

1 **As Amended by House Committee**

2 *Session of 2001*

3
4 **HOUSE BILL No. 2057**

5
6 By Health Care Reform Legislative Oversight Committee

7
8 1-18

9
10 AN ACT concerning medical scholarships and loans; concerning medi-
11 cally underserved areas; amending K.S.A. **65-2811a**, 74-3247, 74-
12 3269, ~~76-376~~, 76-379, 76-383 **76-385** and 76-384 and K.S.A. 2000
13 Supp. 74-3266 ~~and, 74-32,132~~, 76-375 ~~and 76-381~~ and repealing the
14 existing sections; also repealing K.S.A. 76-373, 76-374, **76-376**, 76-377
15 and 76-377a.

16
17 *Be it enacted by the Legislature of the State of Kansas:*

18 Section 1. K.S.A. 2000 Supp. 76-375 is hereby amended to read as
19 follows: 76-375. (a) On or before December 31 in each year, the ~~chan-~~
20 ~~cellor of the university of Kansas, or the designee of the chancellor sec-~~
21 ~~retary of health and environment,~~ shall prepare a list of the areas of this
22 state which the ~~chancellor, or designee of the chancellor, secretary~~ de-
23 termines to be ~~critically~~ medically underserved areas ~~by specialty and the~~
24 ~~areas of this state which the chancellor, or designee of the chancellor,~~
25 ~~secretary~~ determines to be medically underserved areas by specialty. In
26 preparing such a list the chancellor, or designee of the chancellor, shall
27 consult with the medical scholarship advisory committee. All state med-
28 ical care facilities or institutions, all medical centers operated in the state
29 of Kansas by the veterans administration of the United States, and all full-
30 time faculty positions at the university of Kansas school of medicine in
31 family medicine or family practice are qualified for service in both service
32 commitment area I and service commitment area II without being de-
33 termined medically underserved areas. In preparing such a list, the por-
34 tion of time of persons engaged in the practice of medicine and surgery
35 at any institution under the jurisdiction and control of the secretary of
36 social and rehabilitation services shall not be included in determining
37 whether an area is ~~critically medically underserved or~~ medically under-
38 served. Every such list shall note that all state medical care facilities or
39 institutions qualify for such service commitments, in addition to listing
40 those areas determined to be critically medically underserved or medi-
41 cally underserved. ~~Critically medically underserved areas by specialty and~~
42 ~~medically underserved areas by specialty~~ **Medically underserved areas**
43 established prior to the effective date of this act by the ~~secretary of health~~

1 ~~and environment chancellor of the university of Kansas, or the designee~~
2 ~~of the chancellor, shall continue in effect for the purposes of this act until~~
3 ~~changed by the chancellor of the university of Kansas, or the designee of~~
4 ~~the chancellor secretary of health and environment. The chancellor of the~~
5 ~~university of Kansas, or the designee of the chancellor secretary of health~~
6 ~~and environment, upon a finding of exceptional circumstances, may mod-~~
7 ~~ify areas or portions of areas determined to be critically medically un-~~
8 ~~derserved or medically underserved by specialty.~~

9 —(b) (1) A service commitment area shall be designated as a service
10 commitment area I or a service commitment area II. Service commitment
11 area I shall be any area determined by the chancellor of the university of
12 Kansas, or the designee of the chancellor, ~~secretary of health and envi-~~
13 ~~ronment~~ under subsection (a) to be, for purposes of all agreements enter-
14 ed into under K.S.A. 76-374 and amendments thereto, a medically
15 underserved area or a critically medically underserved area. Service com-
16 mitment area II shall be, for purposes of all agreements entered into
17 under K.S.A. 76-374 and amendments thereto, the state of Kansas.

18 —(2) The service commitment area I or II for persons first awarded
19 scholarships after December 31, 1985, shall be an incorporated city of
20 this state as specified in subsection (d)(2) of K.S.A. 76-374 and amend-
21 ments thereto ~~of less than 12,000 population based upon the most current~~
22 ~~legal census excluding any such incorporated cities located in Wyandotte,~~
23 ~~Johnson, Sedgwick or Shawnee counties, all state medical care facilities~~
24 ~~or institutions, all medical centers operated in the state of Kansas by the~~
25 ~~veterans administration of the United States, and the full time faculty~~
26 ~~positions at the university of Kansas school of medicine in general internal~~
27 ~~medicine, general pediatrics, family medicine or family practice, except~~
28 ~~that, at the time any person commences satisfying a service commitment~~
29 ~~under this subsection as a full time faculty member, the number of per-~~
30 ~~sons satisfying service commitments or service obligations, pursuant to~~
31 ~~agreements under K.S.A. 76-374 and amendments thereto or the medical~~
32 ~~student loan act, as full time faculty members pursuant to this subsection~~
33 ~~shall not exceed the number equal to 25% of the total number of full-~~
34 ~~time faculty members of the university of Kansas school of medicine in~~
35 ~~general internal medicine, general pediatrics, family medicine or family~~
36 ~~practice.~~

37 —(c) In selecting a service commitment area I or II, whichever is ap-
38 plicable, prior to the commencement of the full time practice of medicine
39 and surgery pursuant to all agreements entered into under K.S.A. 76-374
40 and amendments thereto requiring service for a period of time in a service
41 commitment area I or II, whichever is applicable, the person so selecting
42 shall select such area from among those areas appearing on the list of
43 areas prepared by the chancellor of the university of Kansas, or the des-

1 ~~ignee of the chancellor, *secretary of health and environment* under this~~
2 ~~section. The service commitment area selected shall have appeared on~~
3 ~~any such list not more than 36 months prior to the commencement of~~
4 ~~such full time practice of medicine and surgery by the person selecting~~
5 ~~such service commitment area. Upon the selection of such service com-~~
6 ~~mitment area, the person so selecting shall inform the university of Kansas~~
7 ~~school of medicine of the area selected.~~

8 ~~—(d)—A person serving in a service commitment area I or II, whichever~~
9 ~~is applicable, pursuant to any *an* agreement under this act may serve all~~
10 ~~or part of any commitment in the service commitment area initially se-~~
11 ~~lected by such person. If such person moves from one service commit-~~
12 ~~ment area I or II to another service commitment area I or II, as appli-~~
13 ~~cable, such person shall notify the university of Kansas school of medicine~~
14 ~~*appropriate entity as provided by law* of such person's change of service~~
15 ~~commitment area. Service in any such service commitment area I or II,~~
16 ~~as applicable, selected from the appropriate lists of service commitment~~
17 ~~areas, shall be deemed to be continuous for the purpose of satisfying any~~
18 ~~agreement entered into under this act. Any service commitment area I~~
19 ~~or II, as applicable, selected after the initially selected service commit-~~
20 ~~ment area I or II shall have appeared on a service commitment area I list~~
21 ~~or on a service commitment area II list, as applicable, which shall have~~
22 ~~been prepared not more than 12 months prior to the move by such person~~
23 ~~from one service commitment area I or II to another service commitment~~
24 ~~area I or II, as applicable.~~

25 ~~—(e) (1)—A person awarded a scholarship prior to January 1, 1986, may~~
26 ~~satisfy the obligation to engage in the full time practice of medicine and~~
27 ~~surgery in a service commitment area I even though such person is en-~~
28 ~~gaged in such practice in two or more locations within the state of Kansas,~~
29 ~~at least one of which is not located in a service commitment area I, if the~~
30 ~~person is engaged in the full time practice of medicine and surgery in~~
31 ~~such locations pursuant to a practice affiliation agreement approved by~~
32 ~~the chancellor of the university of Kansas, or the designee of the~~
33 ~~chancellor.~~

34 ~~—(2)—A person awarded a scholarship prior to January 1, 1986, may~~
35 ~~satisfy the obligation to engage in the full time practice of medicine and~~
36 ~~surgery in either service commitment area I or service commitment area~~
37 ~~II by performing at least 100 hours per month of on site primary care as~~
38 ~~defined in K.S.A. 76-374 and amendments thereto at a medical facility~~
39 ~~operated by a local health department or nonprofit organization in this~~
40 ~~state serving medically indigent persons. As used in this paragraph, "med-~~
41 ~~ically indigent" means a person: (A) Who is unable to secure health care~~
42 ~~because of inability to pay for all or a part of the costs thereof due to~~
43 ~~inadequate personal resources, being uninsured, being underinsured, be-~~

1 ing ineligible for governmental health benefits; or (B) who is eligible for
2 governmental benefits but is unable to obtain medical services.

3 —(3)—A person awarded a scholarship prior to January 1, 1986, may
4 satisfy the obligation to engage in the full time practice of medicine and
5 surgery in either service commitment area I or II by engaging in such
6 full time practice of medicine and surgery, other than in a primary care
7 specialty, anywhere in the state of Kansas with the exception of the fol-
8 lowing counties: Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or
9 Wyandotte, except that the full time practice of medicine and surgery
10 within the six listed counties will qualify if the selected county is desig-
11 nated as a service commitment area I or II in accordance with the pro-
12 visions of this section, or whenever there are fewer than three persons
13 engaged in the full time practice of medicine and surgery in a designated
14 specialty in the selected county. Any person who satisfies the obligation
15 to engage in the full time practice of medicine and surgery in accordance
16 with this subsection (c)(3) shall remain obligated to repay the amounts
17 received for living expenses as prescribed in subsection (a)(5) of K.S.A.
18 75-376 and amendments thereto. As used in this subsection (c)(3), “pri-
19 mary care” means general pediatrics, general internal medicine or family
20 practice.

21 —(f)—A person awarded a scholarship in accordance with the provisions
22 of K.S.A. 76-373 through 76-377a and amendments thereto may satisfy
23 the obligation to engage in the practice of medicine and surgery, under
24 an agreement entered into pursuant to K.S.A. 76-374 and amendments
25 thereto even though such person is engaged in practice in an area not
26 designated a medically underserved area by specialty, or a critically med-
27 ically underserved area by specialty, through employment on a part time
28 basis by the state of Kansas which has been approved by the chancellor
29 of the university of Kansas, or the designee of the chancellor, for the
30 practice of medicine and surgery at any state medical care facility or
31 institution.

32 —(g)—In connection with the determination of critically medically un-
33 derserved areas and medically underserved areas under this section, the
34 chancellor of the university of Kansas, or the designee of the chancellor,
35 shall assess annually the need in the state as a whole for medical services
36 provided by persons engaged in the practice of medicine and surgery and
37 shall report thereon annually to the legislature. Each report shall include
38 any recommendations for needed legislation, including any recom-
39 mended amendments to this act, which relate to the need for such med-
40 ical services in the various areas of this state.

41 —(h)—There is hereby established the medical scholarship advisory com-
42 mittee. Members of the medical scholarship advisory committee shall be
43 appointed by the chancellor of the university of Kansas as follows: (1)

1 One member shall be from the office of the chancellor of the university
2 of Kansas; (2) one member shall be a representative of the Kansas medical
3 society; (3) one member shall be a member of the Kansas legislature; (4)
4 one member shall be a student at the university of Kansas school of med-
5 icine; and (5) one member shall be a representative of the Kansas hospital
6 association. The medical scholarship advisory committee shall meet pe-
7 riodically upon the call of the chancellor, or the designee of the chancel-
8 lor, and shall make recommendations to the chancellor, or the designee
9 of the chancellor, in regard to the administration of the provisions of this
10 act.

11 —(i) The chancellor of the university of Kansas may appoint a medical
12 scholarship program coordinator for the purpose of planning and admin-
13 istering the provisions of this act. The coordinator shall be in the unclas-
14 sified service under the Kansas civil service act.

15 —(j) For all purposes under this section, service or employment after
16 June 30, 1988, on a part time basis (1) pursuant to a practice affiliation
17 agreement approved by the chancellor of the university of Kansas, or the
18 chancellor's designee, or (2) at a state medical care facility or institution,
19 shall be on the basis of at least the equivalent of ½ time in order to satisfy
20 the obligation to engage in the practice of medicine and surgery under
21 an agreement entered into pursuant to K.S.A. 76-374 and amendments
22 thereto.

23 (k) ~~(c)~~ As used in this section, “state medical care facility or institu-
24 tion” includes, but is not limited to, the Kansas state school for the visually
25 handicapped, the Kansas state school for the deaf, any institution under
26 the secretary of social and rehabilitation services, as defined by subsection
27 (b) of K.S.A. 76-12a01 and amendments thereto, any institution under
28 the commissioner of juvenile justice, as defined by K.S.A. 38-1602, and
29 amendments thereto, the Kansas soldiers' home, the Kansas veterans'
30 home and any correctional institution under the secretary of corrections,
31 as defined by subsection (d) of K.S.A. 75-5202 and amendments thereto,
32 but shall not include any state educational institution under the state
33 board of regents, as defined by subsection (a) of K.S.A. 76-711 and
34 amendments thereto, except as specifically provided by statute.

35 —Sec. 2. K.S.A. 76-376 is hereby amended to read as follows: 76-376.
36 (a) (1) Except as otherwise provided in paragraphs (2) through (9) of this
37 subsection (a) or in K.S.A. 76-377 and amendments thereto, upon the
38 failure of any person to satisfy the obligation to engage in the full-time
39 practice of medicine and surgery within the appropriate service commit-
40 ment area of this state for the required period of time under any agree-
41 ment entered into pursuant to K.S.A. 76-373 through 76-377a, and
42 amendments thereto, such person shall repay to the university of Kansas
43 school of medicine an amount equal to the total of (A) the amount of

1 money received by such person pursuant to such agreement, or the
2 amount of money determined under rules and regulations of the univer-
3 sity of Kansas plus (B) annual interest at a rate of 10%, if the agreement
4 was entered into prior to January 1, 1982, 15%, if the agreement was
5 entered into after December 31, 1981, from the date such money was
6 received.

7 —(2)—Any person first awarded a scholarship after December 31, 1985,
8 who fails to apply for and enter an approved three year primary care
9 postgraduate residency training program shall be required to repay all
10 moneys received pursuant to an agreement entered into for any such
11 scholarship, plus accumulated interest at an annual rate of 15% within 90
12 days of graduation from the school of medicine, or termination or com-
13 pletion of a residency training program which does not comply with the
14 provisions of this section, whichever occurs later.

15 —(3)—If a person fails to satisfy an obligation to engage in the full time
16 practice of medicine and surgery within a service commitment area I for
17 the required period of time under an agreement entered into pursuant
18 to K.S.A. 76-373 through 76-377a, and amendments thereto, but is en-
19 gaged in the full time practice of medicine and surgery within this state
20 in a service commitment area II which would have applied to such person
21 had such person received a type II scholarship under an agreement en-
22 tered into pursuant to K.S.A. 76-373 through 76-377a, and amendments
23 thereto, and if the chancellor of the university of Kansas, or the designee
24 of the chancellor, finds that exceptional circumstances caused the failure
25 of such person to engage in such practice in a service commitment area
26 I, such person shall not be required to repay the amount of money re-
27 ceived by such person for up to 50% of tuition fees pursuant to such
28 agreement.

29 —(4)—If a person fails to satisfy an obligation to engage in the full time
30 practice of medicine and surgery in Kansas for the required period of
31 time under an agreement entered into pursuant to K.S.A. 76-373 through
32 76-377a, and amendments thereto, because such person is engaged in the
33 full time practice of medicine and surgery in a state other than Kansas
34 and if such person is subject to or currently making repayments under
35 this section and if such person subsequently commences the practice of
36 medicine and surgery in this state which complies with the agreements
37 entered into under such statutes, the balance of the repayment amount,
38 including interest thereon, from the time of such commencement of prac-
39 tice until the obligation of such person is satisfied, or until the time such
40 person again becomes subject to repayments, shall be waived. All repay-
41 ment amounts due prior to such commencement of practice in this state,
42 including interest thereon, shall continue to be payable as provided in
43 this section. If subsequent to such commencement of practice, the person

1 fails to satisfy such obligation, the person again shall be subject to repay-
2 ments, including interest thereon, as otherwise provided in this section.
3 —(5)—Any person awarded a type I scholarship prior to January 1, 1986,
4 who is satisfying the obligation to engage in the full time practice of med-
5 icine and surgery in a service commitment area I by complying with the
6 provisions of subsection (c)(3) of K.S.A. 76-375 and amendments thereto
7 and who except for the provisions of such section (c)(3) would not oth-
8 erwise be eligible to satisfy such obligation in the area in which such
9 person is engaged in the full time practice of medicine and surgery shall
10 repay all moneys received by the person pursuant to the type I scholarship
11 for living expenses, including interest thereon as otherwise provided in
12 this section, in accordance with the repayment schedule established for
13 the purposes of this paragraph by the chancellor of the university of
14 Kansas.

15 —(6)—If, during the time a person is satisfying the service requirement
16 of an agreement entered into pursuant to K.S.A. 76-373 through 76-377a,
17 and amendments thereto, such person desires to engage in less than the
18 full time practice of medicine and surgery within the appropriate service
19 commitment area of the state and remain in satisfaction of such service
20 requirement, such person may make application to the chancellor of the
21 university of Kansas or the designee of the chancellor for permission to
22 engage in less than such full time practice of medicine and surgery. Upon
23 a finding of exceptional circumstances made by the chancellor of the
24 university of Kansas, or the designee of the chancellor, such person may
25 be authorized to engage in less than the full time practice of medicine
26 and surgery within the appropriate service commitment area of the state
27 for the remaining required period of time under such agreement and for
28 an additional period of time which shall be equal to the length of the
29 originally required period of time multiplied by the decimal fraction
30 which is equal to the reduction of the full time practice of medicine and
31 surgery to be authorized hereunder, multiplied by two. In any such de-
32 termination of the period required to be engaged in the less than full-
33 time practice of medicine and surgery, the decimal fraction utilized shall
34 not exceed .5 and any person granted permission to engage in less than
35 the full time practice of medicine and surgery in accordance with the
36 provisions of this paragraph (6) shall be required to engage in at least the
37 half time practice of medicine and surgery.

38 —(7)—Any person first awarded a scholarship after December 31, 1985,
39 who enters but fails to complete an approved three year primary care
40 postgraduate residency training program, or who enters and completes
41 an approved three year primary care postgraduate residency training pro-
42 gram but fails to satisfy the obligation to engage in the full time practice
43 of medicine and surgery within the appropriate service commitment area

1 of this state for the required period of time shall be required to repay all
2 money received pursuant to an agreement entered into for any such schol-
3 arship, plus accumulated interest at an annual rate of 15% within 90 days
4 of failure to complete an approved residency or 90 days of failure to
5 commence qualifying practice, whichever occurs first. This provision shall
6 apply only to agreements entered into from and after the effective date
7 of this act.

8 —(8)—Any person who was satisfying such person's obligation to engage
9 in the full time practice of medicine and surgery within the appropriate
10 service commitment area of the state for the required period of time
11 under any agreement entered into pursuant to K.S.A. 76-373 through 76-
12 376 and amendments thereto, by practicing in the specialty of emergency
13 medicine at Memorial Hospital in Topeka, Kansas, may satisfy the re-
14 mainder of such person's obligation to engage in the full time practice of
15 medicine and surgery by practicing in a critically medically underserved
16 area in the specialty of emergency medicine.

17 —(9)—Any person who was first awarded a type I scholarship prior to
18 January 1, 1986, who has completed an approved three-year primary care
19 postgraduate residency training program in pediatrics, who is employed
20 as a clinical assistant professor in the department of pediatrics and as
21 director of the sexual abuse program at the university of Kansas medical
22 center on at least a 55% full-time equivalent basis and who provides on-
23 call services 24 hours per day for sexual abuse evaluations and consulta-
24 tions and administrative decisions, may satisfy the remainder of such per-
25 son's obligation to engage in the full-time practice of medicine and
26 surgery in a service commitment area I by continuing to provide such
27 services in such capacities on at least a 55% full-time equivalent basis with
28 the university of Kansas medical center, and such person shall be credited
29 for such service against the annual obligation of such person under agree-
30 ments entered into pursuant to K.S.A. 76-373 through 76-377a, and
31 amendments thereto, at the percentage rate of the full-time equivalent
32 employment of such person as determined by the chancellor of the uni-
33 versity of Kansas for each year such person qualifies under this subsection.

34 —(b)—Except as otherwise provided in this section, if the person first
35 entered into an agreement under K.S.A. 76-374 and amendments thereto
36 prior to January 1, 1982, the person shall make 10 equal annual install-
37 ment payments totaling the entire amount to be repaid under all such
38 agreements for which such obligations are not satisfied, including all
39 amounts of interest at the rate prescribed.

40 —(c)—If the person first entered into an agreement under K.S.A. 76-374
41 and amendments thereto after December 31, 1981, the person shall repay
42 an amount totaling the entire amount to be repaid under all such agree-
43 ments for which such obligations are not satisfied, including all amounts

1 of interest at the rate prescribed. Except as otherwise provided in this
2 section, such repayment shall be in installment payments and each such
3 installment shall be not less than the amount equal to $\frac{1}{5}$ of the total
4 amount which would be required to be paid if repaid in five equal annual
5 installments.

6 —(d)—All installment payments under this section shall commence six
7 months after the date of the action or circumstance that causes the failure
8 of the person to satisfy the obligations of such agreements, as determined
9 by the university of Kansas school of medicine based upon the circum-
10 stances of each individual case. In all cases where the person first entered
11 into an agreement under K.S.A. 76-374 and amendments thereto after
12 December 31, 1981, if an installment payment becomes 91 days overdue,
13 the entire amount outstanding shall become immediately due and paya-
14 ble, including all amounts of interest at the rate prescribed.

15 —(e)—The total repayment obligation imposed under all agreements en-
16 tered into under K.S.A. 76-374 and amendments thereto may be satisfied
17 at any time by any person who first entered into an agreement under such
18 statute prior to January 1, 1982, and at any time prior to graduation from
19 the university of Kansas school of medicine by any persons who first
20 entered into an agreement under such statute after December 31, 1981,
21 by making a single lump sum payment equal to the total of (1) the entire
22 amount to be repaid under all such agreements upon failure to satisfy the
23 obligations under such agreements to practice in Kansas, plus (2) all
24 amounts of interest thereon at the rate prescribed to the date of payment.

25 —(f)—There is hereby created in the state treasury the medical schol-
26 arship and loan repayment fund. The university of Kansas school of med-
27 icine shall remit all moneys received under this section to the state trea-
28 surer at least monthly. Upon receipt of each such remittance the state
29 treasurer shall deposit the entire amount thereof in the state treasury,
30 and such amount shall be credited to the medical scholarship and loan
31 repayment fund. All expenditures from the medical scholarship and loan
32 repayment fund shall be for scholarships awarded under K.S.A. 76-373
33 through 76-377a and amendments thereto, for medical student loans un-
34 der the medical student loan act, for payment of the salary of the medical
35 scholarship program coordinator and for the expenses of administration
36 of K.S.A. 76-373 through 76-377a and amendments thereto and the med-
37 ical student loan act and shall be made in accordance with appropriation
38 acts upon warrants of the director of accounts and reports issued pursuant
39 to vouchers approved by the chancellor of the university of Kansas or by
40 a person designated by the chancellor. On the effective date of this act,
41 the director of accounts and reports shall transfer all moneys in the med-
42 ical scholarship and loan repayment fund to the medical scholarship and
43 loan repayment fund. On the effective date of this act, all liabilities of the

1 ~~medical scholarship and loan repayment fund are hereby imposed on the~~
2 ~~medical scholarship and loan repayment fund and the medical scholarship~~
3 ~~and loan repayment fund is hereby abolished. Whenever the medical~~
4 ~~scholarship and loan repayment fund, or words of like effect, is referred~~
5 ~~to or designated by any statute, contract or other document, such refer-~~
6 ~~ence or designation shall be deemed to apply to the medical scholarship~~
7 ~~and loan repayment fund.~~

8 Sec. ~~3~~. **2.** K.S.A. 76-379 is hereby amended to read as follows: 76-
9 379. Any person awarded a scholarship in accordance with the provisions
10 of K.S.A. 76-373 through 76-377a and amendments thereto ~~may satisfy~~
11 ~~any obligation to engage in the practice of medicine and surgery under~~
12 ~~any agreement entered into pursuant to K.S.A. 76-374 and amendments~~
13 ~~thereto by engaging in the full-time practice of medicine and surgery in~~
14 ~~a service commitment area, as defined by subsection (c) of K.S.A. 76-381,~~
15 ~~in lieu of an appropriate service commitment as otherwise required under~~
16 ~~K.S.A. 76-373 through 76-377a and amendments thereto, but in accord-~~
17 ~~ance with and subject to the other conditions and requirements pre-~~
18 ~~scribed under those statutes, except that any such person, who also enters~~
19 ~~into a medical student loan agreement under the medical student loan~~
20 ~~act and who has not commenced the required primary care postgraduate~~
21 ~~residency training program on the effective date of this act, may satisfy~~
22 ~~the requirement to enter and complete an approved three-year primary~~
23 ~~care residency training program under any such agreement by entering~~
24 ~~and completing an approved postgraduate residency training program as~~
25 ~~defined by subsection (b) of K.S.A. 76-381. The provisions of this section~~
26 ~~shall apply only to residency training and the practice of medicine and~~
27 ~~surgery commenced on or after the effective date of this act.~~

28 Sec. ~~4~~. **3.** K.S.A. 76-383 is hereby amended to read as follows: 76-
29 383. A medical student loan agreement entered into by the university of
30 Kansas school of medicine and an undergraduate student enrolled in or
31 admitted to the university of Kansas school of medicine in a course of
32 instruction leading to the degree of doctor of medicine for the purpose
33 of receiving a medical student loan under this act shall require that the
34 person receiving the loan:

35 (a) Complete the required course of instruction and receive the de-
36 gree of doctor of medicine and apply for, enter and complete an approved
37 postgraduate residency training program;

38 (b) apply for and obtain a license to practice medicine and surgery in
39 Kansas;

40 (c) engage in the full-time practice of medicine and surgery for a
41 period of 12 months within a service commitment area, except as other-
42 wise provided in subsection (c) of K.S.A. 76-384 for service as a full-time
43 faculty member of the university of Kansas school of medicine in family

1 medicine or family practice;

2 (d) commence such full-time practice of medicine and surgery within
3 nine months after completion of an approved postgraduate residency
4 training program and licensure in a service commitment area and con-
5 tinue such full-time practice in such service commitment area for a con-
6 secutive period of months equal to the total number of months required
7 under the agreement;

8 (e) agree that the service commitment for each agreement entered
9 into under this act is in addition to the service commitment contained in
10 any other agreement which has been or may be entered into under this
11 act for the purpose of obtaining a medical student loan or under ~~K.S.A.~~
12 ~~76-373 through 76-377a and amendments thereto~~ *other agreements* for
13 the purpose of obtaining scholarship aid;

14 (f) maintain records and make reports to the university of Kansas
15 school of medicine to document the satisfaction of the obligation under
16 such agreement to engage in the full-time practice of medicine and sur-
17 gery within a service commitment area and to continue such full-time
18 practice in such service commitment area for a consecutive period of
19 months equal to the total number of months required under the agree-
20 ment; and

21 (g) upon failure to satisfy an agreement to engage in the full-time
22 practice of medicine and surgery within a service commitment area for
23 the required period of time under any such agreement, the person re-
24 ceiving a medical student loan under this act shall repay amounts to the
25 university of Kansas school of medicine as provided in K.S.A. 76-385.

26 ~~Sec. 5- 4.~~ K.S.A. 76-384 is hereby amended to read as follows: 76-
27 384. (a) Upon the selection of a service commitment area for the purposes
28 of satisfying a service obligation under a medical student loan agreement
29 entered into under this act, the person so selecting shall inform the uni-
30 versity of Kansas school of medicine of the service commitment area
31 selected.

32 (b) A person serving in a service commitment area pursuant to any
33 agreement under this act may serve all or part of any commitment in the
34 service commitment area initially selected by such person. If such person
35 moves from one service commitment area to another service commitment
36 area, such person shall notify the university of Kansas school of medicine
37 of such person's change of service commitment area. Service in any such
38 service commitment area shall be deemed to be continuous for the pur-
39 pose of satisfying any agreement entered into under this act.

40 (c) A person receiving a medical student loan under this act, may
41 satisfy the obligation to engage in the full-time practice of medicine and
42 surgery in a service commitment area if the person serves as a full-time
43 faculty member of the university of Kansas school of medicine in general

1 internal medicine, general pediatrics, family medicine or family practice
2 and serves two years for each one year of such obligation, or the equiv-
3 alent thereof on a two-for-one basis, except that, at the time any person
4 commences satisfying such service obligation as a full-time faculty mem-
5 ber pursuant to this subsection, the number of persons satisfying service
6 commitments or service obligations, pursuant to agreements under ~~K.S.A.~~
7 ~~76-374 and amendments thereto~~ or the medical student loan act, as full-
8 time faculty members pursuant to this subsection shall not exceed the
9 number equal to 25% of the total number of full-time faculty members
10 of the university of Kansas school of medicine in general internal medi-
11 cine, general pediatrics, family medicine or family practice.

12 (d) A person may satisfy the obligation to engage in the full-time
13 practice of medicine and surgery in a service commitment area by per-
14 forming at least 100 hours per month of on-site primary care ~~as defined~~
15 ~~in K.S.A. 76-374 and amendments thereto~~ at a medical facility operated
16 by a local health department or nonprofit organization in this state serving
17 medically indigent persons. As used in this subsection, “medically indi-
18 gent” means a person: (1) Who is unable to secure health care because
19 of inability to pay for all or a part of the costs thereof due to inadequate
20 personal resources, being uninsured, being underinsured, being ineligible
21 for governmental health benefits; or (2) who is eligible for governmental
22 benefits but is unable to obtain medical services; and “*primary care*”
23 *means general pediatrics, general internal medicine, **family medicine***
24 *and family practice.*

25 ~~Sec. 6-5.~~ K.S.A. 74-3247 is hereby amended to read as follows: 74-
26 3247. (a) Each Kansas student entering into an agreement under the
27 ~~provisions of this section prior to July 1, 1978, or under the provisions of~~
28 K.S.A. 74-3246, and amendments thereto, with the state board of regents
29 may receive from the board a loan in an amount not exceeding \$6,000
30 for each year such student is enrolled in the college of osteopathic medi-
31 cine, which loan shall be made within 30 days after the commencement
32 of each school year. The student shall execute a note payable to the state
33 of Kansas as evidence of each such loan made, which note shall bear
34 interest at the annual rate of 10% until paid.

35 (b) Each note shall provide that the note shall become due and pay-
36 able, with all accrued interest thereon, in the event that the student: (1)
37 Discontinues such student’s studies at the college of osteopathic medi-
38 cine; or

39 (2) does not enter practice in the state of Kansas in accordance with
40 this act within six months of completion of such student’s intern training
41 or primary care residency training; or

42 (3) does not complete one full year of practice in Kansas in accord-
43 ance with this act for each year the student was granted a loan, after

1 entering practice in Kansas.

2 (c) Each note shall further provide that in the event the student does
3 enter practice in Kansas within six months of completion of intern training
4 or primary care residency training, and does complete one full year of
5 practice in Kansas in accordance with this act for each year the student
6 was granted a loan, after entering practice in Kansas, the note shall be
7 forgiven, together with all accrued interest thereon.

8 (d) The practice obligations incurred by a student under the provi-
9 sions of this section are deemed to be cumulative and consecutive obli-
10 gations to the practice obligations incurred under K.S.A. 74-3246, and
11 amendments thereto, and are specifically determined not to be concur-
12 rent obligations.

13 (e) Each Kansas student who enters into an agreement under K.S.A.
14 74-3246, and amendments thereto, and who executes a note in evidence
15 of a loan under this section shall serve the practice obligations incurred
16 by such student under such agreement and under each such note, within
17 an area of the state designated as a service commitment area I pursuant
18 to K.S.A. 76-375, and amendments thereto. Such student shall select a
19 service commitment area I in accordance with the provisions of K.S.A.
20 76-375, and amendments thereto, and shall be subject to the provisions
21 of subsections (c) and (d) of such K.S.A. 76-375, and amendments
22 thereto, in the same manner and to the same effect as a person required
23 to engage in the full-time practice of medicine and surgery in a service
24 commitment area I pursuant to any agreement under K.S.A. 76-373 to
25 76-377, and amendments thereto, ~~except that in lieu of informing or no-~~
26 ~~tifying the university of Kansas school of medicine of certain matters~~
27 ~~under the provisions of subsections (c) and (d) of such K.S.A. 76-375, and~~
28 ~~amendments thereto, as K.S.A. 76-373 to 76-377, and amendments~~
29 ~~thereto, existed immediately prior to the effective date of this act.~~ Such
30 student shall inform and notify the state board of regents ~~thereof of the~~
31 *area selected or to which the student has moved.*

32 **Sec. 7. 6.** K.S.A. 2000 Supp. 74-3266 is hereby amended to read as
33 follows: 74-3266. (a) An agreement entered into by the state board of
34 regents and a Kansas resident who is an undergraduate student enrolled
35 in or admitted to an accredited school of osteopathic medicine in a course
36 of instruction leading to the degree of doctor of osteopathy for the award-
37 ing of a scholarship under K.S.A. 74-3265 and amendments thereto shall
38 require that the person receiving the scholarship:

39 (1) Complete the required course of instruction and receive the de-
40 gree of doctor of osteopathy;

41 (2) apply for and obtain a license to practice medicine and surgery in
42 Kansas;

43 (3) engage in the full-time practice of medicine and surgery for a

1 period of 12 months in Kansas;

2 (4) (A) with regard to agreements entered into prior to July 1, 1993,
3 commence such full-time practice of medicine and surgery within nine
4 months after licensure or within nine months after completion of a resi-
5 dency program and licensure, whichever is later, and continue such full-
6 time practice in Kansas for a consecutive period of months equal to the
7 total number of months required under the agreement;

8 (B) with regard to agreements entered into after July 1, 1993, com-
9 mence such full-time practice of medicine and surgery within nine
10 months after licensure or within nine months after completion of an ap-
11 proved residency program as defined in this section and licensure, which-
12 ever is later, and continue such full-time practice in Kansas for a consec-
13 utive period of months equal to the total number of months required
14 under the agreement;

15 (5) agree that the service commitment for each agreement entered
16 into under this section is in addition to the service commitment contained
17 in any other agreement which has been or may be entered into under
18 this section for the purpose of obtaining scholarship aid;

19 (6) maintain records and make reports to the state board of regents
20 to document the satisfaction of the obligation under such agreement to
21 engage in the full-time practice of medicine and surgery in Kansas and
22 to continue such full-time practice for a consecutive period of months
23 equal to the total number of months required under the agreement; and

24 (7) upon failure to satisfy an agreement to engage in the full-time
25 practice of medicine and surgery in Kansas for the required period of
26 time under any such agreement, the person receiving a scholarship under
27 K.S.A. 74-3265 and amendments thereto shall repay amounts to the state
28 board of regents as provided in K.S.A. 74-3267 and amendments thereto.

29 (b) (1) Each Kansas student who enters into an agreement under this
30 section after June 30, 1988, shall serve the practice obligations incurred
31 by such student under such agreement within an area of the state des-
32 ignated as a service commitment area I pursuant to K.S.A. 76-375 and
33 amendments thereto. Such student shall select a service commitment area
34 I in accordance with the provisions of K.S.A. 76-375 and amendments
35 thereto and shall be subject to the provisions of subsections (c) and (d)
36 of such K.S.A. 76-375 and amendments thereto in the same manner and
37 to the same effect as a person required to engage in the full-time practice
38 of medicine and surgery in a service commitment area I pursuant to any
39 agreement under K.S.A. 76-373 through 76-377a and amendments
40 thereto, ~~except that in lieu of informing or notifying the university of~~
41 ~~Kansas school of medicine of certain matters under the provisions of~~
42 ~~subsections (c) and (d) of such K.S.A. 76-375 and amendments thereto~~
43 *as K.S.A. 76-373 to 76-377a, and amendments thereto, existed immedi-*

1 *ately prior to the effective date of this act.* Such student shall inform and
2 notify the state board of regents ~~thereof~~ *of the area selected or to which*
3 *the student has moved.*

4 (2) Each Kansas student who enters into an agreement under this
5 section after June 30, 1993, shall serve the practice obligations incurred
6 by such student under such agreement in any county of this state other
7 than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte counties.

8 (c) A person awarded a scholarship in accordance with the provisions
9 of K.S.A. 74-3265 through 74-3268 and amendments thereto may satisfy
10 the obligation to engage in the practice of medicine and surgery, under
11 an agreement entered into pursuant to this section, even though such
12 person is engaged in practice in an area not designated a medically un-
13 derserved area by specialty, or a critically medically underserved area by
14 specialty, or is engaged in practice in Douglas, Johnson, Sedgwick, Shaw-
15 nee or Wyandotte counties, through employment on a part-time basis by
16 the state of Kansas which has been approved by the state board of regents,
17 for the practice of medicine and surgery at any state medical care facility
18 or institution.

19 (d) For all purposes under this section, service or employment after
20 June 30, 1988, on a part-time basis at a state medical care facility or
21 institution shall be on the basis of at least the equivalent of ½ time in
22 order to satisfy practice obligations under an agreement entered into un-
23 der this section.

24 (e) As used in this section and K.S.A. 74-3267 and amendments
25 thereto, (1) “state medical care facility or institution” has the meaning
26 ascribed thereto by subsection ~~(f)~~ (e) of K.S.A. 76-375 and amendments
27 thereto; and (2) “approved postgraduate residency training program”
28 means a residency training program in general pediatrics, general internal
29 medicine, family medicine, family practice or emergency medicine.

30 **Sec. 8-7.** K.S.A. 74-3269 is hereby amended to read as follows: 74-
31 3269. (a) The state board of regents may finance or assist in the financing
32 of postgraduate training programs in primary care osteopathic medicine
33 and may provide financial assistance to persons engaged in such post-
34 graduate training programs who have agreed to enter the full-time prac-
35 tice of osteopathic medicine in Kansas pursuant to an agreement under
36 this section. The state board of regents may contract with one or more
37 hospitals or one or more medical groups, or both, in Kansas. Each such
38 contract shall provide that the hospital or medical group provide post-
39 graduate training in primary care osteopathic medicine and that the state
40 board of regents shall pay specific amounts from appropriations to be
41 used in financing such postgraduate training, including stipends, com-
42 pensation and expenses related thereto. Each hospital or medical group
43 entering into a contract with the state board of regents under this section

1 shall indemnify the state board of regents against the failure of any person
2 who engaged in a postgraduate training program provided by such hos-
3 pital or medical group under the contract to repay to the state board of
4 regents the total amount of money plus annual interest required under
5 subsection (f) upon the failure of such person to satisfy the obligation to
6 engage in the full-time practice of osteopathic medicine in accordance
7 with an agreement under this section.

8 (b) The amount of each stipend provided to a person engaged in a
9 postgraduate training program in primary care osteopathic medicine un-
10 der this section shall not be less than any stipend provided to persons
11 engaged in a postgraduate training program in allopathic medicine under
12 K.S.A. 76-825, and amendments thereto.

13 (c) The stipends and other financing provided for under this section
14 are intended to improve medical education in Kansas and to encourage
15 retention of primary care physicians in Kansas. To be eligible to engage
16 in a postgraduate training program in osteopathic medicine and to receive
17 a stipend under this section, each person shall enter into a written agree-
18 ment with the state board of regents which requires such person to: (1)
19 Become prepared for the practice of osteopathic medicine by completion
20 of such person's postgraduate training, and (2) enter the full-time practice
21 of osteopathic medicine in Kansas in accordance with this section within
22 six months after completion of such person's postgraduate training and
23 continue such full-time practice for a consecutive period of months equal
24 to the total number of months in which such person engaged in a post-
25 graduate training program under this section.

26 (d) Each person who enters into an agreement under this section
27 shall fulfill such practice obligations by practice in Kansas within an area
28 of the state designated as a service commitment area II pursuant to K.S.A.
29 76-375, and amendments thereto. Such person shall select a service com-
30 mitment area II in accordance with the provisions of K.S.A. 76-375, and
31 amendments thereto, and shall be subject to the provisions of subsections
32 (c) and (d) of such K.S.A. 76-375, and amendments thereto, in the same
33 manner and to the same effect as a person required to engage in the full-
34 time practice of medicine and surgery in a service commitment area II
35 pursuant to any agreement under K.S.A. 76-373 to 76-377, inclusive, and
36 amendments thereto, ~~except that in lieu of informing or notifying the~~
37 ~~university of Kansas school of medicine of certain matters under the pro-~~
38 ~~visions of subsections (c) and (d) of such K.S.A. 76-375, and amendments~~
39 ~~thereto, as K.S.A. 76-373 to 76-377, and amendments thereto, existed~~
40 *immediately prior to the effective date of this act.* Such person shall inform
41 and notify the state board of regents ~~thereof~~ *of the area selected or to*
42 *which the person has moved.*

43 (e) The practice obligations incurred by a person under this section

1 are cumulative and consecutive obligations to any practice obligations
2 incurred by such person under K.S.A. 74-3223 to 74-3228, inclusive, and
3 amendments thereto, or K.S.A. 74-3246, 74-3247 and 74-3248, and
4 amendments thereto, or any other law of this state, and the practice ob-
5 ligations under this section are specifically determined not to be concur-
6 rent obligations with any other of such practice obligations.

7 (f) Except as otherwise provided in this section, upon the failure of
8 any person to satisfy the obligation to engage in the full-time practice of
9 osteopathic medicine within the appropriate service commitment area of
10 this state for the required period of time under any agreement entered
11 into pursuant to this section, such person shall repay to the state board
12 of regents an amount equal to the amount of money received by such
13 person as a stipend during such person's postgraduate training program
14 under this section plus annual interest from the date such money was
15 received at ~~the rate prescribed under K.S.A. 76-376, and amendments~~
16 ~~thereto, an annual rate of 15% for the repayment obligation imposed~~
17 ~~under that statute and such person shall be subject to the other provisions~~
18 ~~of such K.S.A. 76-376, and amendments thereto, as in effect immediately~~
19 ~~prior to the effective date of this act, in the same manner and to the same~~
20 ~~effect as a person required to repay moneys received pursuant to any~~
21 ~~agreement under K.S.A. 76-373 to 76-377, inclusive, and amendments~~
22 ~~thereto, as K.S.A. 76-373 to 76-377, inclusive, and amendments thereto,~~
23 ~~existed immediately prior to the effective date of this act.~~

24 (g) An obligation to engage in the full-time practice of osteopathic
25 medicine in accordance with an agreement under this section shall be
26 postponed or shall be satisfied in the same manner and to the same effect
27 as an obligation to engage in the practice of medicine and surgery pur-
28 suant to any agreement under K.S.A. 76-373 to 76-377, inclusive, and
29 amendments thereto, *as K.S.A. 76-373 to 76-377, inclusive, and amend-*
30 *ments thereto, existed immediately prior to the effective date of this act*
31 shall be postponed or shall be satisfied in accordance with the provisions
32 of K.S.A. 76-377, and amendments thereto *as K.S.A. 76-377, and amend-*
33 *ments thereto, existed immediately prior to the effective date of this act.*
34 In addition, an obligation to engage in the full-time practice of osteopathic
35 medicine in accordance with an agreement under this section shall be
36 postponed during the period in which the person, who completed the
37 first portion of such person's postgraduate training in a postgraduate
38 training program under this section, completes the remaining portion of
39 such person's postgraduate training at a location in another state.

40 (h) If a person fails to satisfy an obligation to engage in the full-time
41 practice of osteopathic medicine in Kansas for the required period of time
42 under an agreement entered into under this section because such person
43 is engaged in the practice of osteopathic medicine in a state other than

1 Kansas, and if such person is subject to or currently making repayments
2 under this section and if such person subsequently commences the prac-
3 tice of osteopathic medicine in this state which complies with the agree-
4 ments entered into under this section, the balance of the repayment
5 amount, including interest thereon, from the time of such commence-
6 ment of practice until the obligation of such person is satisfied, or until
7 the time such person again becomes subject to repayments, shall be
8 waived. All repayment amounts due prior to such commencement of
9 practice in this state, including interest thereon, shall continue to be pay-
10 able as provided in this section. If subsequent to such commencement of
11 practice, the person fails to satisfy such obligation, the person again shall
12 be subject to repayments, including interest thereon, as otherwise pro-
13 vided in this section.

14 (i) As used in this section, “primary care” means the medical speci-
15 alties of general internal medicine, pediatrics, family practice and ob-
16 stetrics and gynecology.

17 **Sec. 8. K.S.A. 65-2811a is hereby amended to read as follows:**

18 **65-2811a. (a) The state board of healing arts may issue a special**
19 **permit to practice the appropriate branch of the healing arts, under**
20 **the supervision of a person licensed to practice such branch**
21 **of the healing arts, to any person who has completed undergrad-**
22 **uate training in a branch of the healing arts and who has not en-**
23 **gaged in a full-time approved postgraduate training program.**

24 (b) Such special permit shall be issued only to a person who:
25 (1) Has made proper application for such special permit upon
26 forms approved by the state board of healing arts;

27 (2) meets all qualifications of licensure except examinations
28 and postgraduate training, as required by the Kansas healing arts
29 act;

30 (3) is not yet but will be engaged in a full-time, approved post-
31 graduate training program in Kansas;

32 (4) has obtained the sponsorship of a person licensed to prac-
33 tice the branch of the healing arts in which the applicant is train-
34 ing, which sponsor practices in an area of Kansas which is deter-
35 mined under K.S.A. 76-375 and amendments thereto to be
36 medically underserved ~~or critically medically underserved~~; and

37 (5) has paid the prescribed fees as established by the state
38 board of healing arts for the application for and granting of such
39 special permit.

40 (c) The special permit, when issued, shall authorize the person
41 to whom the special permit is issued to practice the branch of the
42 healing arts in which such person is training under the supervision
43 of the person licensed to practice that branch of the healing arts

1 who has agreed to sponsor such special permit holder. The special
2 permit shall not authorize the person holding the special permit
3 to engage in the private practice of the healing arts. The holder of
4 a special permit under this section shall not charge patients a fee
5 for services rendered but may be compensated directly by the per-
6 son under whose supervision and sponsorship the permit holder is
7 practicing. The special permit shall expire on the day the person
8 holding the special permit becomes engaged in a full-time, ap-
9 proved postgraduate training program or one year from its date
10 of issuance, whichever occurs first.

11 (d) This section shall be part of and supplemental to the Kansas
12 healing arts act.

13 Sec. 9. K.S.A. 2000 Supp. 74-32,132 is hereby amended to
14 read as follows: 74-32,132. As used in this act:

15 (a) “Committee” means the nursing scholarship review com-
16 mittee established under K.S.A. 74-3299 and amendments thereto.

17 (b) “Executive officer” means the executive officer of the state
18 board of regents appointed under K.S.A. 74-3203 and amendments
19 thereto.

20 (c) “Educational and training program for advanced registered
21 nurse practitioners” means a post-basic nursing education pro-
22 gram a graduate of which meets the education requirements of
23 the board of nursing for a certificate of qualification as an ad-
24 vanced registered nurse practitioner.

25 (d) “Medically underserved area” means *prior to July 1, 2002,*
26 *an area of this state designated a medically underserved area by*
27 *specialty or critically medically underserved area by specialty un-*
28 *der K.S.A. 76-375 and amendments thereto as such section existed*
29 *immediately prior to the effective date of this act and on and after July*
30 *1, 2002, an area of this state designated a medically underserved area*
31 *under K.S.A. 76-375 and amendments thereto.*

32 (e) “Rural area” means any county in this state which has a
33 population of not more than 20,000 people at the time of
34 application.

35 Sec. 10. K.S.A. 2000 Supp. 76-381 is hereby amended to read
36 as follows: 76-381. As used in K.S.A. 76-380 through 76-386 and
37 amendments thereto:

38 (a) “Act” means the medical student loan act;

39 (b) “approved postgraduate residency training program”
40 means a residency training program in general pediatrics, general
41 internal medicine, family medicine, family practice, *child psychiatry*
42 or emergency medicine;

43 (c) “service commitment area” means (1) any community

1 within any county in Kansas other than Douglas, Johnson,
2 Sedgwick, Shawnee or Wyandotte county, (2) any state medical
3 care facility or institution, (3) any medical center operated by the
4 veterans administration of the United States, or (4) the full-time
5 faculty of the university of Kansas school of medicine in family
6 medicine or family practice; and

7 (d) “state medical care facility or institution” includes, but is
8 not limited to, the Kansas state school for the visually handicapped,
9 the Kansas state school for the deaf, any institution under the sec-
10 retary of social and rehabilitation services, as defined by subsec-
11 tion (b) of K.S.A. 76-12a01 and amendments thereto, any institu-
12 tion under the commissioner of juvenile justice as defined by
13 K.S.A. 38-1602, and amendments thereto, the Kansas soldiers’
14 home, the Kansas veterans’ home and any correctional institution
15 under the secretary of corrections, as defined by subsection (d) of
16 K.S.A. 75-5202 and amendments thereto, but shall not include any
17 state educational institution under the state board of regents, as
18 defined by subsection (a) of K.S.A. 76-711 and amendments
19 thereto, except as specifically provided by statute.

20 Sec. 11. K.S.A. 76-385 is hereby amended to read as follows:
21 76-385. (a) (1) Except as otherwise provided in paragraphs (2), (3),
22 (4) and (5) of this subsection (a) or in K.S.A. 76-386, upon the fail-
23 ure of any person to satisfy the obligation to engage in the full-
24 time practice of medicine and surgery within a service commit-
25 ment area of this state for the required period of time under any
26 medical student loan agreement entered into under this act, such
27 person shall repay to the university of Kansas school of medicine
28 in accordance with subsection (b) an amount equal to the total of
29 (A) the amount of money received by such person pursuant to such
30 agreement, or the amount of money determined under rules and
31 regulations of the university of Kansas plus (B) annual interest at
32 a rate of 15% from the date such money was received.

33 (2) Any person who fails to apply for and enter an approved
34 postgraduate residency training program shall be required to re-
35 pay all moneys received pursuant to an agreement entered into
36 for any such medical student loan, plus accumulated interest at an
37 annual rate of 15% and shall commence such repayment in ac-
38 cordance with subsection (b) within 90 days of graduation from the
39 school of medicine or upon termination or completion of a resi-
40 dency training program which does not comply with the provisions
41 of this act, whichever is later.

42 (3) If at any time a person is failing to satisfy an obligation to
43 engage in the full-time practice of medicine and surgery in Kansas

1 for the required period of time under an agreement entered into
2 under this act because such person is engaged in the full-time prac-
3 tice of medicine and surgery in a state other than Kansas, or within
4 Kansas in an area that is not a service commitment area or in the
5 practice of medicine and surgery which does not otherwise comply
6 with the agreement entered into under this act, and if such person
7 is subject to or currently making repayments under this section
8 and if such person subsequently commences the practice of med-
9 icine and surgery in this state which is in a service commitment
10 area or which otherwise complies with the agreement entered into
11 under this act, the balance of the repayment amount, including
12 interest thereon, from the time of such commencement of practice
13 until the obligation of such person is satisfied, or until the time
14 such person again becomes subject to repayments, shall be waived.
15 All repayment amounts due prior to such commencement of prac-
16 tice, including interest thereon, shall continue to be payable as
17 provided in this section. If subsequent to such commencement of
18 practice, the person fails to satisfy such obligation, the person
19 again shall be subject to repayments, including interest thereon,
20 as otherwise provided in this section.

21 (4) If, during the time a person is satisfying the service require-
22 ment of an agreement entered into under this act, such person
23 desires to engage in less than the full-time practice of medicine
24 and surgery within a service commitment area of the state and
25 remain in satisfaction of such service requirement, such person
26 may make application to the chancellor of the university of Kansas
27 or the designee of the chancellor for permission to engage in less
28 than such full-time practice of medicine and surgery. Upon a find-
29 ing of exceptional circumstances made by the chancellor of the
30 university of Kansas, or the designee of the chancellor, such person
31 may be authorized to engage in less than the full-time practice of
32 medicine and surgery within a service commitment area of the
33 state for the remaining required period of time under such agree-
34 ment and for an additional period of time which shall be equal to
35 the length of the originally required period of time multiplied by
36 the decimal fraction which is equal to the reduction of the full-
37 time practice of medicine and surgery to be authorized hereunder,
38 multiplied by two. In any such determination of the period re-
39 quired to be engaged in the less than full-time practice of medicine
40 and surgery, the decimal fraction utilized shall not exceed .5 and
41 any person granted permission to engage in less than the full-time
42 practice of medicine and surgery in accordance with the provisions
43 of this paragraph (4) shall be required to engage in at least the

1 half-time practice of medicine and surgery.

2 (5) Any person who enters but fails to complete an approved
3 postgraduate residency training program, or who enters and com-
4 pletes an approved postgraduate residency training program but
5 fails to satisfy the obligation to engage in the full-time practice of
6 medicine and surgery within a service commitment area of this
7 state for the required period of time shall be required to repay all
8 money received pursuant to an agreement entered into under this
9 act a medical student loan, plus accumulated interest at an annual
10 rate of 15% and shall commence such repayment in accordance
11 with subsection (b) within 90 days of failure to complete an ap-
12 proved postgraduate residency training program or 90 days of fail-
13 ure to commence qualifying practice, whichever occurs first.

14 (b) For any repayment requirement under this section, the
15 person shall repay an amount totaling the entire amount to be
16 repaid under all such agreements for which such obligations are
17 not satisfied, including all amounts of interest at the rate pre-
18 scribed. The repayment shall be made in not more than 10 equal
19 annual installment payments.

20 (c) All installment payments under this section shall commence
21 six months after the date of the action or circumstance that causes
22 the failure of the person to satisfy the obligations of such agree-
23 ments, as determined by the university of Kansas school of medi-
24 cine based upon the circumstances of each individual case. In all
25 cases, if an installment payment becomes 91 days overdue, the
26 entire amount outstanding shall become immediately due and pay-
27 able, including all amounts of interest at the rate prescribed.

28 (d) The total repayment obligation imposed under all agree-
29 ments entered into under this act may be satisfied by the person
30 who entered into the agreements at any time prior to graduation
31 from the university of Kansas school of medicine by making a sin-
32 gle lump-sum payment equal to the total of (1) the entire amount
33 to be repaid under all such agreements upon failure to satisfy the
34 obligations under such agreements to practice in Kansas, plus (2)
35 all amounts of interest thereon at the rate prescribed to the date
36 of payment.

37 (e) The university of Kansas school of medicine shall remit all
38 moneys received under this section to the state treasurer at least
39 monthly. Upon receipt of each such remittance the state treasurer
40 shall deposit the entire amount thereof in the state treasury, and
41 such amount shall be credited to the medical scholarship and loan
42 repayment fund.

43 (f) *There is hereby created in the state treasury the medical loan re-*

1 *payment fund. All expenditures from the medical loan repayment fund*
2 *shall be for medical student loans under the medical student loan act and*
3 *for the expenses of administration of the medical student loan act and*
4 *shall be made in accordance with appropriation acts upon warrants of*
5 *the director of accounts and reports issued pursuant to vouchers approved*
6 *by the chancellor of the university of Kansas or by a person designated*
7 *by the chancellor. On the effective date of this act, the director of accounts*
8 *and reports shall transfer all moneys in the medical scholarship and loan*
9 *repayment fund to the medical loan repayment fund. On the effective date*
10 *of this act, all liabilities of the medical scholarship and loan repayment*
11 *fund are hereby imposed on the medical loan repayment fund and the*
12 *medical scholarship and loan repayment fund is hereby abolished. When-*
13 *ever the medical scholarship and loan repayment fund, or words of like*
14 *effect, is referred to or designated by any statute, contract or other doc-*
15 *ument, such reference or designation shall be deemed to apply to the*
16 *medical loan repayment fund.*

17 Sec. ~~9-12~~. K.S.A. ~~65-2811a~~, 74-3247, 74-3269, 76-373, 76-374, 76-
18 376, 76-377, 76-377a, 76-379, 76-383 ~~and~~, 76-384 ~~and~~ **76-385** and K.S.A.
19 2000 Supp. 74-3266 ~~and~~, **74-32,132**, 76-375 ~~and~~ **76-381** are hereby
20 repealed.

21 Sec. ~~40-13~~. This act shall take effect and be in force from and after
22 its publication in the statute book.

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