

1 **SENATE FLOOR VERSION**

2 April 4, 2018

3 **AS AMENDED**

4 ENGROSSED HOUSE  
5 BILL NO. 2987

6 By: McEntire of the House

7 and

8 Yen of the Senate

9 **[ Physician Manpower Training Commission - program  
10 administration - eligibility to physician assistants  
11 - Physician Assistant Scholarship Program -  
12 codification - effective date ]**

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

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

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

20 2. For the purposes of this section, "primary care physicians"  
21 shall mean physicians practicing in family medicine, geriatrics,  
22 general internal medicine, general pediatrics,  
23 obstetrics/gynecology, or emergency medicine.  
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1           3. For the purposes of this section, "health center" shall mean  
2 a federally qualified health center as defined by 42 U.S.C., Section  
3 1905(1)(2)(B).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 B. Provisions of this section shall be subject to the  
8 promulgated rules of the Commission.

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

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

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

17       C. The terms of this subsection shall apply to recipients who  
18 accept assistance on or after July 1, 1993. The contract shall  
19 provide that in the event the recipient breaches the terms of the  
20 contract by not serving the designated community for the specified  
21 period of time, the Commission shall be entitled to recover an  
22 amount equal to three times the principal disbursed, pursuant to the  
23 contract, plus interest. Interest on all amounts paid to or on  
24 behalf of the participant shall be computed at the current prime

1 rate plus one percent (1%) with ~~said~~ the interest to accrue from the  
2 date each payment is made, pursuant to the contract. The amount the  
3 Commission is entitled to recover shall be paid within ninety (90)  
4 days of the date the recipient becomes liable as determined by the  
5 Commission.

6 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4a, as  
7 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
8 2017, Section 625.4a), is amended to read as follows:

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

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

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

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

18 Section 697.2 ~~There is hereby re-created the~~ The Physician  
19 Manpower Training Commission, ~~hereafter referred to as the~~  
20 ~~Commission,~~ is authorized to establish and administer cost-sharing  
21 programs for internship and residency physician training, which  
22 Commission shall provide for state assistance by sharing the cost on  
23 a percentage basis, as may be prescribed by law or as determined by  
24 the Commission, of the salary, fringe benefits, training and program

1 administration of the interns and residents as may be arranged by  
2 contract for reimbursement with an accredited and approved hospital  
3 and accredited clinical programs throughout the state in cooperation  
4 with the Oklahoma State University College of Osteopathic Medicine,  
5 which physician training institutions in the state shall serve as  
6 the administrative agent for internship and residency programs which  
7 are located in hospitals and clinical training programs throughout  
8 the state, which programs are affiliated with said institutions and  
9 approved for funding by the Commission. The Commission shall  
10 conduct the planning, coordination and selection of said training  
11 programs to assure the effective and efficient operation of these  
12 programs. Not less than fifty percent (50%) of the subsidy for  
13 these programs shall be used in the training of primary health care  
14 and family/general practice physicians for the rural and medically  
15 underserved areas of the state. Provided that such subsidy may be  
16 used for the primary purpose of increasing the total number of  
17 residencies funded by the State of Oklahoma, wherever located within  
18 the state, during that period in which residency programs are being  
19 established in rural areas; provided further, that as said residency  
20 programs are established and accredited in rural hospitals,  
21 residency positions in such programs shall be first provided for by  
22 the Commission. The Commission shall present a report to the  
23 Governor, the Speaker of the House of Representatives and the  
24 President Pro Tempore of the Senate within one (1) month of the

1 beginning of each regular legislative session on the operation of  
2 the programs including the progress made in accomplishing the goals  
3 of physician training as to type of specialties and manpower  
4 placement of the kind necessary to provide adequate health care to  
5 the people throughout the State of Oklahoma. The subsidy to the  
6 participating hospital, clinical situation or training institution  
7 per resident or intern shall not exceed any maximum or minimum  
8 amount as may be prescribed by law or as determined by the  
9 Commission. The actual amount of subsidy for physician training  
10 program situations shall be based upon a determination by the  
11 Commission of:

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

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

16 3. The program and salary costs incurred in the given training  
17 situation.

18 SECTION 7. AMENDATORY 70 O.S. 2011, Section 697.17, as  
19 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
20 2017, Section 697.17), is amended to read as follows:

21 Section 697.17 A. There is hereby established the Nursing  
22 Student Assistance Program which shall be administered by the  
23 Physician Manpower Training Commission. The purpose of the program  
24 shall be to encourage persons to enter nursing education programs

1 and to practice in areas of this state in which there is an urgent  
2 need for nursing services or in institutions or agencies of this  
3 state which provide funds on a matching basis with the Physician  
4 Manpower Training Commission for the support of nursing students.  
5 The Nursing Student Assistance Program shall be administered by  
6 rules adopted by the Physician Manpower Training Commission.

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

9 C. If a person receiving Nursing Student Assistance Program  
10 funds fails to fully comply with the provisions of the contract for  
11 ~~said~~ the funds, the person shall refund to the Physician Manpower  
12 Training Commission all monies received by the person pursuant to  
13 the provisions of the contract ~~plus interest at the rate of twelve~~  
14 ~~percent (12%) from the date of disbursement of said funds and shall~~  
15 ~~be liable for any other liquidated damages as specified in the~~  
16 ~~contract~~ a one-time liquidated damages assessment of five percent  
17 (5%) of the total amount dispersed to the person in lieu of  
18 interest. The Commission shall prorate the amount to be repaid in  
19 the event the obligation was partially fulfilled.

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 "Nursing Student Assistance Fund". The fund shall be a  
23 continuing fund, not subject to fiscal year limitations, and shall  
24 consist of all nonappropriated monies, including community match

1 money of appropriated funds, grants, gifts, and repayment of  
2 scholarships received by the Physician Manpower Training Commission.  
3 All monies accruing to the credit of ~~said~~ the fund are hereby  
4 appropriated and may be budgeted and expended by the Physician  
5 Manpower Training Commission for such scholarships as may be  
6 provided for pursuant to the Nursing Student Assistance Program.  
7 Expenditures from ~~said~~ the fund shall be made upon warrants issued  
8 by the State Treasurer against claims filed as prescribed by law  
9 with the Director of the Office of Management and Enterprise  
10 Services for approval and payment.

11 SECTION 8. AMENDATORY 70 O.S. 2011, Section 697.21, as  
12 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.  
13 2017, Section 697.21), is amended to read as follows:

14 Section 697.21 A. There is hereby established the Physician  
15 Assistant Scholarship Program. The purpose of the program is to  
16 encourage persons to enter physician assistant education programs  
17 and to practice in rural and medically underserved areas of this  
18 state. The Physician Assistant Scholarship Program shall be  
19 administered by the Physician Manpower Training Commission pursuant  
20 to rules promulgated by the Commission and shall be funded based on  
21 an annual estimate of need as determined by the Commission. Awards  
22 made pursuant to this Program shall be subject to the availability  
23 of funds. The number of and amount of each award shall be  
24 determined by the Commission based on the availability of funds.

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

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

13 D. There is hereby created in the State Treasury a revolving  
14 fund for the Physician Manpower Training Commission to be designated  
15 the "Physician Assistant Scholarship Fund". The fund shall be a  
16 continuing fund, not subject to fiscal year limitations, and shall  
17 consist of all monies received by the Physician Manpower Training  
18 Commission for implementation of the Physician Assistant Scholarship  
19 Program. All monies accruing to the credit of the fund are hereby  
20 appropriated and may be budgeted and expended by the Physician  
21 Manpower Training Commission for such scholarships as may be  
22 provided for pursuant to the Physician Assistant Scholarship  
23 Program. Expenditures from the fund shall be made upon warrants  
24 issued by the State Treasurer against claims filed as prescribed by

1 law with the Director of the Office of Management and Enterprise  
2 Services for approval and payment.

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

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

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

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
10 April 4, 2018 - DO PASS AS AMENDED

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