

# An Act

ENROLLED HOUSE  
BILL NO. 2987

By: McEntire and Cockroft of  
the House

and

Yen and Pittman of the  
Senate

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. 2017, Section 1-2721), which relates to program administration; expanding 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. 2017, 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. 2017, 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. 2017, 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; amending 70 O.S. 2011, Section 697.21, as amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2017, Section 697.21), which relates

to the Physician Assistant Scholarship Program;  
removing certain residency requirement; directing  
promulgation of rules; providing for codification;  
and providing an effective date.

SUBJECT: Physician Manpower Training Commission

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

SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-2721, as amended by Section 1, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2017, Section 1-2721), is amended to read as follows:

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

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

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

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

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

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

assistant detailing performance of activities in accordance with the Program.

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

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

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

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

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

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

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

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

SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2723, as amended by Section 2, Chapter 22, O.S.L. 2016 (63 O.S. Supp. 2017, Section 1-2723), is amended to read as follows:

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

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

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

~~3. Payments of stipends to residents of new or existing primary care residency programs in exchange for a commitment to serve in a rural or underserved area of the state, 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 Commission and the recipient and representing a reasonable estimate of the damage or loss to the community or the state. Said damages shall not exceed one hundred percent (100%) of the principal. After payment of the liquidated damages, repayment of the principal may be made in cash with interest at the rate of twelve percent (12%) per annum, said interest to accrue from the date each payment is made pursuant to the scholarship. No interest however shall accrue during any one period of time that the recipient thereof is required to serve in the Armed Forces of the United States or during any period of internship~~ The maximum rural population criteria specified in subsection A of this section may be waived by the Commission.

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

SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4a, as amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2017, Section 625.4a), is amended to read as follows:

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

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

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

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

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

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

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

1. The type of primary care residency and internship programs involved and being conducted;
2. The extent of reimbursement available through third-party payers and all other sources; and
3. The program and salary costs incurred in the given training situation.

SECTION 7. AMENDATORY 70 O.S. 2011, Section 697.17, as amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2017, Section 697.17), is amended to read as follows:

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

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

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

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

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

SECTION 8. AMENDATORY 70 O.S. 2011, Section 697.21, as amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2017, Section 697.21), is amended to read as follows:

Section 697.21 A. There is hereby established the Physician Assistant Scholarship Program. The purpose of the program is to encourage persons to enter physician assistant education programs and to practice in rural and medically underserved areas of this

state. The Physician Assistant Scholarship Program shall be administered by the Physician Manpower Training Commission pursuant to rules promulgated by the Commission and shall be funded based on an annual estimate of need as determined by the Commission. Awards made pursuant to this Program shall be subject to the availability of funds. The number of and amount of each award shall be determined by the Commission based on the availability of funds.

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

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

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

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

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

SECTION 10. This act shall become effective November 1, 2018.

Passed the House of Representatives the 2nd day of May, 2018.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 3rd day of May, 2018.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_