ENGROSSED HOUSE AMENDMENT
TO
ENGROSSED SENATE BILL NO. 1526 By: Yen of the Senate

and

Cox of the House

[Physician Manpower Training Commission - funding - Oklahoma Rural Medical Education Loan and Scholarship Fund - revolving fund - Community Physician Education Scholarship Program Fund - eligibility - internships and residency trainings - Nursing Student Assistance Program - Omnibus Budget Reconciliation Act Program - Osteopathic Internship and Residency Program - Physician Assistant Scholarship Program - repealer - codification - ~~effective date~~ - ~~emergency~~]

AMENDMENT NO. 1. Strike the stricken title, enacting clause and entire bill and insert

"An Act relating to the Physician Manpower Training Commission; amending 63 O.S. 2011, Sections 1-2721 and 1-2723, which relate to the Oklahoma Medical Loan Repayment Program; modifying period for participating physician performance review; modifying conditions requiring loan repayment; clarifying references; limiting utilization of certain funds related to certain programs; amending 70 O.S. 2011, Sections 625.3, 625.4, 625.4a, as amended by Section 614, Chapter 304, O.S.L. 2012, 625.5, 625.6, 625.9 and 625.13 (70 O.S. Supp. 2015, Section 625.4a), which relate to the Oklahoma Rural Medical Education Loan and Scholarship Fund; modifying terms and conditions governing certain scholarships; clarifying references; limiting

reception of funds by the Physician Manpower Training Commission Revolving Fund; requiring certain signature on certain contract; amending 70 O.S. 2011, Section 697.2, Sections 697.10, 697.11, 697.17 and 697.21, as amended by Sections 617, 618, 619 and 622, Chapter 304, O.S.L. 2012 and Section 697.20 (70 O.S. Supp. 2015, Sections 697.10, 697.11, 697.17 and 697.21), which relate to the Physician Manpower Training Commission administration and programs; clarifying references; modifying repayment terms for noncompliant recipient of Nursing Student Assistance Program funds; and declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-2721, is amended to read as follows:

Section 1-2721. A. 1. The Physician Manpower Training Commission shall administer the Oklahoma Medical Loan Repayment Program.

2. For the purposes of this section, "primary care physicians" shall mean physicians practicing in family medicine, geriatrics, general internal medicine, general pediatrics, obstetrics/gynecology~~,~~ or emergency medicine.

3. The Program, depending upon and limited to available funding, shall provide educational loan repayment assistance to Oklahoma licensed primary care physicians who agree to establish a practice in a community located in Oklahoma approved by the Commission.

4. Each award shall be for a contracted period and shall be distributed to the participant by drafts made payable to the participant at the end of each contract year with disbursements not to exceed an amount to be established annually by the Commission. Prior to any disbursement, the Commission shall certify and properly review reports submitted by the participating physician detailing performance of activities in accordance with the Program.

5. ~~At the conclusion of an initial two-year period, the~~ The Commission shall review the performance in the Program of the participating physician and determine whether an award may be granted for additional years pursuant to rules promulgated by the Commission.

B. The physicians entering the Program each year shall agree to provide medical care and services in areas designated by the Commission to provide medical care and services to Medicaid recipients as authorized by the Oklahoma Health Care Authority.

C. A physician shall be eligible to participate in the loan repayment program if the physician:

1. Is licensed to practice medicine in Oklahoma;

2. Is a new primary care residency graduate. Preference will be given to graduates of the primary care residency programs affiliated with the Oklahoma State University College of Osteopathic Medicine, the University of Oklahoma College of Medicine and the teaching hospitals affiliated with both schools of medicine; or

3. Is a current practicing physician and has met criteria established by the Commission.

D. ~~The physician shall agree to practice in the designated need areas identified by the Commission for no fewer than two (2) consecutive years as a condition of the loan repayment. If the physician does not fulfill the service obligation, the Commission may collect from the participant the entire amount of loan payments made under the Program plus interest.~~

~~E.~~ The Commission shall present a report on the operation of the Program to the Governor, the Speaker of the House of Representatives~~,~~ and the President Pro Tempore of the Senate within one (1) month of the beginning of each regular session of the Legislature, including but not limited to the progress made in accomplishing the goal of the Program.

SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2723, is amended to read as follows:

Section 1-2723. A. The Physician Manpower Training Commission shall have the option of utilizing available funding in excess of the amount necessary to fund the Oklahoma Medical Loan Repayment Program described in Section 1-2721 of ~~Title 63 of the Oklahoma Statutes~~ <u>this title</u> to fund new or expanded primary care residency programs in rural and underserved areas of the state. Such new or expanded primary care residency program funding shall include but not be limited to:

1. Payments to hospitals desiring to establish new primary care residency programs. Such payments shall be made to cover the costs of salaries, benefits and educational costs of residents in training at the facility; or

2. Payments to hospitals with existing primary residency programs desiring to expand the number of residents participating in those programs. Such payments shall be made to cover the costs of salaries, benefits and educational costs of residents in training at the facility~~; or~~

~~3. Payments of stipends to residents of new or existing primary care residency programs in exchange for a commitment to serve in a rural or underserved area of the state as designated by the Commission~~.

B. Provisions of this section shall be subject to the promulgated rules of the Commission.

SECTION 3. AMENDATORY 70 O.S. 2011, Section 625.3, is amended to read as follows:

Section 625.3 A. The terms and conditions governing the scholarships shall be as prescribed and formulated by the Physician Manpower Training Commission, but shall include the condition that each recipient, upon completion of his course of study, shall repay his scholarship by practicing his profession in a rural community in Oklahoma ~~having a population of seven thousand five hundred (7,500) persons or less according to the last preceding United States~~

~~Decennial Census and~~ having a need therefor, as determined by the Commission, for one (1) year for each one (1) year the scholarship is financed; provided, however, that the recipient will be given no credit for payment and reduction of said obligation by serving in the defined rural communities for a period less than two (2) years.

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

~~C.~~ The terms of this subsection shall apply to recipients who accept assistance on or after July 1, 1993. The contract shall provide that in the event the recipient breaches the terms of the contract by not serving the designated community for the specified

period of time, the Commission shall be entitled to recover an amount equal to three (3) times the principal disbursed, pursuant to the contract, plus interest. Interest on all amounts paid to or on behalf of the participant shall be computed at the current prime rate plus one percent (1%) with said interest to accrue from the date each payment is made, pursuant to the contract. The amount the Commission is entitled to recover shall be paid within ninety (90) days of the date the recipient becomes liable as determined by the Commission.

SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4, is amended to read as follows:

Section 625.4 The Physician Manpower Training Commission shall promulgate and adopt such rules and regulations as may be necessary to carry out the provisions of this act. The Commission shall prescribe the form and regulate the submission of applications for scholarship; conduct conferences and interviews with applicants; determine the eligibility of applicants; allow or disallow all applications for scholarships or renewal of scholarships; contract, increase, decrease, terminate and otherwise regulate all grants for scholarships and their repayment in cash or services; and manage, operate and control all funds and property appropriated or otherwise contributed for this purpose. The Commission may acquire property or money by the acceptance of gifts, grants, bequests or devise, and may contract with the federal government in order to secure the

benefit of any federal program consistent with the provisions of this act. Monies received by the Commission in repayment of scholarships granted from appropriated funds shall be deposited with the State Treasurer who shall place the same to the credit of the Commission in depository funds to be known as the "Rural Medical Education Scholarship Fund" and the "Community Physician Education Scholarship Fund" depending on the program in which the recipient participated, under and subject exclusively to the control of the Commission for the purpose of fulfilling and accomplishing the conditions and purposes of the ~~Physician Manpower Training~~ Commission. All monies so collected and deposited in the State Treasury as aforesaid shall constitute a continuing fund, shall not be subject to fiscal limitations, and the unexpended balance shall at all times be available for expenditures for the purposes and in the manner and form provided by this act. All funds and property, and income therefrom, received by the Commission through the acceptance of gifts, grants, bequests or devise shall be held by the Commission in trust, and may be sold, transferred, invested and reinvested by the Commission in accordance with the provisions of the Oklahoma Trust Act, and all such funds and property, and income therefrom, shall be used by the Commission in fulfilling and accomplishing the conditions and purposes of the ~~Physician Manpower Training~~ Commission.

SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.4a, as amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 625.4a), is amended to read as follows:

Section 625.4a There is hereby created in the State Treasury a revolving fund for the Physician Manpower Training Commission to be designated the "Physician Manpower Training Commission Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all payments received by the Commission pursuant to ~~Sections~~ Section 625.3 ~~and 625.10a of this title and all payments received by the Commission pursuant to the Allied Health Placement Program and the Nursing Home Demonstration Program~~ of this title. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training~~ Commission for any expenses incurred in the implementation of its duties. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 6. AMENDATORY 70 O.S. 2011, Section 625.5, is amended to read as follows:

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

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

2. Is a bona fide resident of Oklahoma;

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

4. Is a person of good moral character;

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

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

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

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

In determining an applicant's capacity to profit by the course of study desired, the Physician Manpower Training Commission shall consider the applicant's previous scholastic record, the results of examinations conducted under the provisions of Section 625.1 et seq. of this title~~,~~ and the results of interviews and such other tests or examinations which the Commission may deem advisable. In establishing an applicant's financial need, the Commission shall

conduct a thorough and complete investigation of the financial resources of the applicant and family.

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

C. The method of payment of funds to each recipient of a scholarship grant shall be in accordance with rules formulated by the Commission governing the grants for each type of scholarship.

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

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

2. Remains a resident of Oklahoma; and

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

E. The Commission shall make an annual report to the Governor and Legislature on the activities of the Commission. This report

shall include the names of the recipients of the scholarships, the amount of the scholarship awards, an accounting of the funds expended on scholarships and on the administration of the program and a budget requesting the funds necessary for the operation of the Commission. The report shall also include an accounting of repayments of scholarships, whether by services or in cash including interest.

SECTION 7. AMENDATORY 70 O.S. 2011, Section 625.6, is amended to read as follows:

Section 625.6 Each applicant, before being granted a scholarship, shall enter into a contract with the Physician Manpower Training Commission agreeing to the terms and conditions upon which the scholarship shall be granted to ~~him~~ the applicant. Said contract shall include such terms and provisions as will carry out the full purpose and intent of this act and the form thereof shall be prepared and approved by the Attorney General. ~~Said contracts~~ The contract shall be signed by the ~~Secretary~~ Director on behalf of the Commission and by the applicant. The Commission is hereby vested with full and complete authority and power to sue in its own name any applicant for any balance due the Commission on any contract. The Commission shall have authority to cancel any contract made between it and any recipient of a scholarship upon cause deemed sufficient by the Commission.

SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.9, is amended to read as follows:

Section 625.9 The administration of the Oklahoma Rural Medical Education Loan and Scholarship Fund is hereby transferred to the Physician Manpower Training Commission as established by law. All the powers, duties, responsibilities, rules and regulations and functions of the Board of Trustees of the Oklahoma Rural Medical Education Scholarship Fund are hereby transferred to the ~~Physician Manpower Training~~ Commission and the Board of Trustees of the Oklahoma Rural Medical Education Scholarship Fund is hereby abolished and terminated.

SECTION 9. AMENDATORY 70 O.S. 2011, Section 625.13, is amended to read as follows:

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

1. The Community Matching Intern/Resident Program;

2. The Oklahoma Rural Medical Education Loan Scholarship Program;

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

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

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

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

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

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

SECTION 10. AMENDATORY 70 O.S. 2011, Section 697.2, is amended to read as follows:

Section 697.2 ~~There is hereby re-created the~~ The Physician Manpower Training Commission~~, hereafter referred to as the Commission,~~ is authorized to establish and administer cost-sharing programs for internship and residency physician training, which Commission shall provide for state assistance by sharing the cost on a percentage basis, as may be prescribed by law or as determined by the Commission, of the salary, fringe benefits, training and program administration of the interns and residents as may be arranged by contract for reimbursement with an accredited and approved hospital and accredited clinical programs throughout the state in cooperation with the Oklahoma State University College of Osteopathic Medicine, which physician training institutions in the state shall serve as the administrative agent for internship and residency programs which are located in hospitals and clinical training programs throughout the state, which programs are affiliated with said institutions and approved for funding by the Commission. The Commission shall

conduct the planning, coordination and selection of said training programs to assure the effective and efficient operation of these programs. Not less than fifty percent (50%) of the subsidy for these programs shall be used in the training of primary health care and family/general practice physicians for the rural and medically underserved areas of the state. Provided that such subsidy may be used for the primary purpose of increasing the total number of residencies funded by the State of Oklahoma, wherever located within the state, during that period in which residency programs are being established in rural areas; provided further, that as said residency programs are established and accredited in rural hospitals, residency positions in such programs shall be first provided for by the Commission. The Commission shall present a report to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate within one (1) month of the beginning of each regular legislative session on the operation of the programs including the progress made in accomplishing the goals of physician training as to type of specialties and manpower placement of the kind necessary to provide adequate health care to the people throughout the State of Oklahoma. The subsidy to the participating hospital, clinical situation or training institution per resident or intern shall not exceed any maximum or minimum amount as may be prescribed by law or as determined by the Commission. The actual amount of subsidy for physician training

program situations shall be based upon a determination by the Commission of:

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

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

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

SECTION 11. AMENDATORY 70 O.S. 2011, Section 697.10, as amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.10), is amended to read as follows:

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

previously created and established position contributes directly to the creation of additional positions at the participating hospital or clinical situation.

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

C. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training~~ Commission to be designated the "Intern and Residents Professional Liability Insurance Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Physician Manpower Training~~ Commission for reimbursement of intern and residency professional liability insurance costs. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training~~ Commission for such costs. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as

prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 12. AMENDATORY 70 O.S. 2011, Section 697.11, as amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.11), is amended to read as follows:

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

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

C. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training~~ Commission to be designated the "Critical Need Internship and Residency Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Physician Manpower Training~~ Commission for funding internship and residency programs in areas of critical need. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training~~ Commission for such costs. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 13. AMENDATORY 70 O.S. 2011, Section 697.17, as amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.17), is amended to read as follows:

Section 697.17 A. There is hereby established the Nursing Student Assistance Program which shall be administered by the Physician Manpower Training Commission. The purpose of the program shall be to encourage persons to enter nursing education programs and to practice in areas of this state in which there is an urgent need for nursing services or in institutions or agencies of this state which provide funds on a matching basis with the ~~Physician Manpower Training~~ Commission for the support of nursing students.

The Nursing Student Assistance Program shall be administered by rules adopted by the ~~Physician Manpower Training~~ Commission.

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

C. If a person receiving Nursing Student Assistance Program funds fails to fully comply with the provisions of the contract for said funds, the person shall refund to the ~~Physician Manpower Training~~ Commission all monies received by the person pursuant to the provisions of the contract plus ~~interest at the rate of twelve percent (12%) from the date of disbursement of said funds and shall be liable for any other liquidated damages as specified in the contract~~ a one-time liquidated damages assessment of five percent (5%) of the total amount disbursed to said recipient in lieu of interest. If the obligation was partially fulfilled, the Commission shall prorate the amount to be repaid.

D. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training~~ Commission to be designated the "Nursing Student Assistance Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all nonappropriated monies, including community match money of appropriated funds, grants, gifts, and repayment of scholarships received by the ~~Physician Manpower Training~~ Commission. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the ~~Physician~~

~~Manpower Training~~ Commission for such scholarships as may be provided for pursuant to the Nursing Student Assistance Program. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 14. AMENDATORY 70 O.S. 2011, Section 697.20, is amended to read as follows:

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

1. The Doctor of Osteopathy Residency Program (OSU/COM);

2. The Osteopathic General Practice Residency Program (OSU/COM); and

3. The Osteopathic Internship Program (OSU/COM).

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

SECTION 15. AMENDATORY 70 O.S. 2011, Section 697.21, as amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.21), is amended to read as follows:

Section 697.21 A. There is hereby established the Physician Assistant Scholarship Program. The purpose of the program is to encourage persons to enter physician assistant education programs and to practice in rural and medically underserved areas of this state. The Physician Assistant Scholarship Program shall be administered by the Physician Manpower Training Commission pursuant to rules promulgated by the Commission and shall be funded based on an annual estimate of need as determined by the Commission. Awards made pursuant to this Program shall be subject to the availability of funds. The number of and amount of each award shall be determined by the Commission based on the availability of funds.

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

C. If a person receiving Physician Assistant Scholarship Program monies fails to fully comply with the provisions of the contract for the monies, the person shall refund to the ~~Physician Manpower Training~~ Commission all monies received by the person pursuant to the provisions of the contract plus interest at a rate that equals the prime interest rate plus one percent (1%) from the

date of disbursement of the funds and shall be liable for any other liquidated damages as specified in the contract.

D. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training~~ Commission to be designated the "Physician Assistant Scholarship Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Physician Manpower Training~~ Commission for implementation of the Physician Assistant Scholarship Program. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training~~ Commission for such scholarships as may be provided for pursuant to the Physician Assistant Scholarship Program. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 16. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval."

Passed the House of Representatives the 12th day of April, 2016.

_____
Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2016.

_____
Presiding Officer of the Senate

ENGROSSED SENATE
BILL NO. 1526 By: Yen of the Senate

and

Cox of the House

[Physician Manpower Training Commission - funding - Oklahoma Rural Medical Education Loan and Scholarship Fund - revolving fund - Community Physician Education Scholarship Program Fund - eligibility - internships and residency trainings - Nursing Student Assistance Program - Omnibus Budget Reconciliation Act Program - Osteopathic Internship and Residency Program - Physician Assistant Scholarship Program - repealer - codification - ~~effective date~~ - ~~emergency~~]

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

SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-2721, is amended to read as follows:

Section 1-2721. A. 1. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall administer the Oklahoma Medical Loan Repayment Program.

2. For the purposes of this section, "primary care physicians" shall mean physicians practicing in family medicine, geriatrics, general internal medicine, general pediatrics, obstetrics/gynecology~~,~~ or emergency medicine.

3. The Program, depending upon and limited to available funding, shall provide educational loan repayment assistance to

Oklahoma licensed primary care physicians who agree to establish a practice in a community located in Oklahoma approved by the ~~Commission~~ Department.

4. Each award shall be for a contracted period and shall be distributed to the participant by drafts made payable to the participant at the end of each contract year with disbursements not to exceed an amount to be established annually by the ~~Commission~~ Department. Prior to any disbursement, the ~~Commission~~ Department shall certify and properly review reports submitted by the participating physician detailing performance of activities in accordance with the Program.

5. At the conclusion of an initial two-year period, the ~~Commission~~ Department shall review the performance in the Program of the participating physician and determine whether an award may be granted for additional years pursuant to rules promulgated by the ~~Commission~~ Department.

B. The physicians entering the Program each year shall agree to provide medical care and services in areas designated by the ~~Commission~~ Department to provide medical care and services to Medicaid recipients as authorized by the Oklahoma Health Care Authority.

C. A physician shall be eligible to participate in the loan repayment program if the physician:

1. Is licensed to practice medicine in Oklahoma;

2. Is a new primary care residency graduate. Preference will be given to graduates of the primary care residency programs affiliated with the Oklahoma State University College of Osteopathic Medicine, the University of Oklahoma College of Medicine and the teaching hospitals affiliated with both schools of medicine; or

3. Is a current practicing physician and has met criteria established by the ~~Commission~~ Department.

D. The physician shall agree to practice in the designated need areas identified by the ~~Commission~~ Department for no fewer than two (2) consecutive years as a condition of the loan repayment. If the physician does not fulfill the service obligation, the ~~Commission~~ Department may collect from the participant the entire amount of loan payments made under the Program plus interest.

E. The ~~Commission~~ Department shall present a report on the operation of the Program to the Governor, the Speaker of the House of Representatives~~,~~ and the President Pro Tempore of the Senate within one (1) month of the beginning of each regular session of the Legislature, including but not limited to the progress made in accomplishing the goal of the Program.

SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2722, is amended to read as follows:

Section 1-2722. The amount of the award of educational loan repayment assistance shall not exceed any maximum or minimum amount as promulgated by rules of the ~~Physician Manpower Training~~

~~Commission~~ Oklahoma Department of Commerce pursuant to the Oklahoma Medical Loan Repayment Program. The actual amount of the award shall be based upon a determination of:

1. Actual funds available to the Program for expenditure; and

2. The existing student loan indebtedness of the participating physician.

SECTION 3. AMENDATORY 63 O.S. 2011, Section 1-2723, is amended to read as follows:

Section 1-2723. A. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall have the option of utilizing available funding in excess of the amount necessary to fund the Oklahoma Medical Loan Repayment Program described in Section 1-2721 of ~~Title 63 of the Oklahoma Statutes~~ this title to fund new or expanded primary care residency programs in rural and underserved areas of the state. Such new or expanded primary care residency program funding shall include but not be limited to:

1. Payments to hospitals desiring to establish new primary care residency programs. Such payments shall be made to cover the costs of salaries, benefits and educational costs of residents in training at the facility;

2. Payments to hospitals with existing primary residency programs desiring to expand the number of residents participating in those programs. Such payments shall be made to cover the costs of

salaries, benefits and educational costs of residents in training at the facility; or

3. Payments of stipends to residents of new or existing primary care residency programs in exchange for a commitment to serve in a rural or underserved area of the state as designated by the ~~Commission~~ Department.

B. Provisions of this section shall be subject to the promulgated rules of the ~~Commission~~ Department.

SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.1, is amended to read as follows:

Section 625.1. There is hereby established the Oklahoma Rural Medical Education Loan and Scholarship Fund. The fund shall be administered by the ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce under the provisions of Section 625.9 of this title.

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

Section 625.2. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall be authorized and empowered to grant scholarships to qualified students who are bona fide residents of the State of Oklahoma and who would not otherwise have funds necessary to finance the cost of a program of study leading to the Degree of Doctor of Medicine, or to the Degree of Doctor of

Osteopathic Medicine, to be granted by an accredited and recognized college of medicine or college of osteopathic medicine.

SECTION 6. AMENDATORY 70 O.S. 2011, Section 625.3, is amended to read as follows:

Section 625.3. A. The terms and conditions governing the scholarships shall be as prescribed and formulated by the ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce, but shall include the condition that each recipient, upon completion of his course of study, shall repay his scholarship by practicing his profession in a rural community in Oklahoma having a population of seven thousand five hundred (7,500) persons or less according to the last preceding United States Decennial Census and having a need therefor, as determined by the ~~Commission~~ Department, for one (1) year for each one (1) year the scholarship is financed; provided, however, that the recipient will be given no credit for payment and reduction of said obligation by serving in the defined rural communities for a period less than two (2) years.

B. The terms of this subsection shall apply to recipients who accept assistance before July 1, 1993. The contract shall provide that in the event the recipient breaches the terms of the contract by not serving the designated community for the specified period of time he shall pay liquidated damages in an amount agreed upon by the ~~Commission~~ Department and the recipient and representing a reasonable estimate of the damage or loss to the community or the

state. Said damages shall not exceed one hundred percent (100%) of the principal. After payment of the liquidated damages, repayment of the principal may be made in cash with interest at the rate of twelve percent (12%) per annum, said interest to accrue from the date each payment is made pursuant to the scholarship. No interest however shall accrue during any one period of time that the recipient thereof is required to serve in the Armed Forces of the United States or during any period of internship.

C. The terms of this subsection shall apply to recipients who accept assistance on or after July 1, 1993. The contract shall provide that in the event the recipient breaches the terms of the contract by not serving the designated community for the specified period of time, the ~~Commission~~ Department shall be entitled to recover an amount equal to three times the principal disbursed, pursuant to the contract, plus interest. Interest on all amounts paid to or on behalf of the participant shall be computed at the current prime rate plus one percent (1%) with said interest to accrue from the date each payment is made, pursuant to the contract. The amount the ~~Commission~~ Department is entitled to recover shall be paid within ninety (90) days of the date the recipient becomes liable as determined by the ~~Commission~~ Department.

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

Section 625.4. The ~~Commission~~ Oklahoma Department of Commerce shall promulgate and adopt such rules and regulations as may be necessary to carry out the provisions of this act. The ~~Commission~~ Department shall prescribe the form and regulate the submission of applications for scholarship; conduct conferences and interviews with applicants; determine the eligibility of applicants; allow or disallow all applications for scholarships or renewal of scholarships; contract, increase, decrease, terminate and otherwise regulate all grants for scholarships and their repayment in cash or services; and manage, operate and control all funds and property appropriated or otherwise contributed for this purpose. The ~~Commission~~ Department may acquire property or money by the acceptance of gifts, grants, bequests or devise, and may contract with the federal government in order to secure the benefit of any federal program consistent with the provisions of this act. Monies received by the ~~Commission~~ Department in repayment of scholarships granted from appropriated funds shall be deposited with the State Treasurer who shall place the same to the credit of the ~~Commission~~ Department in depository funds to be known as the "Rural Medical Education Scholarship Fund" and the "Community Physician Education Scholarship Fund" depending on the program in which the recipient participated, under and subject exclusively to the control of the ~~Commission~~ Department for the purpose of fulfilling and accomplishing the conditions and purposes of the ~~Physician Manpower~~

~~Training Commission~~ Department. All monies so collected and deposited in the State Treasury as aforesaid shall constitute a continuing fund, shall not be subject to fiscal limitations, and the unexpended balance shall at all times be available for expenditures for the purposes and in the manner and form provided by this act. All funds and property, and income therefrom, received by the ~~Commission~~ Department through the acceptance of gifts, grants, bequests or devise shall be held by the ~~Commission~~ Department in trust, and may be sold, transferred, invested and reinvested by the ~~Commission~~ Department in accordance with the provisions of the Oklahoma Trust Act, and all such funds and property, and income therefrom, shall be used by the ~~Commission~~ Department in fulfilling and accomplishing the conditions and purposes of the ~~Physician Manpower Training Commission~~ Department.

SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.4a, as amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 625.4a), is amended to read as follows:

Section 625.4a. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce to be designated the "Physician Manpower Training ~~Commission~~ Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all payments received by the ~~Commission~~ Department pursuant to Sections 625.3 and 625.10a of this title and all

payments received by the ~~Commission~~ Department pursuant to the Allied Health Placement Program and the Nursing Home Demonstration Program. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training Commission~~ Department for any expenses incurred in the implementation of its duties. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 9. AMENDATORY 70 O.S. 2011, Section 625.5, is amended to read as follows:

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

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

2. Is a bona fide resident of Oklahoma;

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

4. Is a person of good moral character;

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

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

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

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

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

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

C. The method of payment of funds to each recipient of a scholarship grant shall be in accordance with rules formulated by

the ~~Commission~~ Department governing the grants for each type of scholarship.

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

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

2. Remains a resident of Oklahoma; and

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

E. The ~~Commission~~ Department shall make an annual report to the Governor and Legislature on the activities of the ~~Commission~~ Department. This report shall include the names of the recipients of the scholarships, the amount of the scholarship awards, an accounting of the funds expended on scholarships and on the administration of the program and a budget requesting the funds necessary for the operation of the ~~Commission~~ Department. The report shall also include an accounting of repayments of scholarships, whether by services or in cash including interest.

SECTION 10. AMENDATORY 70 O.S. 2011, Section 625.6, is amended to read as follows:

Section 625.6. Each applicant, before being granted a scholarship, shall enter into a contract with the ~~Commission~~ Oklahoma Department of Commerce agreeing to the terms and conditions upon which the scholarship shall be granted to ~~him~~ the applicant. Said contract shall include such terms and provisions as will carry out the full purpose and intent of this act and the form thereof shall be prepared and approved by the Attorney General. ~~Said contracts~~ The contract shall be signed by the Secretary of Commerce and Tourism on behalf of the ~~Commission~~ Department and by the applicant. The ~~Commission~~ Department is hereby vested with full and complete authority and power to sue in its own name any applicant for any balance due the ~~Commission~~ Department on any contract. The ~~Commission~~ Department shall have authority to cancel any contract made between it and any recipient of a scholarship upon cause deemed sufficient by the ~~Commission~~ Department.

SECTION 11. AMENDATORY 70 O.S. 2011, Section 625.9, is amended to read as follows:

Section 625.9. The administration of the Oklahoma Rural Medical Education Loan and Scholarship Fund is hereby transferred to the ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce as established by law. All the powers, duties, responsibilities, rules and regulations and functions of the Board

of Trustees of the Oklahoma Rural Medical Education Scholarship Fund are hereby transferred to the ~~Physician Manpower Training Commission~~ Department and The Board of Trustees of the Oklahoma Rural Medical Education Scholarship Fund is hereby abolished and terminated.

SECTION 12. AMENDATORY 70 O.S. 2011, Section 625.10a, is amended to read as follows:

Section 625.10a. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce is hereby authorized and empowered to establish and administer cost-sharing scholarships and loan fund programs which shall provide for state assistance to and participation with community physician education and scholarship trust funds which are selected and approved by the ~~Commission~~ Department. ~~Said~~ The state assistance and participation shall be on a state and community matching formula basis for the funding of the educational costs, fees and charges of a selected and qualified student in good standing and who is duly enrolled in an accredited college of medicine or college of osteopathic medicine and pursuing a course of study leading to the degree of Doctor of Medicine or to the degree of Doctor of Osteopathic Medicine. Said student shall be a bona fide resident of the State of Oklahoma who desires and agrees to practice his profession on completion of the course of study and training required for licensure and certification in the community providing the initial funds to be matched by the state funds. Communities shall deposit the initial trust funds with the ~~Physician~~

~~Manpower Training Commission~~ Department to be administered and matched by the ~~Commission~~ Department for the education of selected and qualified students to serve and to practice in the communities with trust funds so established for that purpose with the ~~Commission~~ Department. The ~~Commission~~ Department shall aid and advise communities in the selection of qualified students to participate in a given community scholarship program and the ~~Commission~~ Department shall approve the selection of a given student for a particular community physician education scholarship trust fund matching program. The ~~Commission~~ Department shall determine the percentage share for the state in the scholarship matching program with a given community to educate a given and duly selected student on the basis of the extent of need of the community and its surrounding area for the services of a practicing physician, the amount of the initial trust funds the community has raised and deposited in the physician education scholarship trust fund that is duly established and the matching funds schedule developed by the ~~Commission~~ Department and based upon both the population of the community determined by the latest Federal Decennial Census and the estimated median family annual income level as determined on the basis of the estimates of the ~~Oklahoma~~ Department ~~of Commerce~~. The state matching assistance and participation in a given scholarship trust fund program shall not exceed seventy-five percent (75%) of the total amount calculated to be necessary to fund the costs of a course of study for the

degree of Doctor of Medicine or the degree of Doctor of Osteopathic Medicine as determined annually by the ~~Commission~~ Department. Repayment of the total amount of the scholarship by the student on completion of his course of study and on the establishment of his practice in the community shall be made to the state fund and to the community trust fund in accordance with the percentage and total amounts contributed by the state and by the community to the matching scholarship trust fund program and in accordance with the provisions of Section 625.5 of this title and contract requirements of Section 625.6 of this title which shall apply in all cases to students participating in said community physician education scholarship trust fund programs administered by the ~~Commission~~ Department with the exception of the maximum amount allowable in payment to the student which shall be based on an annual review of the costs, fees and charges of the school of medicine or school of osteopathic medicine in which the student is enrolled and participating which shall be made by the ~~Commission~~ Department.

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

1. Communities desiring to participate in a loan and scholarship program shall select a student who meets the

requirements for participation and give notice to the ~~Commission~~ Department.

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

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

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

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

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

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

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

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

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

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

Each student who applies to participate in a community and state matching loan and scholarship program shall enter into a contract administered by the ~~Commission~~ Department on behalf of the state and a given community which has provided the initial scholarship funds to educate a selected student. The contract shall be between the State of Oklahoma and the selected student by which contract the student agrees to return to the community which provided the initial loan and scholarship funds and to practice his profession, on

completion of the course of study and training required for licensure and certification, for the number of years for which the student received assistance from the community and the state and in accordance with the conditions specified in the contract agreed to by the student and the given community which selected the student. Any repayment of the total amount of the scholarship or any portion thereof as provided in this act and in the contract between the state and the student shall be made to the state deposited into the Community Matching Loan and Scholarship Repayment Revolving Fund hereby created in the State Treasury. The community portion of any repayment monies deposited in said fund shall be withdrawn from the revolving fund and returned to the community on request or, if the community so chooses, said repayment monies shall be held available in said fund for reallocation by the community and the state to the Community Physician Education Loan and Scholarship Program Fund to educate another student selected by the community and approved by the ~~Commission~~ Department. The form of the contracts shall be prepared and approved by the Attorney General. The ~~Commission~~ Department is hereby vested with full and complete authority and power to sue in its own name any applicant for any balance due the ~~Commission~~ Department for repayment of the scholarship on any contract or for failure by the applicant to fulfill the terms of his contract in any way. Said contracts shall be signed by the ~~Chairman of the Commission~~ Executive Director of the Department and by the

student for and by a representative of the community which selected the student. The ~~Commission~~ Department shall have authority to cancel the contract it makes between the ~~Commission~~ Department and any recipient of a scholarship upon cause deemed sufficient by the ~~Commission~~ Department.

SECTION 13. AMENDATORY 70 O.S. 2011, Section 625.11, is amended to read as follows:

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

SECTION 14. AMENDATORY 70 O.S. 2011, Section 625.12, is amended to read as follows:

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

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

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

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

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

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

6. That the student has successfully completed the program of instruction prerequisite for admission to or continuation in the program of study provided for in this act and has applied and been accepted or is currently a student at an accredited school of medicine or school of osteopathic medicine;

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

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

In determining an applicant student's capacity to profit by the course of study he desires to pursue, the ~~Commission~~ Department shall consider his previous scholastic record, the results of examinations conducted under the provisions of this act, and the results of interviews and such other tests or examinations which the ~~Commission~~ Department may deem advisable.

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

B. The method of payment of funds to each student participating in the scholarship program shall be in accordance with rules formulated by the ~~Commission~~ Department governing the grants for each type of scholarship involved.

C. Each scholarship shall be renegotiated annually by the ~~Commission~~ Department to determine if a change has occurred in the ability of the community to match funds at the agreed level or if a change has occurred in the student's financial need or desire to practice in the community providing the initial funds. Each scholarship may be renewed annually for the number of years required to complete the course of study in which the recipient is engaged.

The ~~Commission~~ Department shall grant such an annual renewal only upon the recipient's application and upon the ~~Commission's~~ Department's finding that the student has completed successfully the work of the preceding year and presented evidence that he is a student in good standing, and that he remains a resident of Oklahoma.

SECTION 15. AMENDATORY 70 O.S. 2011, Section 625.13, is amended to read as follows:

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

1. The Community Matching Intern/Resident Program;

2. The Oklahoma Rural Medical Education Loan Scholarship Program;

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

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

The ~~Physician Manpower Training Commission~~ Department is hereby authorized to distribute such monies to the funds specified in

Sections 625.1, 625.4a and 697.18 of this title necessary to fund the programs specified in this section.

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

C. The ~~Physician Manpower Training Commission~~ Department shall establish and administer a Family/General Practice Residency Grant Program for the purpose of assisting Oklahoma's rural communities by providing financial assistance through a grant program to residents enrolled in an accredited Family Practice or General Practice residency program. The ~~Commission~~ Department shall establish the eligibility standards, the amount of the grant not to exceed Five Thousand Dollars ($5,000.00) per year, up to three (3) years, the program obligations of the recipient of the grant, and any penalties related to the breach of the grant obligations or failure to repay the grant plus interest.

SECTION 16. AMENDATORY 70 O.S. 2011, Section 625.14, is amended to read as follows:

Section 625.14. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall establish and administer cost-sharing programs for internship and residency physician training, which ~~Commission~~ the Department shall provide for state assistance by sharing the cost on a percentage basis, as may be prescribed by law or as determined by the ~~Commission~~ Department, of the salary, fringe benefits, training and program administration of the interns and residents as may be arranged by contract for reimbursement with an accredited and approved hospital and accredited clinical programs throughout the state in cooperation with the University of Oklahoma College of Medicine and the University of Oklahoma College of Medicine at Tulsa, which physician training institutions in the state shall serve as the administrative agent for internship and residency programs which are located in hospitals and clinical training programs throughout the state, which programs are affiliated with said institutions and approved for funding by the ~~Commission~~ Department. The ~~Commission~~ Department shall conduct the planning, coordination and selection of said training programs to assure the effective and efficient operation of these programs. Not less than fifty percent (50%) of the subsidy for these programs shall be used in the training of primary health care and family practice physicians for the rural and medically underserved areas of

the state. Provided that such subsidy may be used for the primary purpose of increasing the total number of residencies funded by the State of Oklahoma, wherever located within the state, during that period in which residency programs are being established in rural areas; provided further, that as said residency programs are established and accredited in rural hospitals, residency positions in such programs shall be first provided for by the ~~Commission~~ Department. The ~~Commission~~ Department shall present a report to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate within one (1) month of the beginning of each regular legislative session on the operation of the programs including the progress made in accomplishing the goals of physician training as to type of specialties and manpower placement of the kind necessary to provide adequate health care to the people throughout the State of Oklahoma. The subsidy to the participating hospital, clinical situation or training institution per resident or intern shall not exceed any maximum or minimum amount as may be prescribed by law or as determined by the ~~Commission~~ Department. The actual amount of subsidy for physician training program situations shall be based upon a determination by the ~~Commission~~ Department of:

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

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

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

SECTION 17. AMENDATORY 70 O.S. 2011, Section 697.2, is amended to read as follows:

Section 697.2. ~~There is hereby re-created the Physician Manpower Training Commission, hereafter referred to as the Commission,~~ The Oklahoma Department of Commerce is authorized to establish and administer cost-sharing programs for internship and residency physician training, which ~~Commission~~ the Department shall provide for state assistance by sharing the cost on a percentage basis, as may be prescribed by law or as determined by the ~~Commission~~ Department, of the salary, fringe benefits, training and program administration of the interns and residents as may be arranged by contract for reimbursement with an accredited and approved hospital and accredited clinical programs throughout the state in cooperation with the Oklahoma State University College of Osteopathic Medicine, which physician training institutions in the state shall serve as the administrative agent for internship and residency programs which are located in hospitals and clinical training programs throughout the state, which programs are affiliated with said institutions and approved for funding by the ~~Commission~~ Department. The ~~Commission~~ Department shall conduct the

planning, coordination and selection of said training programs to assure the effective and efficient operation of these programs. Not less than fifty percent (50%) of the subsidy for these programs shall be used in the training of primary health care and family/general practice physicians for the rural and medically underserved areas of the state. Provided that such subsidy may be used for the primary purpose of increasing the total number of residencies funded by the State of Oklahoma, wherever located within the state, during that period in which residency programs are being established in rural areas; provided further, that as said residency programs are established and accredited in rural hospitals, residency positions in such programs shall be first provided for by the ~~Commission~~ Department. The ~~Commission~~ Department shall present a report to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate within one (1) month of the beginning of each regular legislative session on the operation of the programs including the progress made in accomplishing the goals of physician training as to type of specialties and manpower placement of the kind necessary to provide adequate health care to the people throughout the State of Oklahoma. The subsidy to the participating hospital, clinical situation or training institution per resident or intern shall not exceed any maximum or minimum amount as may be prescribed by law or as determined by the ~~Commission~~ Department. The actual amount of

subsidy for physician training program situations shall be based upon a determination by the ~~Commission~~ Department of:

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

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

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

SECTION 18. AMENDATORY 70 O.S. 2011, Section 697.5, is amended to read as follows:

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

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

2. To review data and information on accredited physician internship and residency programs currently operated by Oklahoma

hospitals and other approved clinical situations, in order to ascertain the number and distribution by physician specialty training and by geographic location of available internship and residency positions and to evaluate the impact of internship and residency placement on the establishment of practices by physicians in that geographic area or similar areas within the state where their services are urgently needed;

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

4. To provide general counsel and advice in the development, operation and evaluation of physician internship and residency programs throughout the State of Oklahoma in cooperation with the efforts of the Oklahoma State Regents for Higher Education and the state's physician training institutions such as the Oklahoma University College of Medicine, Oklahoma City and Tulsa campuses, and the Oklahoma College of Osteopathic Medicine and Surgery, and subject to accreditation by official and appropriate accrediting agencies;

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

6. To develop the criteria and procedure by which state matching funds will be awarded to hospitals, accredited clinical situations, in cooperation with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa, and the Oklahoma College of Osteopathic Medicine and Surgery which shall administer programs in hospital and clinical situations in the state to be used to underwrite the salaries, benefits and associated training and administration costs provided for the physician interns and residents during their period of training in such a way as to create an incentive for the development and establishment of residency and internship positions by hospitals, clinical establishments or by affiliation agreement with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine

and Surgery by providing funds to cover and to supplement the nonreimbursable or additional costs incurred in hospitals for training activities or for delivery of service in outreach and ambulatory clinical situations which are outside but associated with the hospitals and clinical establishments participating in the program;

7. To review and to approve for inclusion in the programs funded the applications for funds submitted by accredited hospitals and clinical situations participating in physician training programs in cooperation with the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery for the costs of supplying residents and interns in programs which they administer by affiliation agreements with hospitals and clinical situations throughout the state in which the interns and residents are supervised and funded by the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery and the hospitals and clinical establishments pay for the patient care services rendered in their institutions by these residents and interns during the period of training;

8. To determine the specific level of funding and the priorities used for granting state support to approved hospitals and clinical situations, in cooperation with the University of Oklahoma

College of Medicine, University of Oklahoma College of Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery for approved hospital physician training programs for interns and residents and to recommend to the Governor and the Oklahoma Legislature the total funds needed to carry out the purpose of this program;

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

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

11. To ensure that in programs administered and operated by the University of Oklahoma College of Medicine, University of Oklahoma College of Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery in hospitals and clinical situations throughout

the state that funds allocated to the colleges are paid by the hospitals and clinical situations in which the patient care services are rendered, the funds are expended for such purposes in funding residents and interns in the physician training programs that the colleges have established with the approved hospitals and clinical situations which programs are designed to provide primary health care services to the rural and medically underserved parts of the state;

12. To conduct and to administer a program of physician and health manpower placement services throughout the State of Oklahoma. Placement services shall be made available to communities, hospitals, health care facilities, physician and health professional training institutions, health professional associations and organizations, individual physicians, health professionals, students in physician and health professional training institutions and schools, and other interested parties in such a way so as to further the purposes of improving the distribution of physicians and health professionals practicing or available for practice in the state and improving in the availability of health care services to the people of the state. Said placement service shall include but not be limited to assisting communities in matching with, contacting and recruiting physicians and health professionals to practice in communities in the state. The ~~Commission~~ Department shall develop criteria and procedures for the conduct and performance of placement

services and employ any staff, contract for services with any private agency, nonprofit corporation or institution to facilitate the performance of placement services.

SECTION 19. AMENDATORY 70 O.S. 2011, Section 697.6, is amended to read as follows:

Section 697.6. Funds appropriated to carry out the provisions of this act shall be allocated so that no less than forty percent (40%) of all participating residents and interns in each school year must participate in a rural program outside the Oklahoma City and Tulsa metropolitan areas. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce, in accordance with primary care specialty accreditation standards, shall promulgate and adopt rules designating the time allocation spent by the residents and interns participating in this program outside the Oklahoma City and Tulsa metropolitan areas.

SECTION 20. AMENDATORY 70 O.S. 2011, Section 697.7, as amended by Section 615, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.7), is amended to read as follows:

Section 697.7. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce is hereby authorized to enter into contractual arrangements with residency training programs at the University of Oklahoma College of Medicine, University of Oklahoma-Tulsa Medical College, or the Oklahoma College of Osteopathic Medicine and Surgery, in order to enhance available funding for the

training of primary care residents and to pay the cost of the salary stipend and expenses of the resident physician for the period of time spent in the residency programs. Monies received by the ~~Commission~~ Department from the participating residency training program under the provisions of this section shall be deposited to, and disbursed from, the "Residency Revolving Fund" hereby created in the State Treasury. The fund shall be a continuing fund not subject to legislative appropriation or fiscal year limitations. Expenditures from the fund shall be made on warrants issued by the State Treasurer against claims filed by the ~~Commission~~ Department with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 21. AMENDATORY 70 O.S. 2011, Section 697.8, as amended by Section 616, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.8), is amended to read as follows:

Section 697.8. A community may enter into a contract with a resident physician in training whereby the resident agrees to establish a practice in the community upon the completion of his residency. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall have the authority to receive funds direct from that community for the purpose of paying the resident involved to the extent of the contractual arrangements. Monies received by the ~~Commission~~ Department under the provisions of this section shall be deposited to, and disbursed from, the "Community

Residency Revolving Fund" hereby created in the State Treasury. The fund shall be a continuing fund not subject to legislative appropriation or fiscal year limitations. Expenditures from said fund shall be made on warrants issued by the State Treasurer against claims filed by the ~~Commission~~ Department with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 22. AMENDATORY 70 O.S. 2011, Section 697.9, is amended to read as follows:

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

participate in the program and the selection of physicians who will supervise students and hospitals and clinical situations in which the training and experience occurs in the delivery of primary health care to rural and medically underserved areas with the purpose of providing medical and osteopathic students an opportunity to develop relationships with communities and encourage them to locate their practices in areas of medical need.

SECTION 23. AMENDATORY 70 O.S. 2011, Section 697.10, as amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.10), is amended to read as follows:

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

created and established position contributes directly to the creation of additional positions at the participating hospital or clinical situation.

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

C. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training Commission~~ Department to be designated the "Intern and Residents Professional Liability Insurance Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Physician Manpower Training Commission~~ Department for reimbursement of intern and residency professional liability insurance costs. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training Commission~~ Department for such costs. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the

Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 24. AMENDATORY 70 O.S. 2011, Section 697.11, as amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.11), is amended to read as follows:

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

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

C. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training Commission~~ Department to be designated the "Critical Need Internship and Residency Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Physician Manpower Training Commission~~ Department for funding internship and residency programs in areas of critical need. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training Commission~~ Department for such costs. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 25. AMENDATORY 70 O.S. 2011, Section 697.12, is amended to read as follows:

Section 697.12. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall establish and administer a cost-sharing scholarship program for the provision of physician services at the various correctional facilities under the Department of Corrections and the surrounding or nearby communities. Except as otherwise specified herein, the scholarship program shall be administered pursuant to the requirements prescribed by law for and as part of the Oklahoma Community Education Scholarship Program. Each scholarship available hereunder shall be funded on a percentage

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

SECTION 26. AMENDATORY 70 O.S. 2011, Section 697.15, is amended to read as follows:

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

SECTION 27. AMENDATORY 70 O.S. 2011, Section 697.17, as amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.17), is amended to read as follows:

Section 697.17. A. There is hereby established the Nursing Student Assistance Program which shall be administered by the

~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce. The purpose of the program shall be to encourage persons to enter nursing education programs and to practice in areas of this state in which there is an urgent need for nursing services or in institutions or agencies of this state which provide funds on a matching basis with the ~~Physician Manpower Training Commission~~ Department for the support of nursing students. The Nursing Student Assistance Program shall be administered by rules adopted by the ~~Physician Manpower Training Commission~~ Department.

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

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

D. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training Commission~~ Department to be designated the "Nursing Student Assistance Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all nonappropriated monies, including community match

money of appropriated funds, grants, gifts, and repayment of scholarships received by the ~~Physician Manpower Training Commission~~ Department. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training Commission~~ Department for such scholarships as may be provided for pursuant to the Nursing Student Assistance Program. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 28. AMENDATORY 70 O.S. 2011, Section 697.18, as amended by Section 620, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.18), is amended to read as follows:

Section 697.18. A community may enter into a contract with a physician who is a graduate from an accredited medical school whereby such physician agrees to establish a practice in that community. The ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce shall have the authority to receive funds direct from that community for the purpose of paying the physician involved to the extent of the contractual arrangement. Monies received by the ~~Commission~~ Department under the provisions of this section shall be deposited to and disbursed from, the "Community Match Revolving Fund" hereby created in the State Treasury. The fund shall be a continuing fund not subject to legislative

appropriation of fiscal year limitations. Expenditures from said fund shall be made on warrants issued by the State Treasurer against claims filed by the ~~Commission~~ Department with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 29. AMENDATORY 70 O.S. 2011, Section 697.19, as amended by Section 621, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.19), is amended to read as follows:

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

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

C. If a person receiving OBRA Program funds fails to fully comply with the provisions of the contract for said funds, the person shall refund to the ~~Physician Manpower Training Commission~~

Department all monies received by the person pursuant to the provisions of the contract plus interest at the rate of twelve percent (12%) from the date of disbursement of said funds and shall be liable for any other liquidated damages as specified in the contract.

D. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training Commission~~ Department to be designated the "OBRA Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all nonappropriated monies, including local nursing home association match money of appropriated funds, grants, gifts, and repayment of scholarships received by the ~~Physician Manpower Training Commission~~ Department. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training Commission~~ Department for such scholarships as may be provided for pursuant to the OBRA Program. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 30. AMENDATORY 70 O.S. 2011, Section 697.20, is amended to read as follows:

Section 697.20. A. There is hereby created the "Osteopathic Internship and Residency Program" which shall be conducted and

administered by the ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce. The purpose of this program is to provide for the fair and necessary distribution of funds allocated to it by the Legislature to provide monies to the following programs under the Physician Manpower Training Program:

1. The Doctor of Osteopathy Residency Program (OSU/COM);

2. The Osteopathic General Practice Residency Program (OSU/COM); and

3. The Osteopathic Internship Program (OSU/COM).

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

SECTION 31. AMENDATORY 70 O.S. 2011, Section 697.21, as amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.21), is amended to read as follows:

Section 697.21. A. There is hereby established the Physician Assistant Scholarship Program. The purpose of the program is to encourage persons to enter physician assistant education programs and to practice in rural and medically underserved areas of this state. The Physician Assistant Scholarship Program shall be administered by the ~~Physician Manpower Training Commission~~ Oklahoma Department of Commerce pursuant to rules promulgated by the ~~Commission~~ Department and shall be funded based on an annual

estimate of need as determined by the ~~Commission~~ Department. Awards made pursuant to this Program shall be subject to the availability of funds. The number of and amount of each award shall be determined by the ~~Commission~~ Department based on the availability of funds.

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

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

D. There is hereby created in the State Treasury a revolving fund for the ~~Physician Manpower Training Commission~~ Department to be designated the "Physician Assistant Scholarship Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Physician Manpower Training Commission~~ Department for implementation of the Physician Assistant Scholarship Program. All monies accruing to the credit of

the fund are hereby appropriated and may be budgeted and expended by the ~~Physician Manpower Training Commission~~ Department for such scholarships as may be provided for pursuant to the Physician Assistant Scholarship Program. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 32. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5004.2 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. The Physician Manpower Training Commission is hereby abolished. On July 1, 2016, all powers, duties, employees, functions, and responsibilities of the Physician Manpower Training Commission shall be transferred to the Oklahoma Department of Commerce. The transfer shall include all equipment, supplies, records, assets, current and future liabilities, fund balances, encumbrances, obligations and indebtedness associated with the Physician Manpower Training Commission.

B. Any monies accruing to or in the name of the Physician Manpower Training Commission on and after the effective date of this act, or any monies that accrue in any funds or accounts or are maintained for the benefit of the Office on and after the effective date of this act shall be transferred to the Oklahoma Department of Commerce.

C. The Oklahoma Department of Commerce shall succeed to any contractual rights and responsibilities incurred by the Physician Manpower Training Commission.

D. The Director of the Office of Management and Enterprise Services is hereby directed to coordinate the transfer of funds, allotments, purchase orders and outstanding financial obligations or encumbrances as provided for in this section.

SECTION 33. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5004.3 of Title 74, unless there is created a duplication in numbering, reads as follows:

Effective July 1, 2016, all administrative rules promulgated by the Physician Manpower Training Commission shall be transferred to and become a part of the administrative rules of the Oklahoma Department of Commerce. The Office of Administrative Rules in the Secretary of State's office shall provide adequate notice in the Oklahoma Register of the transfer of such rules, and shall place the transferred rules under the Administrative Code section of the Oklahoma Department of Commerce. Such rules shall continue in force and effect as rules of the office of the Department from and after July 1, 2016, and any amendment, repeal or addition to the transferred rules shall be under the jurisdiction of the Department.

SECTION 34. REPEALER 70 O.S. 2011, Sections 625.7, 697.3, 697.4 and 697.16, are hereby repealed.

~~SECTION 35. This act shall become effective July 1, 2016.~~

~~SECTION 36. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.~~

Passed the Senate the 7th day of March, 2016.

_____
Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2016.

_____
Presiding Officer of the House of Representatives