

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE

FOR ENGROSSED

SENATE BILL NO. 144

By: Smalley of the Senate

and

Martin of the House

COMMITTEE SUBSTITUTE

An Act relating to the Physician Manpower Training Commission; amending 63 O.S. 2011, Section 1-2721, as amended by Section 1, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2016, Section 1-2721), which relates to program administration; broadening eligibility to physician assistants; amending 63 O.S. 2011, Section 1-2723, as amended by Section 2, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2016, Section 1-2723), which relates to funding; removing certain condition for funding; amending 70 O.S. 2011, Section 625.3, which relates to terms and conditions; deleting certain requirements for certain repayment program; permitting Commission to waive certain requirement; amending 70 O.S. 2011, Section 625.4a, as amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2016, Section 625.4a), which relates to certain revolving fund; modifying composition of certain fund; amending 70 O.S. 2011, Section 625.6, which relates to contracts; making language gender neutral; amending 70 O.S. 2011, Section 697.2, which relates to cost-sharing programs; providing for authorization of the Commission; amending 70 O.S. 2011, Section 697.17, as amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2016, Section 697.17), which relates to the Nursing Student Assistance Program; removing language specifying interest rates; modifying calculation of certain repayment amount; directing Commission to prorate amount under certain circumstances; directing promulgation of rules;

1 providing for codification; and providing an
2 effective date.

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

5 SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-2721, as
6 amended by Section 1, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2016,
7 Section 1-2721), is amended to read as follows:

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

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

15 3. For the purposes of this section, "health center" shall mean
16 a federally qualified health center as defined by 42 U.S.C., Section
17 1905(1) (2) (B).

18 4. For the purposes of this section, "teaching health center"
19 shall mean a health center that supports the residencies of primary
20 care physicians within the operations of the health center.

21 5. The Program, depending upon and limited to available
22 funding, shall provide educational loan repayment assistance to
23 Oklahoma licensed primary care physicians and physician assistants
24 under the supervision of a physician who agree to establish a

1 practice in a community located in Oklahoma approved by the
2 Commission.

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

11 7. The Commission shall review the performance in the Program
12 of the participating physician or physician assistant and determine
13 whether an award may be granted for additional years pursuant to
14 rules promulgated by the Commission.

15 B. The physicians and physician assistants under the
16 supervision of a physician entering the Program each year shall
17 agree to provide medical care and services in areas designated by
18 the Commission to provide medical care and services to Medicaid
19 recipients as authorized by the Oklahoma Health Care Authority.

20 C. A physician or physician assistant under the supervision of
21 a physician shall be eligible to participate in the loan repayment
22 program if the ~~physician~~ individual:

23 1. ~~Is licensed to practice medicine in Oklahoma~~ a physician
24 that holds a current Oklahoma medical license;

1 2. Is a new primary care ~~residency~~ graduate physician or
2 physician assistant. Preference will be given to graduates of the
3 primary care residency programs affiliated with the Oklahoma State
4 University College of Osteopathic Medicine, the University of
5 Oklahoma College of Medicine and the teaching hospitals affiliated
6 with both schools of medicine and teaching health centers located in
7 this state; or

8 3. Is a current practicing physician or physician assistant and
9 has met criteria established by the Commission.

10 D. The Commission may accept donations of public or private
11 funds to assist in funding the Medical Loan Repayment Program. The
12 Commission may, at its discretion, contract with other public
13 entities and non-profit corporations for the endowment, management
14 and administration of such funds.

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

21 SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2723, as
22 amended by Section 2, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2016,
23 Section 1-2723), is amended to read as follows:
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1 Section 1-2723. A. The Physician Manpower Training Commission
2 shall have the option of utilizing available funding in excess of
3 the amount necessary to fund the Oklahoma Medical Loan Repayment
4 Program described in Section 1-2721 of this title to fund new or
5 expanded primary care residency programs in rural and underserved
6 areas of the state. Such new or expanded primary care residency
7 program funding shall include but not be limited to:

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

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

17 ~~3. Payments of stipends to residents of new or existing primary~~
18 ~~care residency programs in exchange for a commitment to serve in a~~
19 ~~rural or underserved area of the state, including but not limited to~~
20 ~~areas served by health centers, as designated by the Commission.~~

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

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

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

14 B. ~~The terms of this subsection shall apply to recipients who~~
15 ~~accept assistance before July 1, 1993. The contract shall provide~~
16 ~~that in the event the recipient breaches the terms of the contract~~
17 ~~by not serving the designated community for the specified period of~~
18 ~~time he shall pay liquidated damages in an amount agreed upon by the~~
19 ~~Commission and the recipient and representing a reasonable estimate~~
20 ~~of the damage or loss to the community or the state. Said damages~~
21 ~~shall not exceed one hundred percent (100%) of the principal. After~~
22 ~~payment of the liquidated damages, repayment of the principal may be~~
23 ~~made in cash with interest at the rate of twelve percent (12%) per~~
24 ~~annum, said interest to accrue from the date each payment is made~~

1 ~~pursuant to the scholarship. No interest however shall accrue~~
2 ~~during any one period of time that the recipient thereof is required~~
3 ~~to serve in the Armed Forces of the United States or during any~~
4 ~~period of internship~~ The maximum rural population criteria specified
5 in subsection A of this section may be waived by the Commission.

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

19 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4a, as
20 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
21 2016, Section 625.4a), is amended to read as follows:

22 Section 625.4a There is hereby created in the State Treasury a
23 revolving fund for the Physician Manpower Training Commission to be
24 designated the "Physician Manpower Training Commission Revolving

1 Fund". The fund shall be a continuing fund, not subject to fiscal
2 year limitations and shall consist of all payments received by the
3 Commission pursuant to Sections 625.3 and 625.10a of this title ~~and~~
4 ~~all payments received by the Commission pursuant to the Allied~~
5 ~~Health Placement Program and the Nursing Home Demonstration Program.~~
6 All monies accruing to the credit of the fund are hereby
7 appropriated and may be budgeted and expended by the Physician
8 Manpower Training Commission for any expenses incurred in the
9 implementation of its duties. Expenditures from the fund shall be
10 made upon warrants issued by the State Treasurer against claims
11 filed as prescribed by law with the Director of the Office of
12 Management and Enterprise Services for approval and payment.

13 SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.6, is
14 amended to read as follows:

15 Section 625.6 Each applicant, before being granted a
16 scholarship, shall enter into a contract with the Commission
17 agreeing to the terms and conditions upon which the scholarship
18 shall be granted to ~~him~~ the applicant. Said contract shall include
19 such terms and provisions as will carry out the full purpose and
20 intent of this act and the form thereof shall be prepared and
21 approved by the Attorney General. Said contracts shall be signed by
22 the Secretary on behalf of the Commission and by the applicant. The
23 Commission is hereby vested with full and complete authority and
24 power to sue in its own name any applicant for any balance due the

1 Commission on any contract. The Commission shall have authority to
2 cancel any contract made between it and any recipient of a
3 scholarship upon cause deemed sufficient by the Commission.

4 SECTION 6. AMENDATORY 70 O.S. 2011, Section 697.2, is
5 amended to read as follows:

6 Section 697.2 ~~There is hereby re-created the~~ The Physician
7 Manpower Training Commission, ~~hereafter referred to as the~~
8 ~~Commission,~~ is authorized to establish and administer cost-sharing
9 programs for internship and residency physician training, which
10 Commission shall provide for state assistance by sharing the cost on
11 a percentage basis, as may be prescribed by law or as determined by
12 the Commission, of the salary, fringe benefits, training and program
13 administration of the interns and residents as may be arranged by
14 contract for reimbursement with an accredited and approved hospital
15 and accredited clinical programs throughout the state in cooperation
16 with the Oklahoma State University College of Osteopathic Medicine,
17 which physician training institutions in the state shall serve as
18 the administrative agent for internship and residency programs which
19 are located in hospitals and clinical training programs throughout
20 the state, which programs are affiliated with said institutions and
21 approved for funding by the Commission. The Commission shall
22 conduct the planning, coordination and selection of said training
23 programs to assure the effective and efficient operation of these
24 programs. Not less than fifty percent (50%) of the subsidy for

1 these programs shall be used in the training of primary health care
2 and family/general practice physicians for the rural and medically
3 underserved areas of the state. Provided that such subsidy may be
4 used for the primary purpose of increasing the total number of
5 residencies funded by the State of Oklahoma, wherever located within
6 the state, during that period in which residency programs are being
7 established in rural areas; provided further, that as said residency
8 programs are established and accredited in rural hospitals,
9 residency positions in such programs shall be first provided for by
10 the Commission. The Commission shall present a report to the
11 Governor, the Speaker of the House of Representatives and the
12 President Pro Tempore of the Senate within one (1) month of the
13 beginning of each regular legislative session on the operation of
14 the programs including the progress made in accomplishing the goals
15 of physician training as to type of specialties and manpower
16 placement of the kind necessary to provide adequate health care to
17 the people throughout the State of Oklahoma. The subsidy to the
18 participating hospital, clinical situation or training institution
19 per resident or intern shall not exceed any maximum or minimum
20 amount as may be prescribed by law or as determined by the
21 Commission. The actual amount of subsidy for physician training
22 program situations shall be based upon a determination by the
23 Commission of:

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

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

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

7 SECTION 7. AMENDATORY 70 O.S. 2011, Section 697.17, as
8 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
9 2016, Section 697.17), is amended to read as follows:

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

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

22 C. If a person receiving Nursing Student Assistance Program
23 funds fails to fully comply with the provisions of the contract for
24 ~~said~~ the funds, the person shall refund to the Physician Manpower

1 Training Commission all monies received by the person pursuant to
2 the provisions of the contract plus ~~interest at the rate of twelve~~
3 ~~percent (12%) from the date of disbursement of said funds and shall~~
4 ~~be liable for any other liquidated damages as specified in the~~
5 ~~contract~~ a one-time liquidated damages assessment of five percent
6 (5%) of the total amount dispersed to the person in lieu of
7 interest. The Commission shall prorate the amount to be repaid in
8 the event the obligation was partially fulfilled.

9 D. There is hereby created in the State Treasury a revolving
10 fund for the Physician Manpower Training Commission to be designated
11 the "Nursing Student Assistance Fund". The fund shall be a
12 continuing fund, not subject to fiscal year limitations, and shall
13 consist of all nonappropriated monies, including community match
14 money of appropriated funds, grants, gifts, and repayment of
15 scholarships received by the Physician Manpower Training Commission.
16 All monies accruing to the credit of ~~said~~ the fund are hereby
17 appropriated and may be budgeted and expended by the Physician
18 Manpower Training Commission for such scholarships as may be
19 provided for pursuant to the Nursing Student Assistance Program.
20 Expenditures from ~~said~~ the fund shall be made upon warrants issued
21 by the State Treasurer against claims filed as prescribed by law
22 with the Director of the Office of Management and Enterprise
23 Services for approval and payment.

1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 697.21a of Title 70, unless
3 there is created a duplication in numbering, reads as follows:

4 The Physician Manpower Training Commission shall promulgate
5 rules to enforce the provisions of this act.

6 SECTION 9. This act shall become effective November 1, 2017.

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