

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 144

By: Smalley of the Senate

and

Martin of the House

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10 COMMITTEE SUBSTITUTE

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

1 directing Commission to prorate amount under certain
2 circumstances; directing promulgation of rules;
3 providing for codification; and providing an
4 effective date.

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

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

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

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

16 3. For the purposes of this section, "health center" shall mean
17 a federally qualified health center as defined by 42 U.S.C., Section
18 1905(1) (2) (B) .

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

22 5. The Program, depending upon and limited to available
23 funding, shall provide educational loan repayment assistance to
24 Oklahoma licensed primary care physicians and physician assistants

1 under the supervision of a physician who agree to establish a
2 practice in a community located in Oklahoma approved by the
3 Commission.

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

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

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

21 C. A physician or physician assistant under the supervision of
22 a physician shall be eligible to participate in the loan repayment
23 program if the ~~physician~~ individual:
24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4a, as
2 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2016, Section 625.4a), is amended to read as follows:

4 Section 625.4a There is hereby created in the State Treasury a
5 revolving fund for the Physician Manpower Training Commission to be
6 designated the "Physician Manpower Training Commission Revolving
7 Fund". The fund shall be a continuing fund, not subject to fiscal
8 year limitations and shall consist of all payments received by the
9 Commission pursuant to Sections 625.3 and 625.10a of this title ~~and~~
10 ~~all payments received by the Commission pursuant to the Allied~~
11 ~~Health Placement Program and the Nursing Home Demonstration Program.~~
12 All monies accruing to the credit of the fund are hereby
13 appropriated and may be budgeted and expended by the Physician
14 Manpower Training Commission for any expenses incurred in the
15 implementation of its duties. Expenditures from the fund shall be
16 made upon warrants issued by the State Treasurer against claims
17 filed as prescribed by law with the Director of the Office of
18 Management and Enterprise Services for approval and payment.

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

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

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

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

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

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

1 per resident or intern shall not exceed any maximum or minimum
2 amount as may be prescribed by law or as determined by the
3 Commission. The actual amount of subsidy for physician training
4 program situations shall be based upon a determination by the
5 Commission of:

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

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

10 3. The program and salary costs incurred in the given training
11 situation.

12 SECTION 7. AMENDATORY 70 O.S. 2011, Section 697.17, as
13 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
14 2016, Section 697.17), is amended to read as follows:

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

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

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

14 D. There is hereby created in the State Treasury a revolving
15 fund for the Physician Manpower Training Commission to be designated
16 the "Nursing Student Assistance Fund". The fund shall be a
17 continuing fund, not subject to fiscal year limitations, and shall
18 consist of all nonappropriated monies, including community match
19 money of appropriated funds, grants, gifts, and repayment of
20 scholarships received by the Physician Manpower Training Commission.
21 All monies accruing to the credit of ~~said the~~ fund are hereby
22 appropriated and may be budgeted and expended by the Physician
23 Manpower Training Commission for such scholarships as may be
24 provided for pursuant to the Nursing Student Assistance Program.

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

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

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

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

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12 COMMITTEE REPORT BY: COMMITTEE ON PUBLIC HEALTH, dated 04/11/2017 -
13 DO PASS, As Amended.

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