4a and 697.18 of this title necessary to fund
8 the programs specified in this section.

9 B. ~~The Physician Manpower Training Commission~~ Department shall
10 establish and administer a Family/General Practice Resident Rural
11 Scholarship Loan Program for the purpose of assisting Oklahoma's
12 rural communities by providing financial assistance through a
13 scholarship loan forgiveness program to residents enrolled in an
14 accredited Family Practice or General Practice residency program.
15 The ~~Commission~~ Department shall establish the eligibility standards,
16 the amount of the loan not to exceed One Thousand Dollars
17 (\$1,000.00) per month, the service obligation of the recipient of
18 the loan, and any penalties related to the breach of the service
19 contract or failure to repay such loan plus interest and penalty.

20 C. ~~The Physician Manpower Training Commission~~ Department shall
21 establish and administer a Family/General Practice Residency Grant
22 Program for the purpose of assisting Oklahoma's rural communities by
23 providing financial assistance through a grant program to residents
24 enrolled in an accredited Family Practice or General Practice

1 residency program. The ~~Commission~~ Department shall establish the
2 eligibility standards, the amount of the grant not to exceed Five
3 Thousand Dollars (\$5,000.00) per year, up to three (3) years, the
4 program obligations of the recipient of the grant, and any penalties
5 related to the breach of the grant obligations or failure to repay
6 the grant plus interest.

7 SECTION 15. AMENDATORY 70 O.S. 2011, Section 625.14, is
8 amended to read as follows:

9 Section 625.14. The ~~Physician Manpower Training Commission~~
10 State Department of Health shall establish and administer cost-
11 sharing programs for internship and residency physician training,
12 for which ~~Commission~~ the Department shall provide for state
13 assistance by sharing the cost on a percentage basis, as may be
14 prescribed by law or as determined by the ~~Commission~~ Department, of
15 the salary, fringe benefits, training and program administration of
16 the interns and residents as may be arranged by contract for
17 reimbursement with an accredited and approved hospital and
18 accredited clinical programs throughout the state in cooperation
19 with the University of Oklahoma College of Medicine and the
20 University of Oklahoma College of Medicine at Tulsa, which physician
21 training institutions in the state shall serve as the administrative
22 agent for internship and residency programs which are located in
23 hospitals and clinical training programs throughout the state, which
24 programs are affiliated with ~~said~~ the institutions and approved for

1 funding by the ~~Commission~~ Department. The ~~Commission~~ Department
2 shall conduct the planning, coordination and selection of ~~said the~~ the
3 training programs to assure the effective and efficient operation of
4 these programs. Not less than fifty percent (50%) of the subsidy
5 for these programs shall be used in the training of primary health
6 care and family practice physicians for the rural and medically
7 underserved areas of the state. Provided that such subsidy may be
8 used for the primary purpose of increasing the total number of
9 residencies funded by the State of Oklahoma, wherever located within
10 the state, during that period in which residency programs are being
11 established in rural areas; provided, further, that as ~~said the~~ the
12 residency programs are established and accredited in rural
13 hospitals, residency positions in such programs shall be first
14 provided for by the ~~Commission~~ Health Care Workforce Scholarship
15 Program. The ~~Commission~~ Department shall present a report to the
16 Governor, the Speaker of the House of Representatives and the
17 President Pro Tempore of the Senate within one (1) month of the
18 beginning of each regular legislative session on the operation of
19 the programs including the progress made in accomplishing the goals
20 of physician training as to type of specialties and manpower
21 placement of the kind necessary to provide adequate health care to
22 the people throughout the State of Oklahoma. The subsidy to the
23 participating hospital, clinical situation or training institution
24 per resident or intern shall not exceed any maximum or minimum

1 amount as may be prescribed by law or as determined by the
2 ~~Commission~~ Department. The actual amount of subsidy for physician
3 training program situations shall be based upon a determination by
4 the ~~Commission~~ Department of:

5 1. The type of primary care residency and internship programs
6 involved and being conducted;

7 2. The extent of reimbursement available through third-party
8 payers and all other sources; and

9 3. The program and salary costs incurred in the given training
10 situation.

11 SECTION 16. AMENDATORY 70 O.S. 2011, Section 697.5, is
12 amended to read as follows:

13 Section 697.5. The ~~Physician Manpower Training Commission~~ State
14 Department of Health, in order to perform its official function in
15 establishing and administering physician training programs, shall
16 have the following specific powers, duties and responsibilities:

17 1. To review all available data on physician manpower in
18 Oklahoma in order to determine the current and projected
19 distribution of physicians by geographic location and by type of
20 practice, ~~and, to~~ to accomplish this review, the ~~Commission~~
21 Department shall obtain information from and may work in conjunction
22 with ~~the State Department of Health and all~~ other agencies which
23 gather data ~~and~~ to evaluate health manpower needs;

24

1 2. To review data and information on accredited physician
2 internship and residency programs currently operated by Oklahoma
3 hospitals and other approved clinical situations, in order to
4 ascertain the number and distribution by physician specialty
5 training and by geographic location of available internship and
6 residency positions and to evaluate the impact of internship and
7 residency placement on the establishment of practices by physicians
8 in that geographic area or similar areas within the state where
9 their services are urgently needed;

10 3. To serve as an agent to advise hospitals, clinics, and
11 communities on setting up and planning internship and residency
12 programs which emphasize the provision of additional primary care
13 physicians to service the rural areas of Oklahoma with primary care
14 specialties to be defined to include training in the area of
15 internal medicine, obstetrics and gynecology, pediatrics, emergency
16 trauma, and family practice;

17 4. To provide general counsel and advice in the development,
18 operation and evaluation of physician internship and residency
19 programs throughout the State of Oklahoma in cooperation with the
20 efforts of the Oklahoma State Regents for Higher Education and the
21 state's physician training institutions such as the ~~Oklahoma~~
22 University of Oklahoma College of Medicine, Oklahoma City and Tulsa
23 campuses, and the Oklahoma State University College of Osteopathic
24

1 Medicine ~~and Surgery~~, and subject to accreditation by official and
2 appropriate accrediting agencies;

3 5. To develop the criteria for determining the physician
4 training cost component or associated clinical and hospital training
5 costs which are or may be nonreimbursable by third party payers in
6 programs proposed by accredited hospitals, clinical situations, or
7 hospital and clinical programs affiliated with and administered by
8 the University of Oklahoma College of Medicine, the University of
9 Oklahoma College of Medicine - Tulsa or the Oklahoma State
10 University College of Osteopathic Medicine ~~and Surgery~~ in order to
11 determine the share for the state in supporting the salary,
12 benefits, training and program administration costs incurred by
13 hospitals in supporting of the interns and residents;

14 6. To develop the criteria and procedure by which state
15 matching funds will be awarded to hospitals, accredited clinical
16 situations, in cooperation with the University of Oklahoma College
17 of Medicine, University of Oklahoma College of Medicine - Tulsa, and
18 the Oklahoma State University College of Osteopathic Medicine ~~and~~
19 ~~Surgery~~ which shall administer programs in hospital and clinical
20 situations in the state to be used to underwrite the salaries,
21 benefits and associated training and administration costs provided
22 for the physician interns and residents during their period of
23 training in such a way as to create an incentive for the development
24 and establishment of residency and internship positions by

1 hospitals, clinical establishments or by affiliation agreement with
2 the University of Oklahoma College of Medicine, University of
3 Oklahoma College of Medicine - Tulsa and the Oklahoma State
4 University College of Osteopathic Medicine ~~and Surgery~~ by providing
5 funds to cover and to supplement the nonreimbursable or additional
6 costs incurred in hospitals for training activities or for delivery
7 of service in outreach and ambulatory clinical situations which are
8 outside but associated with the hospitals and clinical
9 establishments participating in the program;

10 7. To review and to approve for inclusion in the programs
11 funded the applications for funds submitted by accredited hospitals
12 and clinical situations participating in physician training programs
13 in cooperation with the University of Oklahoma College of Medicine,
14 University of Oklahoma College of Medicine - Tulsa and the Oklahoma
15 State University College of Osteopathic Medicine ~~and Surgery~~ for the
16 costs of supplying residents and interns in programs which they
17 administer by affiliation agreements with hospitals and clinical
18 situations throughout the state in which the interns and residents
19 are supervised and funded by the University of Oklahoma College of
20 Medicine, University of Oklahoma College of Medicine - Tulsa and the
21 Oklahoma State University College of Osteopathic Medicine ~~and~~
22 ~~Surgery~~ and the hospitals and clinical establishments pay for the
23 patient care services rendered in their institutions by these
24 residents and interns during the period of training;

1 8. To determine the specific level of funding and the
2 priorities used for granting state support to approved hospitals and
3 clinical situations, in cooperation with the University of Oklahoma
4 College of Medicine, University of Oklahoma College of Medicine -
5 Tulsa and the Oklahoma State University College of Osteopathic
6 Medicine ~~and Surgery~~ for approved hospital physician training
7 programs for interns and residents and to recommend to the Governor
8 and the Oklahoma Legislature the total funds needed to carry out the
9 purpose of this program;

10 9. To employ a director and any staff personnel required to
11 administer the funding of approved physician training programs and
12 to contract with other state agencies and institutions to conduct
13 and to perform specified services, functions and aspects in
14 administering state funds on the specified cost-sharing basis
15 determined by the ~~Commission~~ Department or for developing programs
16 and community and institutional participation in these training
17 programs;

18 10. To ensure that hospitals or clinical situations that can
19 qualify in all sections of Oklahoma be utilized, and to take all
20 steps necessary to assist such hospitals or clinics in obtaining
21 necessary recognition or status, or in meeting standards for
22 accreditation or affiliation so that they may participate in these
23 physician training programs;

1 11. To ensure that in programs administered and operated by the
2 University of Oklahoma College of Medicine, University of Oklahoma
3 College of Medicine - Tulsa and the Oklahoma State University
4 College of Osteopathic Medicine ~~and Surgery~~ in hospitals and
5 clinical situations throughout the state that funds allocated to the
6 colleges are paid by the hospitals and clinical situations in which
7 the patient care services are rendered, the funds are expended for
8 such purposes in funding residents and interns in the physician
9 training programs that the colleges have established with the
10 approved hospitals and clinical situations which programs are
11 designed to provide primary health care services to the rural and
12 medically underserved parts of the state;

13 12. To conduct and to administer a program of physician and
14 health manpower placement services throughout the State of Oklahoma.
15 Placement services shall be made available to communities,
16 hospitals, health care facilities, physician and health professional
17 training institutions, health professional associations and
18 organizations, individual physicians, health professionals, students
19 in physician and health professional training institutions and
20 schools, and other interested parties in such a way so as to further
21 the purposes of improving the distribution of physicians and health
22 professionals practicing or available for practice in the state and
23 improving in the availability of health care services to the people
24 of the state. ~~Said~~ The placement service shall include but not be

1 limited to assisting communities in matching with, contacting and
2 recruiting physicians and health professionals to practice in
3 communities in the state. The ~~Commission~~ Department shall develop
4 criteria and procedures for the conduct and performance of placement
5 services and employ any staff, contract for services with any
6 private agency, nonprofit corporation or institution to facilitate
7 the performance of placement services.

8 SECTION 17. AMENDATORY 70 O.S. 2011, Section 697.6, is
9 amended to read as follows:

10 Section 697.6. Funds appropriated to carry out the provisions
11 of ~~this act~~ Section 697.1 et seq. of this title shall be allocated
12 so that no less than forty percent (40%) of all participating
13 residents and interns in each school year must participate in a
14 rural program outside the Oklahoma City and Tulsa metropolitan
15 areas. The ~~Physician Manpower Training Commission~~ State Board of
16 Health, in accordance with primary care specialty accreditation
17 standards, shall promulgate and adopt rules designating the time
18 allocation spent by the residents and interns participating in this
19 program outside the Oklahoma City and Tulsa metropolitan areas.

20 SECTION 18. AMENDATORY 70 O.S. 2011, Section 697.7, is
21 amended to read as follows:

22 Section 697.7. The ~~Physician Manpower Training Commission~~ State
23 Department of Health is hereby authorized to enter into contractual
24 arrangements with residency training programs at the University of

1 Oklahoma College of Medicine, University of Oklahoma College of
2 Medicine-Tulsa Medical College, or the Oklahoma State University
3 College of Osteopathic Medicine and Surgery, in order to enhance
4 available funding for the training of primary care residents and to
5 pay the cost of the salary stipend and expenses of the resident
6 physician for the period of time spent in the residency programs.
7 Monies received by the ~~Commission~~ Department from the participating
8 residency training program under the provisions of this section
9 shall be deposited to, and disbursed from, the "Residency Revolving
10 Fund" hereby created in the State Treasury. The fund shall be a
11 continuing fund not subject to legislative appropriation or fiscal
12 year limitations. Expenditures from the fund shall be made on
13 warrants issued by the State Treasurer against claims filed by the
14 ~~Commission~~ Department with the Director of the Office of State
15 Finance for approval and payment.

16 SECTION 19. AMENDATORY 70 O.S. 2011, Section 697.8, is
17 amended to read as follows:

18 Section 697.8. A community may enter into a contract with a
19 resident physician in training whereby the resident agrees to
20 establish a practice in the community upon the completion of his or
21 her residency. The ~~Physician Manpower Training Commission~~ State
22 Department of Health shall have the authority to receive funds
23 direct from that community for the purpose of paying the resident
24 involved to the extent of the contractual arrangements. Monies

1 received by the ~~Commission~~ Department under the provisions of this
2 section shall be deposited to, and disbursed from, the "Community
3 Residency Revolving Fund" hereby created in the State Treasury. The
4 fund shall be a continuing fund not subject to legislative
5 appropriation or fiscal year limitations. Expenditures from ~~said~~
6 the fund shall be made on warrants issued by the State Treasurer
7 against claims filed by the ~~Commission~~ Department with the Director
8 of State Finance for approval and payment.

9 SECTION 20. AMENDATORY 70 O.S. 2011, Section 697.9, is
10 amended to read as follows:

11 Section 697.9. There is hereby created and established the
12 Community Preceptor Physician Training and Work Experience
13 Scholarship Fund which fund shall be administered by the ~~Physician~~
14 ~~Manpower Training Commission~~ State Department of Health for the
15 purpose of providing state matching funds assistance and encouraging
16 the development of a program whereby the state in conjunction with
17 given communities, hospitals or clinical training situations funds
18 the stipends and living expenses for medical students who agree to
19 work in these given communities during the vacation times during the
20 course of their education in the University of Oklahoma College of
21 Medicine or the Oklahoma State University College of Osteopathic
22 Medicine ~~and Surgery~~. The ~~Commission~~ Department shall develop
23 procedures for determining the matching funds participation of
24 communities and of the state for a given student and coordinate with

1 the physician training institutions in the state for the selection
2 of students to participate in the program and the selection of
3 physicians who will supervise students and hospitals and clinical
4 situations in which the training and experience ~~occurs~~ occur in the
5 delivery of primary health care to rural and medically underserved
6 areas with the purpose of providing medical and osteopathic students
7 an opportunity to develop relationships with communities and
8 encourage them to locate their practices in areas of medical need.

9 SECTION 21. AMENDATORY 70 O.S. 2011, Section 697.10, is
10 amended to read as follows:

11 Section 697.10. A. ~~The Physician Manpower Training Commission~~
12 State Department of Health is authorized to enter into contractual
13 arrangements with individual hospitals and clinical programs for the
14 reimbursement of intern or resident salary cost not to exceed the
15 limits established by Section ~~697.2~~ 625.14 of this title. Provided,
16 that residency and internship positions created prior to the spring
17 semester 1975 shall be eligible for participation in the cost-
18 sharing program for internship and residency training as established
19 by Sections 697.1 through 697.8 of this title, only if partial
20 funding of ~~said~~ the positions will allow the creation of additional
21 positions in whole or in part at the participating hospital or
22 clinical situation. The participating hospital or clinical
23 situation shall document in a manner specified by the ~~Commission~~
24 Department the extent to which funding of a previously created and

1 established position contributes directly to the creation of
2 additional positions at the participating hospital or clinical
3 situation.

4 B. The ~~Commission~~ Department is authorized, in cooperation with
5 the Oklahoma Health Care Authority, to enter into contractual
6 arrangements with the University of Oklahoma College of Medicine and
7 the Oklahoma State University College of Osteopathic Medicine for
8 the reimbursement of intern and resident professional liability
9 insurance cost which shall not be subject to the limits established
10 in Section ~~697.2~~ 625.14 of this title. Any and all intern and
11 resident positions are eligible for reimbursement of intern and
12 resident professional liability insurance cost.

13 C. There is hereby created in the State Treasury a revolving
14 fund for the ~~Physician Manpower Training Commission~~ State Department
15 of Health to be designated the "Intern and Residents Professional
16 Liability Insurance Fund". The fund shall be a continuing fund, not
17 subject to fiscal year limitations, and shall consist of all monies
18 received by the ~~Physician Manpower Training Commission~~ Department
19 for reimbursement of intern and residency professional liability
20 insurance costs. All monies accruing to the credit of the fund are
21 hereby appropriated and may be budgeted and expended by the
22 ~~Physician Manpower Training Commission~~ Department for such costs.
23 Expenditures from the fund shall be made upon warrants issued by the
24

1 State Treasurer against claims filed as prescribed by law with the
2 Director of State Finance for approval and payment.

3 SECTION 22. AMENDATORY 70 O.S. 2011, Section 697.11, is
4 amended to read as follows:

5 Section 697.11. A. In addition to internship and residency
6 programs previously established and funded, it is the intent of the
7 Legislature that the ~~Physician Manpower Training Commission~~ State
8 Department of Health, in cooperation with the Oklahoma Health Care
9 Authority, establish a Critical Need Internship and Residency
10 Program. The purpose of the Program is to fund internship and
11 residency programs across the state in areas of critical need. The
12 determination of areas of critical need shall be made through a
13 cooperative effort between the University of Oklahoma College of
14 Medicine and the Oklahoma State University College of Osteopathic
15 Medicine. The findings shall be reported to the ~~Commission by July~~
16 ~~1, 2006, and~~ Department every three (3) years ~~thereafter~~.

17 B. The University of Oklahoma College of Medicine and the
18 Oklahoma State University College of Osteopathic Medicine shall
19 annually provide to the ~~Commission~~ Department a report outlining the
20 areas of physician shortages in each specialty area. The report
21 shall be the basis for the cooperative funding of critical need
22 physician specialties for the current fiscal year.

23 C. There is hereby created in the State Treasury a revolving
24 fund for the ~~Physician Manpower Training Commission~~ State Department

1 of Health to be designated the "Critical Need Internship and
2 Residency Fund". The fund shall be a continuing fund, not subject
3 to fiscal year limitations, and shall consist of all monies received
4 by the ~~Physician Manpower Training Commission~~ Department for funding
5 internship and residency programs in areas of critical need. All
6 monies accruing to the credit of the fund are hereby appropriated
7 and may be budgeted and expended by the ~~Physician Manpower Training~~
8 ~~Commission~~ Department for such costs. Expenditures from the fund
9 shall be made upon warrants issued by the State Treasurer against
10 claims filed as prescribed by law with the Director of State Finance
11 for approval and payment.

12 SECTION 23. AMENDATORY 70 O.S. 2011, Section 697.12, is
13 amended to read as follows:

14 Section 697.12. The ~~Physician Manpower Training Commission~~
15 State Department of Health shall establish and administer a cost-
16 sharing scholarship program for the provision of physician services
17 at the various correctional facilities under the Department of
18 Corrections and the surrounding or nearby communities. Except as
19 otherwise specified herein, the scholarship program shall be
20 administered pursuant to the requirements prescribed by law for and
21 as part of the Oklahoma Community Education Scholarship Program.
22 Each scholarship available hereunder shall be funded on a percentage
23 cost-sharing basis as follows: One-half (1/2) of the costs to be
24 provided by the ~~Commission~~ State Department of Health, one-fourth

1 (1/4) of the costs to be provided by the Department of Corrections
2 and one-fourth (1/4) of the costs to be provided by a community.
3 Each physician, who has participated in the scholarship program
4 hereunder, shall devote one-half (1/2) of his or her professional
5 time to medical care and treatment of inmates at a state
6 correctional facility and one-half (1/2) of his or her professional
7 time to medical services in the community which shared the cost of a
8 scholarship hereunder, for the period of time as required under the
9 Oklahoma Community Education Scholarship Program.

10 SECTION 24. AMENDATORY 70 O.S. 2011, Section 697.15, is
11 amended to read as follows:

12 Section 697.15. In order for any hospital or clinic to be
13 eligible to receive funds through the ~~Physician Manpower Training~~
14 ~~Commission~~ State Department of Health for residency or internship
15 positions, such hospital or clinic shall affirm that students
16 receiving their medical education in Oklahoma will be given special
17 consideration for all residency and internship positions.

18 SECTION 25. AMENDATORY 70 O.S. 2011, Section 697.17, is
19 amended to read as follows:

20 Section 697.17. A. There is hereby established the Nursing
21 Student Assistance Program which shall be administered by the
22 ~~Physician Manpower Training Commission~~ State Department of Health.
23 The purpose of the program shall be to encourage persons to enter
24 nursing education programs and to practice in areas of this state in

1 which there is an urgent need for nursing services or in
2 institutions or agencies of this state which provide funds on a
3 matching basis with the ~~Physician Manpower Training Commission~~
4 Department for the support of nursing students. The Nursing Student
5 Assistance Program shall be administered by rules adopted by the
6 ~~Physician Manpower Training Commission~~ State Board of Health.

7 B. Only students who are residents of this state shall be
8 eligible to participate in the Nursing Student Assistance Program.

9 C. If a person receiving Nursing Student Assistance Program
10 funds fails to fully comply with the provisions of the contract for
11 ~~said the~~ funds, the person shall refund to the ~~Physician Manpower~~
12 ~~Training Commission~~ Department all monies received by the person
13 pursuant to the provisions of the contract plus interest at the rate
14 of twelve percent (12%) from the date of disbursement of ~~said the~~
15 funds and shall be liable for any other liquidated damages as
16 specified in the contract.

17 D. There is hereby created in the State Treasury a revolving
18 fund for the ~~Physician Manpower Training Commission~~ State Department
19 of Health to be designated the "Nursing Student Assistance Fund".
20 The fund shall be a continuing fund, not subject to fiscal year
21 limitations, and shall consist of all nonappropriated monies,
22 including community match money of appropriated funds, grants,
23 gifts, and repayment of scholarships received by the ~~Physician~~
24 ~~Manpower Training Commission~~ Department pursuant to this section.

1 All monies accruing to the credit of ~~said~~ the fund are hereby
2 appropriated and may be budgeted and expended by the ~~Physician~~
3 ~~Manpower Training Commission~~ Department for such scholarships as may
4 be provided for pursuant to the Nursing Student Assistance Program.
5 Expenditures from ~~said~~ the fund shall be made upon warrants issued
6 by the State Treasurer against claims filed as prescribed by law
7 with the Director of State Finance for approval and payment.

8 SECTION 26. AMENDATORY 70 O.S. 2011, Section 697.18, is
9 amended to read as follows:

10 Section 697.18. A community may enter into a contract with a
11 physician who is a graduate from an accredited medical school
12 whereby such physician agrees to establish a practice in that
13 community. The ~~Physician Manpower Training Commission~~ State
14 Department of Health shall have the authority to receive funds
15 direct from that community for the purpose of paying the physician
16 involved to the extent of the contractual arrangement. Monies
17 received by the ~~Commission~~ Department under the provisions of this
18 section shall be deposited to and disbursed from, the "Community
19 Match Revolving Fund" hereby created in the State Treasury. The
20 fund shall be a continuing fund not subject to legislative
21 appropriation of fiscal year limitations. Expenditures from ~~said~~
22 the fund shall be made on warrants issued by the State Treasurer
23 against claims filed by the ~~Commission~~ Department with the Director
24 of State Finance for approval and payment.

1 SECTION 27. AMENDATORY 70 O.S. 2011, Section 697.19, is
2 amended to read as follows:

3 Section 697.19. A. There is hereby established the Omnibus
4 Budget Reconciliation Act Program (OBRA) which shall be administered
5 by the ~~Physician Manpower Training Commission~~ State Department of
6 Health. The purpose of the program shall be to encourage persons to
7 enter nursing education programs and to practice in nursing homes of
8 this state in which there is an urgent need for nursing services
9 which provide funds on a matching basis with the ~~Physician Manpower~~
10 ~~Training Commission~~ Department for the support of nursing students.
11 The OBRA Program shall be administered by rules under the Oklahoma
12 Nursing Student Assistance Program adopted by the ~~Physician Manpower~~
13 ~~Training Commission~~ State Board of Health.

14 B. Only students who are residents of this state shall be
15 eligible to participate in the OBRA Program.

16 C. If a person receiving OBRA Program funds fails to fully
17 comply with the provisions of the contract for ~~said~~ the funds, the
18 person shall refund to the ~~Physician Manpower Training Commission~~
19 Department all monies received by the person pursuant to the
20 provisions of the contract plus interest at the rate of twelve
21 percent (12%) from the date of disbursement of ~~said~~ the funds and
22 shall be liable for any other liquidated damages as specified in the
23 contract.

24

1 D. There is hereby created in the State Treasury a revolving
2 fund for the ~~Physician Manpower Training Commission~~ State Department
3 of Health to be designated the "OBRA Fund". The fund shall be a
4 continuing fund, not subject to fiscal year limitations, and shall
5 consist of all nonappropriated monies, including local nursing home
6 association match money of appropriated funds, grants, gifts, and
7 repayment of scholarships received by the ~~Physician Manpower~~
8 ~~Training Commission~~ Department pursuant to this section. All monies
9 accruing to the credit of ~~said~~ the fund are hereby appropriated and
10 may be budgeted and expended by the ~~Physician Manpower Training~~
11 ~~Commission~~ Department for such scholarships as may be provided for
12 pursuant to the OBRA Program. Expenditures from ~~said~~ the fund shall
13 be made upon warrants issued by the State Treasurer against claims
14 filed as prescribed by law with the Director of State Finance for
15 approval and payment.

16 SECTION 28. AMENDATORY 70 O.S. 2011, Section 697.20, is
17 amended to read as follows:

18 Section 697.20. A. There is hereby created the "Osteopathic
19 Internship and Residency Program" which shall be conducted and
20 administered by the ~~Physician Manpower Training Commission~~ State
21 Department of Health. The purpose of this program is to provide for
22 the fair and necessary distribution of funds allocated to it by the
23 Legislature to provide monies to the following programs under the
24 ~~Physician Manpower Training Program~~ Department:

- 1 1. The Doctor of Osteopathy Residency Program (OSU/COM);
- 2 2. The Osteopathic General Practice Residency Program
- 3 (OSU/COM); and
- 4 3. The Osteopathic Internship Program (OSU/COM).

5 B. The ~~Physician Manpower Training Commission~~ Department is
6 hereby authorized to distribute such monies to the funds specified
7 in Sections ~~697.2~~ 625.14 and 697.6 of this title necessary to fund
8 the programs specified in this section.

9 SECTION 29. AMENDATORY 70 O.S. 2011, Section 697.21, is
10 amended to read as follows:

11 Section 697.21. A. There is hereby established the Physician
12 Assistant Scholarship Program. The purpose of the program is to
13 encourage persons to enter physician assistant education programs
14 and to practice in rural and medically underserved areas of this
15 state. The Physician Assistant Scholarship Program shall be
16 administered by the ~~Physician Manpower Training Commission~~ State
17 Department of Health pursuant to rules promulgated by the ~~Commission~~
18 State Board of Health and shall be funded based on an annual
19 estimate of need as determined by the ~~Commission~~ Department. Awards
20 made pursuant to this Program shall be subject to the availability
21 of funds. The number of and amount of each award shall be
22 determined by the ~~Commission~~ Department based on the availability of
23 funds.

1 B. Only students who are residents of this state and who have
2 been admitted as a student in an accredited physician assistant
3 program shall be eligible to participate in the Physician Assistant
4 Scholarship Program.

5 C. If a person receiving Physician Assistant Scholarship
6 Program monies fails to fully comply with the provisions of the
7 contract for the monies, the person shall refund to the ~~Physician~~
8 ~~Manpower Training Commission~~ Department all monies received by the
9 person pursuant to the provisions of the contract plus interest at a
10 rate that equals the prime interest rate plus one percent (1%) from
11 the date of disbursement of the funds and shall be liable for any
12 other liquidated damages as specified in the contract.

13 D. There is hereby created in the State Treasury a revolving
14 fund for the ~~Physician Manpower Training Commission~~ State Department
15 of Health to be designated the "Physician Assistant Scholarship
16 Fund". The fund shall be a continuing fund, not subject to fiscal
17 year limitations, and shall consist of all monies received by the
18 ~~Physician Manpower Training Commission~~ Department for implementation
19 of the Physician Assistant Scholarship Program. All monies accruing
20 to the credit of the fund are hereby appropriated and may be
21 budgeted and expended by the ~~Physician Manpower Training Commission~~
22 Department for such scholarships as may be provided for pursuant to
23 the Physician Assistant Scholarship Program. Expenditures from the
24 fund shall be made upon warrants issued by the State Treasurer

1 against claims filed as prescribed by law with the Director of State
2 Finance for approval and payment.

3 SECTION 30. REPEALER 70 O.S. 2011, Sections 625.7,
4 697.2, 697.3, 697.4 and 697.16, are hereby repealed.

5 SECTION 31. This act shall become effective July 1, 2012.

6 SECTION 32. It being immediately necessary for the preservation
7 of the public peace, health and safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

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