

Approved _____

Date

4-30-90

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:13 a.m./p.m. on MARCH 15, 19 90 room 123-S of the Capitol.

All members were present except:

Senator Allen, who was excused

Committee staff present:

Research Department: Diane Duffy, Leah Robinson

Revisor: Norm Furse

Committee Staff: Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Senator Salisbury moved, Senator Harder seconded, the approval of the minutes of February 21 and 22, 1990.

SB 542 - terms and conditions of scholarships available to medical students

Norm Furse, Revisor of Statutes, Kansas Legislature, distributed Attachment 1, and explained to the Committee that the balloon offers a technical amendment to SB 542, but does not change the intent of the bill. Senator Doyen moved, Senator Kerr seconded, that the effective date be changed to publication in the Kansas Register and that the technical amendment be adopted. The motion carried.

Senator Kerr distributed Attachment 2, an amendment which provides a definition for "the medically indigent" and clarifies paragraph 1 on page 6 of SB 542. Discussion was held regarding the feasibility of physicians committing to 100 hours of service per month. Senator Kerr moved adoption of this amendment. Senator Gaines seconded the motion. Senator Kerr explained that without adoption of this amendment, the current bill provides no way of allowing physicians to pay back scholarships by means of providing indigent care. He felt that the amendment would be beneficial to the state as well as to the indigent population of Kansas. Concern was expressed that changing the requirements would encourage physicians to practice in urban areas where the indigent population is greater, and would increase the problems of medically underserved, rural areas. The motion carried.

Senator Johnston moved to amend SB 542 according to Attachment 3. He explained that this amendment would allow a student who had signed up to serve in a medically underserved area prior to 1985 to set aside his/her contractual obligations, serve anywhere in the state, and pay back only the stipend without interest. Senator Rock seconded the motion. Senator Kerr expressed his belief that Kansas is in a crisis situation because of the high cost of malpractice, and that the state needs every tool available in the recruitment of physicians. He said that the bill without the amendment would offer a better recruitment opportunity.

Senator Harder questioned why the interest should not be charged. Senator Salisbury noted that taxable income of a Kansas physician would provide reason for forgiving the interest. It was noted that the interest rate on stipends is 15%. The motion carried.

Senator Harder moved to conceptually amend SB 542 to charge interest on the stipend as per current statute. The motion carried on a show of hands.

In answer to a question, Marlin Rein, University of Kansas Medical Center, stated that the percentage of physicians who serve in compliance with the scholarship contracts is above 60%.

Senator Kerr moved that SB 542 as amended be recommended favorable for

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS
123-S 11:13 XX MARCH 15 90
room _____, Statehouse, at _____ a.m./p.m. on _____, 19__

passage. Senator Johnston seconded the motion, which passed on a roll call vote.

SB 548 - Authorizing state agency payroll deductions

Senator Feleciano moved, Senator Gaines seconded, that SB 548 be reported favorable for passage. The motion carried.

SB 567 - Moneys granted to area agencies on aging under Kansas senior care act

Senator Kerr told the Committee that the subcommittee on Aging has agreed to provide funds for a 60-40 match rate. He noted that 2 of the 3 programs would be forced to discontinue providing services if a dollar for dollar match were required. Senator Kerr moved, Senator Johnston seconded, that SB 567 be conceptually amended to make the match subject to the appropriations relating thereto and rules and regulations of the Secretary in lieu of the dollar for dollar match. The motion carried.

Senator Kerr moved, Senator Parrish seconded, that SB 567 as amended be recommended favorable for passage. The motion carried.

SB 636 - Special investigators of SRS to be law enforcement officers

Senator Doyen moved, Senator Gaines seconded that SB 636 be reported adversely. The motion carried.

Senator Feleciano moved, Senator Rock seconded, that bill draft 9 RS 2779- appropriations for FY 91 for the Winfield State Hospital and Training Center- be introduced. The motion carried.

The meeting was adjourned.

SENATE BILL No. 542

By Committee on Ways and Means

1-23

9 AN ACT concerning scholarships available to certain students
10 admitted to or enrolled in the university of Kansas school of
11 medicine; amending K.S.A. 76-374 and 76-375 and repealing the
12 existing sections.
13

Be it enacted by the Legislature of the State of Kansas:

15 Section 1. K.S.A. 76-374 is hereby amended to read as follows:
16 76-374. An agreement entered into by the university of Kansas school
17 of medicine and an undergraduate student enrolled in or admitted
18 to the university of Kansas school of medicine in a course of
19 instruction leading to the degree of doctor of medicine for the
20 awarding of a scholarship under K.S.A. 76-373 through 76-377a and
21 amendments thereto shall require that the person receiving the
22 scholarship:

23 (a) Complete the required course of instruction and receive the
24 degree of doctor of medicine and, for persons first awarded
25 scholarships after December 31, 1985, apply for, enter and complete
26 an approved three-year primary care postgraduate residency training
27 program;

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

30 (c) if the scholarship is a type I scholarship, engage in the full-
31 time practice of medicine and surgery for a period of 12 months
32 within a service commitment area I; or, if the scholarship is a type
33 II scholarship, engage in the full-time practice of medicine and
34 surgery for a period of 12 months within a service commitment area
35 II; ~~or if the scholarship is either a type I or a type II scholarship,~~
36 *engage in the full-time practice of medicine and surgery for a period*
37 *of 12 months anywhere in the state of Kansas with the exception of*
38 *the following counties: Douglas, Johnson, Leavenworth, Sedgwick,*
39 *Shawnee or Wyandotte, except that the full-time practice of medicine*
40 *and surgery within the six listed counties will qualify if the selected*
41 *county is designated as a service commitment area I or II in*
42 *accordance with the provisions of K.S.A. 76-375 and amendments*
thereto, or whenever there are fewer than three persons engaged in

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Attachment 1

~~the full-time practice of medicine and surgery in a designated specialty in the selected county;~~ except that for persons first awarded type I or type II scholarships after December 31, 1985, engage in the full-time practice of medicine and surgery for a period of 12 months in an incorporated city of this state as specified in subsection (d)(2);

(d) (1) for persons first awarded scholarships prior to January 1, 1986, commence such full-time practice of medicine and surgery within nine months after licensure or within nine months after completion of a residency program and licensure, whichever is later, in an appropriate service commitment area and continue such full-time practice in such service commitment area for a consecutive period of months equal to the total number of months required under the agreement;

(2) for persons first awarded scholarships after December 31, 1985, commence such full-time practice of medicine and surgery within nine months after licensure or within nine months after completion of a residency program and licensure, whichever is later, in any incorporated city of this state of less than 12,000 population based upon the most current legal census, excluding any such incorporated cities located in the following counties: Wyandotte, Johnson, Sedgwick and Shawnee;

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

(f) maintain records and make reports to the university of Kansas school of medicine to document the satisfaction of the obligation under such agreement to engage in the full-time practice of medicine and surgery within an appropriate service commitment area and to continue such full-time practice in such service commitment area for a consecutive period of months equal to the total number of months required under the agreement; and

(g) upon failure to satisfy an agreement to engage in the full-time practice of medicine and surgery within the appropriate service commitment area of the state for the required period of time under any such agreement, the person receiving a scholarship under this act shall repay amounts to the university of Kansas school of medicine as provided in K.S.A. 76-376 and amendments thereto.

As used in this section, "primary care" means general pediatrics, general internal medicine and family practice.

Sec. 2. K.S.A. 76-375 is hereby amended to read as follows: 76-375. (a) On or before December 31 in each year, the chancellor of

1 the university of Kansas, or the designee of the chancellor, shall
2 prepare a list of the areas of this state which the chancellor, or
3 designee of the chancellor, determines to be critically medically
4 underserved areas by specialty and the areas of this state which the
5 chancellor, or designee of the chancellor, determines to be medically
6 underserved areas by specialty. In preparing such a list the
7 chancellor, or designee of the chancellor, shall consult with the
8 medical scholarship advisory committee. All state medical care
9 facilities or institutions, *all medical centers operated in the state of*
10 *Kansas by the veterans administration of the United States, and all*
11 *full-time faculty positions in approved Kansas primary care*
12 *residency programs, including such programs at the university*
13 *of Kansas school of medicine, and all medical clinics which are*
14 *located in Kansas cities, other than Kansas City, and which are*
15 *operated by professional corporations that are affiliated by*
16 *contract with the university of Kansas medical center in family*
17 *medicine* are qualified for service in both service commitment area
18 I and service commitment area II without being determined
19 medically underserved areas, ~~except that such medical clinics~~
20 ~~shall not qualify for such service by more than 12 persons at~~
21 ~~any one time.~~ In preparing such a list, the portion of time of persons
22 engaged in the practice of medicine and surgery at any institution
23 under the jurisdiction and control of the secretary of social and
24 rehabilitation services shall not be included in determining whether
25 an area is critically medically underserved or medically underserved.
26 Every such list shall note that all state medical care facilities or
27 institutions qualify for such service commitments, in addition to
28 listing those areas determined to be critically medically underserved
29 or medically underserved. Critically medically underserved areas by
30 specialty and medically underserved areas by specialty established
31 prior to the effective date of this act by the secretary of health and
32 environment shall continue in effect for the purposes of this act until
33 changed by the chancellor of the university of Kansas, or the designee
34 of the chancellor. The chancellor of the university of Kansas, or the
35 designee of the chancellor, upon a finding of exceptional
36 circumstances may modify areas or portions of areas determined to
37 be critically medically underserved or medically underserved by
38 specialty.

39 (b) (1) A service commitment area shall be designated as a service
40 commitment area I or a service commitment area II. Service
41 commitment area I shall be any area determined by the chancellor
42 of the university of Kansas, or the designee of the chancellor, under
43 subsection (a) to be, for purposes of all agreements entered into

1 under K.S.A. 76-374 and amendments thereto, a medically
2 underserved area or a critically medically underserved area. Service
3 commitment area II shall be, for purposes of all agreements entered
4 into under K.S.A. 76-374 and amendments thereto, the state of
5 Kansas.

6 (2) The service commitment area I or II for persons first awarded
7 scholarships after December 31, 1985, shall be an incorporated city
8 of this state as specified in subsection (d)(2) of K.S.A. 76-374 and
9 amendments thereto, all state medical care facilities or institutions,
10 *all medical centers operated in the state of Kansas by the veterans*
11 *administration of the United States, and all full-time faculty positions*
12 *in approved Kansas primary care residency programs including*
13 *such programs at the university of Kansas school of medicine, and*
14 *all medical clinics which are operated in Kansas cities, other*
15 *than Kansas City, and which are operated by professional*
16 *corporations that are affiliated by contract with the university*
17 *of Kansas medical center except that such medical clinics shall*
18 *not qualify for such service by more than 12 persons at any*
19 *one time in family medicine.*

20 (c) In selecting a service commitment area I or II, whichever is
21 applicable, prior to the commencement of the full-time practice of
22 medicine and surgery pursuant to all agreements entered into under
23 K.S.A. 76-374 and amendments thereto requiring service for a period
24 of time in a service commitment area I or II, whichever is applicable,
25 the person so selecting shall select such area from among those areas
26 appearing on the list of areas prepared by the chancellor of the
27 university of Kansas, or the designee of the chancellor, under this
28 section. The service commitment area selected shall have appeared
29 on any such list not more than 36 months prior to the commencement
30 of such full-time practice of medicine and surgery by the person
31 selecting such service commitment area. Upon the selection of such
32 service commitment area, the person so selecting shall inform the
33 university of Kansas school of medicine of the area selected.

34 (d) A person serving in a service commitment area I or II,
35 whichever is applicable, pursuant to any agreement under this act
36 may serve all or part of any commitment in the service commitment
37 area initially selected by such person. If such person moves from
38 one service commitment area I or II to another service commitment
39 area I or II, as applicable, such person shall notify the university
40 of Kansas school of medicine of such person's change of service
41 commitment area. Service in any such service commitment area I
42 or II, as applicable, selected from the appropriate lists of service
43 commitment areas, shall be deemed to be continuous for the purpose

2 of satisfying any agreement entered into under this act. Any service
3 commitment area I or II, as applicable, selected after the initially
4 selected service commitment area I or II shall have appeared on a
5 service commitment area I list or on a service commitment area II
6 list, as applicable, which shall have been prepared not more than
7 12 months prior to the move by such person from one service
8 commitment area I or II to another service commitment area I or
9 II, as applicable.

10 (e) A person awarded a scholarship prior to January 1, 1986, may
11 satisfy the obligation to engage in the full-time practice of medicine
12 and surgery in a service commitment area I even though such person
13 is engaged in such practice in two or more locations within the state
14 of Kansas, at least one of which is not located in a service
15 commitment area I, if the person is engaged in the full-time practice
16 of medicine and surgery in such locations pursuant to a practice
17 affiliation agreement approved by the chancellor of the university of
18 Kansas, or the designee of the chancellor.

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

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

40 (h) There is hereby established the medical scholarship advisory
41 committee. Members of the medical scholarship advisory committee
42 shall be appointed by the chancellor of the university of Kansas as
follows: (1) One member shall be from the office of the chancellor
of the university of Kansas; (2) one member shall be a representative

(1)

(2) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in either service commitment area I or service commitment area II by devoting at least 3/4 time to a local health department or non-profit organization in this state service underprivileged or indigent clients.

(3) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in either service commitment area I or II, ~~in lieu of any other area in the state in which such obligation may be satisfied,~~ by engaging in such full-time practice of medicine and surgery anywhere in the state of Kansas with the exception of the following counties: Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wayndotte, except that the full-time practice of medicine and surgery within the six listed counties will qualify if the selected county is designated as a service commitment area I or II in accordance with the provisions of this section, or whenever there are fewer than three persons engaged in the full-time practice of medicine and surgery in a designated specialty in the selected county.

of the Kansas medical society; (3) one member shall be a member of the Kansas legislature; (4) one member shall be a student at the university of Kansas school of medicine; and (5) one member shall be a representative of the Kansas hospital association. The medical scholarship advisory committee shall meet periodically upon the call of the chancellor, or the designee of the chancellor, and shall make recommendations to the chancellor, or the designee of the chancellor, in regard to the administration of the provisions of this act.

(i) The chancellor of the university of Kansas may appoint a medical scholarship program coordinator for the purpose of planning and administering the provisions of this act. The coordinator shall be in the unclassified service under the Kansas civil service act.

(j) For all purposes under this section, service or employment after June 30, 1988, on a part-time basis (1) at a medical clinic located in a Kansas city, other than Kansas City, and operated by a professional corporation affiliated by contract with the university of Kansas medical center, (2) (1) pursuant to a practice affiliation agreement approved by the chancellor of the university of Kansas, or the chancellor's designee, or (3) (2) at a state medical care facility or institution, shall be on the basis of at least the equivalent of 1/2 time in order to satisfy the obligation to engage in the practice of medicine and surgery under an agreement entered into pursuant to K.S.A. 76-374 and amendments thereto.

(k) As used in this section, "state medical care facility or institution" includes, but is not limited to, the Kansas state school for the visually handicapped, the Kansas state school for the deaf, any institution under the secretary of social and rehabilitation services, as defined by subsection (b) of K.S.A. 76-12a01 and amendments thereto or by subsection (b) of K.S.A. 76-12a18 and amendments thereto, the Kansas soldiers' home and any correctional institution under the secretary of corrections, as defined by subsection (d) of K.S.A. 75-5202 and amendments thereto, but shall not include any state educational institution under the state board of regents, as defined by subsection (a) of K.S.A. 76-711 and amendments thereto, except as specifically provided by statute.

~~(l) A person awarded a scholarship prior to January 1, 1986, may satisfy the obligation to engage in the full-time practice of medicine and surgery in either service commitment area I or service commitment area II by devoting at least 3/4 time to a local health department or non-profit organization in this state service underprivileged or indigent clients.~~

Sec. 3. K.S.A. 76-374 and 76-375 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

1 of the Kansas medical society; (3) one member shall be a member
 2 of the Kansas legislature; (4) one member shall be a student at the
 3 university of Kansas school of medicine; and (5) one member shall
 4 be a representative of the Kansas hospital association. The medical
 5 scholarship advisory committee shall meet periodically upon the call
 6 of the chancellor, or the designee of the chancellor, and shall make
 7 recommendations to the chancellor, or the designee of the chancellor,
 8 in regard to the administration of the provisions of this act.

9 (i) The chancellor of the university of Kansas may appoint a
 10 medical scholarship program coordinator for the purpose of planning
 11 and administering the provisions of this act. The coordinator shall
 12 be in the unclassified service under the Kansas civil service act.

13 (j) For all purposes under this section, service or employment
 14 after June 30, 1988, on a part-time basis (1) at a medical clinic
 15 located in a Kansas city, other than Kansas City, and operated
 16 by a professional corporation affiliated by contract with the
 17 university of Kansas medical center, (2) (1) pursuant to a practice
 18 affiliation agreement approved by the chancellor of the university of
 19 Kansas, or the chancellor's designee, or (3) (2) at a state medical
 20 care facility or institution, shall be on the basis of at least the
 21 equivalent of 1/2 time in order to satisfy the obligation to engage in
 22 the practice of medicine and surgery under an agreement entered
 23 into pursuant to K.S.A. 76-374 and amendments thereto.

24 (k) As used in this section, "state medical care facility or
 25 institution" includes, but is not limited to, the Kansas state school
 26 for the visually handicapped, the Kansas state school for the deaf,
 27 any institution under the secretary of social and rehabilitation
 28 services, as defined by subsection (b) of K.S.A. 76-12a01 and
 29 amendments thereto or by subsection (b) of K.S.A. 76-12a18 and
 30 amendments thereto, the Kansas soldiers' home and any correctional
 31 institution under the secretary of corrections, as defined by
 32 subsection (d) of K.S.A. 75-5202 and amendments thereto, but shall
 33 not include any state educational institution under the state board
 34 of regents, as defined by subsection (a) of K.S.A. 76-711 and
 35 amendments thereto, except as specifically provided by statute.

36 (l) A person awarded a scholarship prior to January 1, 1988,
 37 may satisfy the obligation to engage in the full-time practice of
 38 medicine and surgery in either service commitment area I or service
 39 commitment area II by devoting at least 3/4 time to a local health
 40 department or non-profit organization in this state service
 41 underprivileged or indigent clients

42 Sec. 3. K.S.A. 76-374 and 76-375 are hereby repealed.
 43

100 hours per month

servicing medically indigent persons

As used in this subsection (l), "medically indigent" means a person: (1) who is unable to secure health care because of inability to pay for all or a part of the costs thereof due to inadequate personal resources, being uninsured, being underinsured, being ineligible for governmental health benefits; or (2) who is eligible for governmental benefits but is unable to obtain medical services.

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 Attachment 2

Proposed Amendment to Senate Bill No. 542

Be amended by inserting a new section 3 to read as follows:

"Sec. 3. K.S.A. 76-376 is hereby amended to read as follows:
76-376. (a) (1) Except as otherwise provided in paragraphs (2), (3) and, (4) and 5 of this subsection (a) or in K.S.A. 76-377 and amendments thereto, upon the failure of any person to satisfy the obligation to engage in the full-time practice of medicine and surgery within the appropriate service commitment area of this state for the required period of time under any agreement entered into pursuant to K.S.A. 76-373 to 76-377a, inclusive, and amendments thereto, such person shall repay to the university of Kansas school of medicine an amount equal to the total of (A) the amount of money received by such person pursuant to such agreement, or the amount of money determined under rules and regulations of the university of Kansas plus (B) annual interest at a rate of 10%, if the agreement was entered into prior to January 1, 1982, 15%, if the agreement was entered into after December 31, 1981, from the date such money was received.

(2) Any person first awarded a scholarship after December 31, 1985, who fails to apply for and enter an approved three-year primary care postgraduate residency training program shall be required to repay all moneys received pursuant to an agreement entered into for any such scholarship, plus accumulated interest at an annual rate of 15%, within 90 days of graduation from the school of medicine.

(3) If a person fails to satisfy an obligation to engage in the full-time practice of medicine and surgery within a service commitment area I for the required period of time under an agreement entered into pursuant to K.S.A. 76-373 to 76-377a, inclusive, and amendments thereto, but is engaged in the full-time practice of medicine and surgery within this state in a service commitment area II which would have applied to such

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person had such person received a type II scholarship under an agreement entered into pursuant to K.S.A. 76-373 to 76-377a, inclusive, and amendments thereto, and if the chancellor of the university of Kansas, or the designee of the chancellor, finds that exceptional circumstances caused the failure of such person to engage in such practice in a service commitment area I, such person shall not be required to repay the amount of money received by such person for up to 50% of tuition fees pursuant to such agreement.

(4) If a person fails to satisfy an obligation to engage in the full-time practice of medicine and surgery in Kansas for the required period of time under an agreement entered into pursuant to K.S.A. 76-373 to 76-377a, inclusive, and amendments thereto, because such person is engaged in the full-time practice of medicine and surgery in a state other than Kansas and if such person is subject to or currently making repayments under this section and if such person subsequently commences the practice of medicine and surgery in this state which complies with the agreements entered into under such statutes, the balance of the repayment amount, including interest thereon, from the time of such commencement of practice until the obligation of such person is satisfied, or until the time such person again becomes subject to repayments, shall be waived. All repayment amounts due prior to such commencement of practice in this state, including interest thereon, shall continue to be payable as provided in this section. If subsequent to such commencement of practice, the person fails to satisfy such obligation, the person again shall be subject to repayments, including interest thereon, as otherwise provided in this section.

(5) Any person awarded a type I scholarship prior to January 1, 1986, who is satisfying the obligation to engage in the full-time practice of medicine and surgery in a service commitment area I by complying with the provisions of subsection (e)(3) of K.S.A. 76-375 and amendments thereto and who except for the provisions of such section (e)(3) would not otherwise be

eligible to satisfy such obligation in the area in which such person is engaged in the full-time practice of medicine and surgery shall repay all moneys received by the person pursuant to the type I scholarship for living expenses in accordance with the repayment schedule established for the purposes of this paragraph by the chancellor of the university of Kansas.

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

(c) If the person first entered into an agreement under K.S.A. 76-374 and amendments thereto after December 31, 1981, the person shall repay an amount totaling the entire amount to be repaid under all such agreements for which such obligations are not satisfied, including all amounts of interest at the rate prescribed. Except as otherwise provided in this section, such repayment shall be in installment payments and each such installment shall be not less than the amount equal to 1/5 of the total amount which would be required to be paid if repaid in five equal annual installments.

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

(e) The total repayment obligation imposed under all

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

(f) There is hereby created in the state treasury the medical scholarship repayment fund. The university of Kansas school of medicine shall remit all moneys received under this section to the state treasurer at least monthly. Upon receipt of each such remittance the state treasurer shall deposit the entire amount thereof in the state treasury, and such amount shall be credited to the medical scholarship repayment fund. All expenditures from the medical scholarship repayment fund shall be for scholarships awarded under K.S.A. 76-373 to 76-377a, inclusive, and amendments thereto, for payment of the salary of the medical scholarship program coordinator and for the expenses of administration of these sections and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or by a person designated by the chancellor."

And by renumbering sections accordingly;

And by changing the title and repealer accordingly.