

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1526 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Doug Cox

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 PROPOSED  
4 COMMITTEE SUBSTITUTE  
5 FOR ENGROSSED  
6 SENATE BILL NO. 1526

By: Yen of the Senate

and

Cox of the House

7  
8  
9  
10 PROPOSED COMMITTEE SUBSTITUTE

11 [ Physician Manpower Training Commission - funding -  
12 Oklahoma Rural Medical Education Loan and  
13 Scholarship Fund - revolving fund - Community  
14 Physician Education Scholarship Program Fund -  
15 eligibility - internships and residency trainings -  
16 Nursing Student Assistance Program - Osteopathic  
17 Internship and Residency Program - Physician  
18 Assistant Scholarship Program - effective date ]

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

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

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

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

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

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

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

22          B. The physicians entering the Program each year shall agree to  
23 provide medical care and services in areas designated by the  
24

1 Commission to provide medical care and services to Medicaid  
2 recipients as authorized by the Oklahoma Health Care Authority.

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

5 1. Is licensed to practice medicine in Oklahoma;

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

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

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

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

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

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

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

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

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

24

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

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

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

17 B. ~~The terms of this subsection shall apply to recipients who~~  
18 ~~accept assistance before July 1, 1993. The contract shall provide~~  
19 ~~that in the event the recipient breaches the terms of the contract~~  
20 ~~by not serving the designated community for the specified period of~~  
21 ~~time he shall pay liquidated damages in an amount agreed upon by the~~  
22 ~~Commission and the recipient and representing a reasonable estimate~~  
23 ~~of the damage or loss to the community or the state. Said damages~~  
24 ~~shall not exceed one hundred percent (100%) of the principal. After~~

1 ~~payment of the liquidated damages, repayment of the principal may be~~  
2 ~~made in cash with interest at the rate of twelve percent (12%) per~~  
3 ~~annum, said interest to accrue from the date each payment is made~~  
4 ~~pursuant to the scholarship. No interest however shall accrue~~  
5 ~~during any one period of time that the recipient thereof is required~~  
6 ~~to serve in the Armed Forces of the United States or during any~~  
7 ~~period of internship.~~

8       ~~C.~~ The terms of this subsection shall apply to recipients who  
9 accept assistance on or after July 1, 1993. The contract shall  
10 provide that in the event the recipient breaches the terms of the  
11 contract by not serving the designated community for the specified  
12 period of time, the Commission shall be entitled to recover an  
13 amount equal to three (3) times the principal disbursed, pursuant to  
14 the contract, plus interest. Interest on all amounts paid to or on  
15 behalf of the participant shall be computed at the current prime  
16 rate plus one percent (1%) with said interest to accrue from the  
17 date each payment is made, pursuant to the contract. The amount the  
18 Commission is entitled to recover shall be paid within ninety (90)  
19 days of the date the recipient becomes liable as determined by the  
20 Commission.

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

23       Section 625.4 The Physician Manpower Training Commission shall  
24 promulgate and adopt such rules and regulations as may be necessary

1 to carry out the provisions of this act. The Commission shall  
2 prescribe the form and regulate the submission of applications for  
3 scholarship; conduct conferences and interviews with applicants;  
4 determine the eligibility of applicants; allow or disallow all  
5 applications for scholarships or renewal of scholarships; contract,  
6 increase, decrease, terminate and otherwise regulate all grants for  
7 scholarships and their repayment in cash or services; and manage,  
8 operate and control all funds and property appropriated or otherwise  
9 contributed for this purpose. The Commission may acquire property  
10 or money by the acceptance of gifts, grants, bequests or devise, and  
11 may contract with the federal government in order to secure the  
12 benefit of any federal program consistent with the provisions of  
13 this act. Monies received by the Commission in repayment of  
14 scholarships granted from appropriated funds shall be deposited with  
15 the State Treasurer who shall place the same to the credit of the  
16 Commission in depository funds to be known as the "Rural Medical  
17 Education Scholarship Fund" and the "Community Physician Education  
18 Scholarship Fund" depending on the program in which the recipient  
19 participated, under and subject exclusively to the control of the  
20 Commission for the purpose of fulfilling and accomplishing the  
21 conditions and purposes of the ~~Physician Manpower Training~~  
22 Commission. All monies so collected and deposited in the State  
23 Treasury as aforesaid shall constitute a continuing fund, shall not  
24 be subject to fiscal limitations, and the unexpended balance shall

1 at all times be available for expenditures for the purposes and in  
2 the manner and form provided by this act. All funds and property,  
3 and income therefrom, received by the Commission through the  
4 acceptance of gifts, grants, bequests or devise shall be held by the  
5 Commission in trust, and may be sold, transferred, invested and  
6 reinvested by the Commission in accordance with the provisions of  
7 the Oklahoma Trust Act, and all such funds and property, and income  
8 therefrom, shall be used by the Commission in fulfilling and  
9 accomplishing the conditions and purposes of the ~~Physician Manpower~~  
10 ~~Training~~ Commission.

11 SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.4a, as  
12 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
13 2015, Section 625.4a), is amended to read as follows:

14 Section 625.4a There is hereby created in the State Treasury a  
15 revolving fund for the Physician Manpower Training Commission to be  
16 designated the "Physician Manpower Training Commission Revolving  
17 Fund". The fund shall be a continuing fund, not subject to fiscal  
18 year limitations and shall consist of all payments received by the  
19 Commission pursuant to ~~Sections~~ Section 625.3 and ~~625.10a of this~~  
20 ~~title and all payments received by the Commission pursuant to the~~  
21 ~~Allied Health Placement Program and the Nursing Home Demonstration~~  
22 ~~Program~~ of this title. All monies accruing to the credit of the  
23 fund are hereby appropriated and may be budgeted and expended by the  
24 ~~Physician Manpower Training~~ Commission for any expenses incurred in

1 the implementation of its duties. Expenditures from the fund shall  
2 be made upon warrants issued by the State Treasurer against claims  
3 filed as prescribed by law with the Director of the Office of  
4 Management and Enterprise Services for approval and payment.

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

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

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

11 2. Is a bona fide resident of Oklahoma;

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

15 4. Is a person of good moral character;

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

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

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

24

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

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

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

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

21       D. Each scholarship is renewable annually for the number of  
22 years required to complete the course of study in which the  
23 recipient is engaged. The Commission shall grant such an annual  
24

1 renewal only upon the recipient's application and upon the  
2 Commission's finding that the recipient:

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

6 2. Remains a resident of Oklahoma; and

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

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

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

21 Section 625.6 Each applicant, before being granted a  
22 scholarship, shall enter into a contract with the Physician Manpower  
23 Training Commission agreeing to the terms and conditions upon which  
24 the scholarship shall be granted to ~~him~~ the applicant. Said

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

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

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

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

24

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

8 1. The Community Matching Intern/Resident Program;

9 2. The Oklahoma Rural Medical Education Loan Scholarship  
10 Program;

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

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

15 The ~~Physician Manpower Training~~ Commission is hereby authorized  
16 to distribute such monies to the funds specified in Sections 625.1,  
17 625.4a and 697.18 of this title necessary to fund the programs  
18 specified in this section.

19 B. The ~~Physician Manpower Training~~ Commission shall establish  
20 and administer a Family/General Practice Resident Rural Scholarship  
21 Loan Program for the purpose of assisting Oklahoma's rural  
22 communities by providing financial assistance through a scholarship  
23 loan forgiveness program to residents enrolled in an accredited  
24 Family Practice or General Practice residency program. The

1 Commission shall establish the eligibility standards, the amount of  
2 the loan not to exceed One Thousand Dollars (\$1,000.00) per month,  
3 the service obligation of the recipient of the loan, and any  
4 penalties related to the breach of the service contract or failure  
5 to repay such loan plus interest and penalty.

6 C. The ~~Physician Manpower Training~~ Commission shall establish  
7 and administer a Family/General Practice Residency Grant Program for  
8 the purpose of assisting Oklahoma's rural communities by providing  
9 financial assistance through a grant program to residents enrolled  
10 in an accredited Family Practice or General Practice residency  
11 program. The Commission shall establish the eligibility standards,  
12 the amount of the grant not to exceed Five Thousand Dollars  
13 (\$5,000.00) per year, up to three (3) years, the program obligations  
14 of the recipient of the grant, and any penalties related to the  
15 breach of the grant obligations or failure to repay the grant plus  
16 interest.

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

19 Section 697.2 ~~There is hereby re-created the~~ The Physician  
20 Manpower Training Commission, ~~hereafter referred to as the~~  
21 ~~Commission,~~ is authorized to establish and administer cost-sharing  
22 programs for internship and residency physician training, which  
23 Commission shall provide for state assistance by sharing the cost on  
24 a percentage basis, as may be prescribed by law or as determined by

1 the Commission, of the salary, fringe benefits, training and program  
2 administration of the interns and residents as may be arranged by  
3 contract for reimbursement with an accredited and approved hospital  
4 and accredited clinical programs throughout the state in cooperation  
5 with the Oklahoma State University College of Osteopathic Medicine,  
6 which physician training institutions in the state shall serve as  
7 the administrative agent for internship and residency programs which  
8 are located in hospitals and clinical training programs throughout  
9 the state, which programs are affiliated with said institutions and  
10 approved for funding by the Commission. The Commission shall  
11 conduct the planning, coordination and selection of said training  
12 programs to assure the effective and efficient operation of these  
13 programs. Not less than fifty percent (50%) of the subsidy for  
14 these programs shall be used in the training of primary health care  
15 and family/general practice physicians for the rural and medically  
16 underserved areas of the state. Provided that such subsidy may be  
17 used for the primary purpose of increasing the total number of  
18 residencies funded by the State of Oklahoma, wherever located within  
19 the state, during that period in which residency programs are being  
20 established in rural areas; provided further, that as said residency  
21 programs are established and accredited in rural hospitals,  
22 residency positions in such programs shall be first provided for by  
23 the Commission. The Commission shall present a report to the  
24 Governor, the Speaker of the House of Representatives and the

1 President Pro Tempore of the Senate within one (1) month of the  
2 beginning of each regular legislative session on the operation of  
3 the programs including the progress made in accomplishing the goals  
4 of physician training as to type of specialties and manpower  
5 placement of the kind necessary to provide adequate health care to  
6 the people throughout the State of Oklahoma. The subsidy to the  
7 participating hospital, clinical situation or training institution  
8 per resident or intern shall not exceed any maximum or minimum  
9 amount as may be prescribed by law or as determined by the  
10 Commission. The actual amount of subsidy for physician training  
11 program situations shall be based upon a determination by the  
12 Commission of:

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

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

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

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

21 Section 697.5 The Physician Manpower Training Commission, in  
22 order to perform its official function in establishing and  
23 administering physician training programs, shall have the following  
24 specific powers, duties and responsibilities:

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

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

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

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

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

20 6. To develop the criteria and procedure by which state  
21 matching funds will be awarded to hospitals, accredited clinical  
22 situations, in cooperation with the University of Oklahoma College  
23 of Medicine, University of Oklahoma College of Medicine - Tulsa, and  
24 the Oklahoma College of Osteopathic Medicine and Surgery which shall

1 administer programs in hospital and clinical situations in the state  
2 to be used to underwrite the salaries, benefits and associated  
3 training and administration costs provided for the physician interns  
4 and residents during their period of training in such a way as to  
5 create an incentive for the development and establishment of  
6 residency and internship positions by hospitals, clinical  
7 establishments or by affiliation agreement with the University of  
8 Oklahoma College of Medicine, University of Oklahoma College of  
9 Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine  
10 and Surgery by providing funds to cover and to supplement the  
11 nonreimbursable or additional costs incurred in hospitals for  
12 training activities or for delivery of service in outreach and  
13 ambulatory clinical situations which are outside but associated with  
14 the hospitals and clinical establishments participating in the  
15 program;

16 7. To review and to approve for inclusion in the programs  
17 funded the applications for funds submitted by accredited hospitals  
18 and clinical situations participating in physician training programs  
19 in cooperation with the University of Oklahoma College of Medicine,  
20 University of Oklahoma College of Medicine - Tulsa and the Oklahoma  
21 College of Osteopathic Medicine and Surgery for the costs of  
22 supplying residents and interns in programs which they administer by  
23 affiliation agreements with hospitals and clinical situations  
24 throughout the state in which the interns and residents are

1 supervised and funded by the University of Oklahoma College of  
2 Medicine, University of Oklahoma College of Medicine - Tulsa and the  
3 Oklahoma College of Osteopathic Medicine and Surgery and the  
4 hospitals and clinical establishments pay for the patient care  
5 services rendered in their institutions by these residents and  
6 interns during the period of training;

7 8. To determine the specific level of funding and the  
8 priorities used for granting state support to approved hospitals and  
9 clinical situations, in cooperation with the University of Oklahoma  
10 College of Medicine, University of Oklahoma College of Medicine -  
11 Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery  
12 for approved hospital physician training programs for interns and  
13 residents and to recommend to the Governor and the Oklahoma  
14 Legislature the total funds needed to carry out the purpose of this  
15 program;

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

24

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

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

19 12. To conduct and to administer a program of physician and  
20 health manpower placement services throughout the State of Oklahoma.  
21 Placement services shall be made available to communities,  
22 hospitals, health care facilities, physician and health professional  
23 training institutions, health professional associations and  
24 organizations, individual physicians, health professionals, students

1 in physician and health professional training institutions and  
2 schools, and other interested parties in such a way so as to further  
3 the purposes of improving the distribution of physicians and health  
4 professionals practicing or available for practice in the state and  
5 improving in the availability of health care services to the people  
6 of the state. Said placement service shall include but not be  
7 limited to assisting communities in matching with, contacting and  
8 recruiting physicians and health professionals to practice in  
9 communities in the state. The Commission shall develop criteria and  
10 procedures for the conduct and performance of placement services and  
11 employ any staff, contract for services with any private agency,  
12 nonprofit corporation or institution to facilitate the performance  
13 of placement services.

14 SECTION 12. AMENDATORY 70 O.S. 2011, Section 697.10, as  
15 amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
16 2015, Section 697.10), is amended to read as follows:

17 Section 697.10 A. The Physician Manpower Training Commission  
18 is authorized to enter into contractual arrangements with individual  
19 hospitals and clinical programs for the reimbursement of intern or  
20 resident salary cost not to exceed the limits established by Section  
21 697.2 of this title. Provided, that residency and internship  
22 positions created prior to the spring semester 1975 shall be  
23 eligible for participation in the cost-sharing program for  
24 internship and residency training as established by Sections 697.1

1 through 697.8 of this title, only if partial funding of said  
2 positions will allow the creation of additional positions in whole  
3 or in part at the participating hospital or clinical situation. The  
4 participating hospital or clinical situation shall document in a  
5 manner specified by the Commission the extent to which funding of a  
6 previously created and established position contributes directly to  
7 the creation of additional positions at the participating hospital  
8 or clinical situation.

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

18 C. There is hereby created in the State Treasury a revolving  
19 fund for the ~~Physician Manpower Training~~ Commission to be designated  
20 the "Intern and Residents Professional Liability Insurance Fund".  
21 The fund shall be a continuing fund, not subject to fiscal year  
22 limitations, and shall consist of all monies received by the  
23 ~~Physician Manpower Training~~ Commission for reimbursement of intern  
24 and residency professional liability insurance costs. All monies

1 accruing to the credit of the fund are hereby appropriated and may  
2 be budgeted and expended by the ~~Physician Manpower Training~~  
3 Commission for such costs. Expenditures from the fund shall be made  
4 upon warrants issued by the State Treasurer against claims filed as  
5 prescribed by law with the Director of the Office of Management and  
6 Enterprise Services for approval and payment.

7 SECTION 13. AMENDATORY 70 O.S. 2011, Section 697.11, as  
8 amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
9 2015, Section 697.11), is amended to read as follows:

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

22 B. The University of Oklahoma College of Medicine and the  
23 Oklahoma State University College of Osteopathic Medicine shall  
24 annually provide to the Commission a report outlining the areas of

1 physician shortages in each specialty area. The report shall be the  
2 basis for the cooperative funding of critical need physician  
3 specialties for the current fiscal year.

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

17 SECTION 14. AMENDATORY 70 O.S. 2011, Section 697.17, as  
18 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
19 2015, Section 697.17), is amended to read as follows:

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

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

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

8 C. If a person receiving Nursing Student Assistance Program  
9 funds fails to fully comply with the provisions of the contract for  
10 said funds, the person shall refund to the ~~Physician Manpower~~  
11 ~~Training~~ Commission all monies received by the person pursuant to  
12 the provisions of the contract plus ~~interest at the rate of twelve~~  
13 ~~percent (12%) from the date of disbursement of said funds and shall~~  
14 ~~be liable for any other liquidated damages as specified in the~~  
15 ~~contract~~ a one-time liquidated damages assessment of five percent  
16 (5%) of the total amount disbursed to said recipient in lieu of  
17 interest. If the obligation was partially fulfilled, the Commission  
18 shall prorate the amount to be repaid.

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

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

10 SECTION 15. AMENDATORY 70 O.S. 2011, Section 697.20, is  
11 amended to read as follows:

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

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

23 B. The ~~Physician Manpower Training~~ Commission is hereby  
24 authorized to distribute such monies to the funds specified in

1 Sections 697.2 and 697.6 of this title necessary to fund the  
2 programs specified in this section.

3 SECTION 16. AMENDATORY 70 O.S. 2011, Section 697.21, as  
4 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
5 2015, Section 697.21), is amended to read as follows:

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

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

21 C. If a person receiving Physician Assistant Scholarship  
22 Program monies fails to fully comply with the provisions of the  
23 contract for the monies, the person shall refund to the ~~Physician~~  
24 ~~Manpower Training~~ Commission all monies received by the person

1 pursuant to the provisions of the contract plus interest at a rate  
2 that equals the prime interest rate plus one percent (1%) from the  
3 date of disbursement of the funds and shall be liable for any other  
4 liquidated damages as specified in the contract.

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

19 SECTION 17. This act shall become effective November 1, 2016.

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