

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 56th Legislature (2018)

4 HOUSE BILL 2987

By: McEntire

5
6 AS INTRODUCED

7 An Act relating to the Physician Manpower Training
8 Commission; amending 63 O.S. 2011, Section 1-2721, as
9 amended by Section 1, Chapter 22, O.S.L. 2016 (63
10 O.S. Supp. 2017, Section 1-2721), which relates to
11 program administration; expanding eligibility to
12 physician assistants; amending 63 O.S. 2011, Section
13 1-2723, as amended by Section 2, Chapter 22, O.S.L.
14 2016 (63 O.S. Supp. 2017, Section 1-2723), which
15 relates to funding; removing certain condition for
16 funding; amending 70 O.S. 2011, Section 625.3, which
17 relates to terms and conditions; deleting certain
18 requirements for certain repayment program;
19 permitting Commission to waive certain requirement;
20 amending 70 O.S. 2011, Section 625.4a, as amended by
21 Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
22 2017, Section 625.4a), which relates to certain
23 revolving fund; modifying composition of certain
24 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.

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

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

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

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

12 3. For the purposes of this section, "health center" shall mean
13 a federally qualified health center as defined by 42 U.S.C., Section
14 1905(1) (2) (B).

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

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

23 6. Each award shall be for a contracted period and shall be
24 distributed to the participant by drafts made payable to the

1 participant at the end of each contract year with disbursements not
2 to exceed an amount to be established annually by the Commission.
3 Prior to any disbursement, the Commission shall certify and properly
4 review reports submitted by the participating physician or physician
5 assistant detailing performance of activities in accordance with the
6 Program.

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

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

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

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

21 2. Is a new primary care ~~residency~~ graduate physician or
22 physician assistant. Preference will be given to graduates of the
23 primary care residency programs affiliated with the Oklahoma State
24 University College of Osteopathic Medicine, the University of

1 Oklahoma College of Medicine and the teaching hospitals affiliated
2 with both schools of medicine and teaching health centers located in
3 this state; or

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

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

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

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

20 Section 1-2723. A. The Physician Manpower Training Commission
21 shall have the option of utilizing available funding in excess of
22 the amount necessary to fund the Oklahoma Medical Loan Repayment
23 Program described in Section 1-2721 of this title to fund new or
24 expanded primary care residency programs in rural and underserved

1 areas of the state. Such new or expanded primary care residency
2 program funding shall include but not be limited to:

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

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

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

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

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

20 Section 625.3 A. The terms and conditions governing the
21 scholarships shall be as prescribed and formulated by the Physician
22 Manpower Training Commission, but shall include the condition that
23 each recipient, upon completion of his course of study, shall repay
24 his scholarship by practicing his profession in a rural community in

1 Oklahoma having a population of seven thousand five hundred (7,500)
2 persons or less according to the last preceding United States
3 Decennial Census and having a need therefor, as determined by the
4 Commission, for one (1) year for each one (1) year the scholarship
5 is financed; provided, however, that the recipient will be given no
6 credit for payment and reduction of ~~said~~ the obligation by serving
7 in the defined rural communities for a period less than two (2)
8 years.

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

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

14 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4a, as
15 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
16 2017, Section 625.4a), is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

1 SECTION 7. AMENDATORY 70 O.S. 2011, Section 697.17, as
2 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2017, Section 697.17), is amended to read as follows:

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

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

16 C. If a person receiving Nursing Student Assistance Program
17 funds fails to fully comply with the provisions of the contract for
18 ~~said the~~ funds, the person shall refund to the Physician Manpower
19 Training Commission all monies received by the person pursuant to
20 the provisions of the contract plus ~~interest at the rate of twelve~~
21 ~~percent (12%) from the date of disbursement of said funds and shall~~
22 ~~be liable for any other liquidated damages as specified in the~~
23 ~~contract~~ a one-time liquidated damages assessment of five percent
24 (5%) of the total amount dispersed to the person in lieu of

1 interest. The Commission shall prorate the amount to be repaid in
2 the event the obligation was partially fulfilled.

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

18 SECTION 8. AMENDATORY 70 O.S. 2011, Section 697.21, as
19 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
20 2017, Section 697.21), is amended to read as follows:

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

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

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

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

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

1 Commission for implementation of the Physician Assistant Scholarship
2 Program. All monies accruing to the credit of the 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 Physician Assistant Scholarship
6 Program. Expenditures from the fund shall be made upon warrants
7 issued by the State Treasurer against claims filed as prescribed by
8 law with the Director of the Office of Management and Enterprise
9 Services for approval and payment.

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

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

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

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17 COMMITTEE REPORT BY: COMMITTEE ON HEALTH SERVICES AND LONG-TERM
18 CARE, dated 02/07/2018 - DO PASS.
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