

1 ENGROSSED SENATE
2 BILL NO. 144

By: Smalley of the Senate

3 and

4 Martin of the House

5
6 [Physician Manpower Training Commission - program
7 administration - repayment program - rules and
8 regulations - revolving fund - administration -
9 incentive program - cost-sharing programs - powers
10 and duties - Nursing Student Assistance Program -
11 residency program - codification - effective date]

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

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

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

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

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

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

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

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

17 7. The Commission shall review the performance in the Program
18 of the participating physician, physician assistant or nurse
19 practitioner and determine whether an award may be granted for
20 additional years pursuant to rules promulgated by the Commission.

21 B. The physicians, physician assistants and nurse practitioners
22 entering the Program each year shall agree to provide medical care
23 and services in areas designated by the Commission to provide
24

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

3 C. A physician, physician assistant or nurse practitioner shall
4 be eligible to participate in the loan repayment program if the
5 ~~physician~~ individual:

6 1. Is licensed to practice medicine in Oklahoma;

7 2. Is a new primary care ~~residency~~ graduate. Preference will
8 be given to graduates of the primary care residency programs
9 affiliated with the Oklahoma State University College of Osteopathic
10 Medicine, the University of Oklahoma College of Medicine and the
11 teaching hospitals affiliated with both schools of medicine and
12 teaching health centers located in this state; or

13 3. Is a current practicing physician, physician assistant or
14 nurse practitioner and has met criteria established by the
15 Commission.

16 D. The Commission may accept donations of public or private
17 funds to assist in funding the Medical Loan Repayment Program. The
18 Commission may, at its discretion, contract with other public
19 entities and non-profit corporations for the endowment, management
20 and administration of such funds.

21 E. The Commission shall present a report on the operation of
22 the Program to the Governor, the Speaker of the House of
23 Representatives, and the President Pro Tempore of the Senate within
24 one (1) month of the beginning of each regular session of the

1 Legislature, including but not limited to the progress made in
2 accomplishing the goal of the Program.

3 SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2723, as
4 amended by Section 2, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2016,
5 Section 1-2723), is amended to read as follows:

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

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

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

22 ~~3. Payments of stipends to residents of new or existing primary~~
23 ~~care residency programs in exchange for a commitment to serve in a~~
24

~~rural or underserved area of the state, including but not limited to areas served by health centers, 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~~ the 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~~

1 ~~Commission and the recipient and representing a reasonable estimate~~
2 ~~of the damage or loss to the community or the state. Said damages~~
3 ~~shall not exceed one hundred percent (100%) of the principal. After~~
4 ~~payment of the liquidated damages, repayment of the principal may be~~
5 ~~made in cash with interest at the rate of twelve percent (12%) per~~
6 ~~annum, said interest to accrue from the date each payment is made~~
7 ~~pursuant to the scholarship. No interest however shall accrue~~
8 ~~during any one period of time that the recipient thereof is required~~
9 ~~to serve in the Armed Forces of the United States or during any~~
10 ~~period of internship~~ The maximum rural population criteria specified
11 in subsection A of this section may be waived by the Commission.

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

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

3 Section 625.4. The Commission shall promulgate and adopt such
4 rules and regulations as may be necessary to carry out the
5 provisions of this act. The Commission shall prescribe the form and
6 regulate the submission of applications for scholarship; conduct
7 conferences and interviews with applicants; determine the
8 eligibility of applicants; allow or disallow all applications for
9 scholarships or renewal of scholarships; contract, increase,
10 decrease, terminate and otherwise regulate all grants for
11 scholarships and their repayment in cash or services; and manage,
12 operate and control all funds and property appropriated or otherwise
13 contributed for this purpose. The Commission may acquire property
14 or money by the acceptance of gifts, grants, bequests or devise, and
15 may contract with the federal government in order to secure the
16 benefit of any federal program consistent with the provisions of
17 this act. Monies received by the Commission in repayment of
18 scholarships granted from appropriated funds shall be deposited with
19 the State Treasurer who shall place the same to the credit of the
20 Commission in depository funds to be known as the "Rural Medical
21 Education Scholarship Fund" and the "Community Physician Education
22 Scholarship Fund" depending on the program in which the recipient
23 participated, under and subject exclusively to the control of the
24 Commission for the purpose of fulfilling and accomplishing the

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

15 SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.4a, as
16 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
17 2016, Section 625.4a), is amended to read as follows:

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

1 ~~Health Placement Program and the Nursing Home Demonstration Program~~
2 Section 625.3 of this title. All monies accruing to the credit of
3 the fund are hereby appropriated and may be budgeted and expended by
4 the ~~Physician Manpower Training~~ Commission for any expenses incurred
5 in the implementation of its duties. Expenditures from the fund
6 shall be made upon warrants issued by the State Treasurer against
7 claims filed as prescribed by law with the Director of the Office of
8 Management and Enterprise Services for approval and payment.

9 SECTION 6. AMENDATORY 70 O.S. 2011, Section 625.6, is
10 amended to read as follows:

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

1 SECTION 7. AMENDATORY 70 O.S. 2011, Section 625.9, is
2 amended to read as follows:

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

12 SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.13, is
13 amended to read as follows:

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

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

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

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

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

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

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

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

7 SECTION 9. AMENDATORY 70 O.S. 2011, Section 697.2, is
8 amended to read as follows:

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

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

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

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

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

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

9 SECTION 10. AMENDATORY 70 O.S. 2011, Section 697.5, is
10 amended to read as follows:

11 Section 697.5. The Physician Manpower Training Commission, in
12 order to perform its official function in establishing and
13 administering physician training programs, shall have the following
14 specific powers, duties and responsibilities:

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

22 2. To review data and information on accredited physician
23 internship and residency programs currently operated by Oklahoma
24 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

1 costs which are or may be nonreimbursable by third party payers in
2 programs proposed by accredited hospitals, clinical situations, or
3 hospital and clinical programs affiliated with and administered by
4 the College of Medicine, College of Medicine - Tulsa or College of
5 Osteopathic Medicine and Surgery in order to determine the share for
6 the state in supporting the salary, benefits, training and program
7 administration costs incurred by hospitals in supporting of the
8 interns and residents;

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

1 training activities or for delivery of service in outreach and
2 ambulatory clinical situations which are outside but associated with
3 the hospitals and clinical establishments participating in the
4 program;

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

20 8. To determine the specific level of funding and the
21 priorities used for granting state support to approved hospitals and
22 clinical situations, in cooperation with the University of Oklahoma
23 College of Medicine, University of Oklahoma College of Medicine -
24 Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery

1 for approved hospital physician training programs for interns and
2 residents and to recommend to the Governor and the Oklahoma
3 Legislature the total funds needed to carry out the purpose of this
4 program;

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

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

19 11. To ensure that in programs administered and operated by the
20 University of Oklahoma College of Medicine, University of Oklahoma
21 College of Medicine - Tulsa and the Oklahoma College of Osteopathic
22 Medicine and Surgery in hospitals and clinical situations throughout
23 the state that funds allocated to the colleges are paid by the
24 hospitals and clinical situations in which the patient care services

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

7 12. To conduct and to administer a program of physician and
8 health manpower placement services throughout the State of Oklahoma.
9 Placement services shall be made available to communities,
10 hospitals, health care facilities, physician and health professional
11 training institutions, health professional associations and
12 organizations, individual physicians, health professionals, students
13 in physician and health professional training institutions and
14 schools, and other interested parties in such a way so as to further
15 the purposes of improving the distribution of physicians and health
16 professionals practicing or available for practice in the state and
17 improving in the availability of health care services to the people
18 of the state. Said placement service shall include but not be
19 limited to assisting communities in matching with, contacting and
20 recruiting physicians and health professionals to practice in
21 communities in the state. The Commission shall develop criteria and
22 procedures for the conduct and performance of placement services and
23 employ any staff, contract for services with any private agency,

1 nonprofit corporation or institution to facilitate the performance
2 of placement services.

3 SECTION 11. AMENDATORY 70 O.S. 2011, Section 697.10, as
4 amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
5 2016, Section 697.10), is amended to read as follows:

6 Section 697.10. A. The Physician Manpower Training Commission
7 is authorized to enter into contractual arrangements with individual
8 hospitals and clinical programs for the reimbursement of intern or
9 resident salary cost not to exceed the limits established by Section
10 697.2 of this title. Provided, that residency and internship
11 positions created prior to the spring semester 1975 shall be
12 eligible for participation in the cost-sharing program for
13 internship and residency training as established by Sections 697.1
14 through 697.8 of this title, only if partial funding of said
15 positions will allow the creation of additional positions in whole
16 or in part at the participating hospital or clinical situation. The
17 participating hospital or clinical situation shall document in a
18 manner specified by the Commission the extent to which funding of a
19 previously created and established position contributes directly to
20 the creation of additional positions at the participating hospital
21 or clinical situation.

22 B. The Commission is authorized, in cooperation with the
23 Oklahoma Health Care Authority, to enter into contractual
24 arrangements with the University of Oklahoma College of Medicine and

1 the Oklahoma State University College of Osteopathic Medicine for
2 the reimbursement of intern and resident professional liability
3 insurance cost which shall not be subject to the limits established
4 in Section 697.2 of this title. Any and all intern and resident
5 positions are eligible for reimbursement of intern and resident
6 professional liability insurance cost.

7 C. There is hereby created in the State Treasury a revolving
8 fund for the ~~Physician Manpower Training~~ Commission to be designated
9 the "Intern and Residents Professional Liability Insurance Fund".
10 The fund shall be a continuing fund, not subject to fiscal year
11 limitations, and shall consist of all monies received by the
12 ~~Physician Manpower Training~~ Commission for reimbursement of intern
13 and residency professional liability insurance costs. All monies
14 accruing to the credit of the fund are hereby appropriated and may
15 be budgeted and expended by the ~~Physician Manpower Training~~
16 Commission for such costs. Expenditures from the fund shall be made
17 upon warrants issued by the State Treasurer against claims filed as
18 prescribed by law with the Director of the Office of Management and
19 Enterprise Services for approval and payment.

20 SECTION 12. AMENDATORY 70 O.S. 2011, Section 697.11, as
21 amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
22 2016, Section 697.11), is amended to read as follows:

23 Section 697.11. A. In addition to internship and residency
24 programs previously established and funded, it is the intent of the

1 Legislature that the Physician Manpower Training Commission, in
2 cooperation with the Oklahoma Health Care Authority, establish a
3 Critical Need Internship and Residency Program. The purpose of the
4 Program is to fund internship and residency programs across the
5 state in areas of critical need. The determination of areas of
6 critical need shall be made through a cooperative effort between the
7 University of Oklahoma College of Medicine and the Oklahoma State
8 University College of Osteopathic Medicine. The findings shall be
9 reported to the Commission by July 1, 2006, and every three (3)
10 years thereafter.

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

17 C. There is hereby created in the State Treasury a revolving
18 fund for the ~~Physician Manpower Training~~ Commission to be designated
19 the "Critical Need Internship and Residency Fund". The fund shall
20 be a continuing fund, not subject to fiscal year limitations, and
21 shall consist of all monies received by the Physician Manpower
22 Training Commission for funding internship and residency programs in
23 areas of critical need. All monies accruing to the credit of the
24 fund are hereby appropriated and may be budgeted and expended by the

1 Physician Manpower Training Commission for such costs. Expenditures
2 from the fund shall be made upon warrants issued by the State
3 Treasurer against claims filed as prescribed by law with the
4 Director of the Office of Management and Enterprise Services for
5 approval and payment.

6 SECTION 13. AMENDATORY 70 O.S. 2011, Section 697.17, as
7 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
8 2016, Section 697.17), is amended to read as follows:

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

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

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

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

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

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

1 Section 697.20. A. There is hereby created the "Osteopathic
2 Internship and Residency 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 Program:

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

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

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

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

16 SECTION 15. AMENDATORY 70 O.S. 2011, Section 697.21, as
17 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
18 2016, Section 697.21), is amended to read as follows:

19 Section 697.21. A. There is hereby established the Physician
20 Assistant Scholarship Program. The purpose of the program is to
21 encourage persons to enter physician assistant education programs
22 and to practice in rural and medically underserved areas of this
23 state. The Physician Assistant Scholarship Program shall be
24 administered by the Physician Manpower Training Commission pursuant

1 to rules promulgated by the Commission and shall be funded based on
2 an annual estimate of need as determined by the Commission. Awards
3 made pursuant to this Program shall be subject to the availability
4 of funds. The number of and amount of each award shall be
5 determined by the Commission based on the availability of funds.

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

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

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

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

8 SECTION 16. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 697.21a of Title 70, unless
10 there is created a duplication in numbering, reads as follows:

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

13 SECTION 17. This act shall become effective November 1, 2017.

14 Passed the Senate the 7th day of March, 2017.

15

16

Presiding Officer of the Senate

17

18 Passed the House of Representatives the ____ day of _____,
19 2017.

20

21

Presiding Officer of the House
of Representatives

22

23

24