

HOUSE BILL No. 2374

By Committee on Appropriations

Requested by Representative Francis on behalf of the University of Kansas

2-11

1 AN ACT relating to healthcare professions; creating a specialty practice
2 student loan program; establishing the specialty medical loan
3 repayment fund; allowing for transfers from the psychiatry medical
4 loan repayment fund and the OBGYN medical loan repayment fund to
5 the specialty medical loan repayment fund; abolishing the psychiatry
6 medical loan repayment fund and the OBGYN medical loan repayment
7 fund; amending K.S.A. 76-384 and K.S.A. 2024 Supp. 76-381, 76-382
8 and 76-385 and repealing the existing sections.
9

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

11 New Section 1. (a) There is hereby established a specialty practice
12 student loan program. Subject to appropriations and the terms set forth in
13 K.S.A. 76-383, and amendments thereto, the university of Kansas school
14 of medicine may enter into medical student loan agreements with
15 undergraduate students who intend to pursue practice in an approved
16 specialty and commit to satisfy obligations to engage in the full-time
17 practice of medicine and surgery in a service commitment area, pursuant to
18 this act.

19 (b) The chancellor of the university of Kansas has authority to
20 administer the medical specialty student loan program, including
21 discretion to determine workforce needs and allocate which specialties are
22 eligible for the non-primary care allotment of agreements.

23 (c) The chancellor of the university of Kansas may determine the new
24 specialties to add to approved specialties, as defined in section 2, and
25 amendments thereto, if such specialties are underserved in Kansas and
26 evaluate or update which locations are compliant as service commitment
27 areas based on population, comorbidity, community needs and other
28 relevant data. The university of Kansas school of medicine shall submit a
29 report annually to the senate committee on public health and welfare,
30 senate committee on ways and means, house committee on health and
31 human services and house committee on appropriations relating to any
32 changes made to specialties or compliant service commitment areas.

33 (d) In any one fiscal year, any unawarded specialty agreements may
34 be used for primary care agreements. Unawarded primary care agreements
35 may not be used for specialty agreements.

1 Sec. 2. K.S.A. 76-380 is hereby amended to read as follows: 76-380.
2 The provisions of K.S.A. 76-380 through 76-386, *and amendments*
3 *thereto, and section I, and amendments thereto*, shall be known and may
4 be cited as the medical student loan act.

5 Sec. 3. K.S.A. 2024 Supp. 76-381 is hereby amended to read as
6 follows: 76-381. As used in ~~K.S.A. 76-380 through 76-386, and~~
7 ~~amendments thereto~~ *the medical student loan act*:

8 (a) "Act" means the medical student loan act;

9 (b) "approved postgraduate residency training program" means a
10 residency training program in general pediatrics, general internal
11 medicine, family medicine, family practice, emergency medicine,
12 obstetrics and gynecology, general psychiatry, child psychiatry or
13 fellowship training in geriatric medicine, *or any other residency or*
14 *fellowship training in an approved specialty*;

15 (c) "service commitment area" means:

16 (1) Any community within any county in Kansas other than Douglas,
17 Johnson, Sedgwick, Shawnee or Wyandotte county;

18 (2) any state medical care facility or institution;

19 (3) any medical center operated by the veterans administration of the
20 United States;

21 (4) the university of Kansas school of medicine if serving as full-time
22 faculty as provided in K.S.A. 76-384(c), and amendments thereto; or

23 (5) any community within Wyandotte county for purposes of any
24 practice obligation under an agreement entered into by a person who is
25 enrolled for the first time after July 1, 2004, in a course of study leading to
26 the medical degree. *"Service commitment area" for approved specialty*
27 *providers means any community within any county in Kansas, other than*
28 *Douglas, Johnson, Sedgwick, Shawnee or Wyandotte; and*

29 (d) "state medical care facility or institution" includes, but is not
30 limited to, the Kansas state school for the blind, the Kansas state school for
31 the deaf, any institution under the secretary for aging and disability
32 services, as defined in K.S.A. 76-12a01, and amendments thereto, any
33 institution as defined in K.S.A. 38-2302, and amendments thereto, the
34 Kansas soldiers' home, the Kansas veterans' home and any correctional
35 institution under the secretary of corrections, as defined in K.S.A. 75-
36 5202, and amendments thereto, but shall not include any state educational
37 institution under the state board of regents, as defined in K.S.A. 76-711,
38 and amendments thereto, except as specifically provided by statute.

39 (e) *"approved specialty" means gynecology, general psychiatry and*
40 *any specialty approved by the chancellor of the university of Kansas; and*

41 (f) *"primary care" means general pediatrics, general internal*
42 *medicine, family medicine, family practice and emergency medicine.*

43 Sec. 4. K.S.A. 2024 Supp. 76-382 is hereby amended to read as

1 follows: 76-382. (a) There is hereby established the medical student loan
2 program at the university of Kansas school of medicine.

3 (b) Subject to ~~the provisions of appropriation acts~~ *appropriations*, the
4 university of Kansas school of medicine may make medical student loans
5 in accordance with the provisions of the medical student loan act to
6 undergraduate students enrolled in or admitted to the university of Kansas
7 school of medicine in a course of instruction leading to the degree of
8 doctor of medicine who enter into a written medical student loan
9 agreement with the university of Kansas school of medicine in accordance
10 with K.S.A. 76-383, and amendments thereto.

11 (c) Each medical student loan agreement under the medical student
12 loan act shall provide to the person receiving the loan the payment of all
13 tuition and a stipend for living expenses in an amount of up to \$2,000 per
14 month ~~for each month enrolled in such school during a year~~ *a 12-month*
15 *period*. Subject to the maximum amount, the amount of the monthly
16 stipend shall be determined on an annual basis by the student receiving the
17 loan.

18 (d) Subject to ~~the provisions of appropriation acts~~ *appropriations*,
19 medical student loan agreements under the medical student loan act may
20 be entered into on an annual basis and shall provide the payment of the
21 amounts specified under subsection (c) for one year unless otherwise
22 terminated before such period of time. Subject to ~~the provisions of~~
23 ~~appropriation acts~~ *appropriations*, an undergraduate student enrolled in or
24 admitted to the university of Kansas school of medicine in a course of
25 instruction leading to the degree of doctor of medicine may receive a
26 separate loan under the medical student loan act for each separate year the
27 student enters into a written medical student loan agreement with the
28 university of Kansas school of medicine in accordance with K.S.A. 76-
29 383, and amendments thereto. Loans may be awarded retroactively for any
30 academic year that a student has completed successfully at the university
31 of Kansas medical school but for which a loan had not previously been
32 awarded. Retroactive loans shall be in an amount equal to the amount of
33 tuition paid by the student, plus a stipend in an amount not to exceed the
34 maximum amount of the stipend ~~for such academic year multiplied by the~~
35 ~~number of months for which the student was enrolled at the medical~~
36 ~~school during such year~~ *the 12-month period*. For each separate year a
37 student receives a loan under the medical student loan act, the student shall
38 engage in the full-time practice of medicine and surgery in an appropriate
39 service commitment area for a period of 12 months unless such obligation
40 is otherwise satisfied as provided in K.S.A. 76-386, and amendments
41 thereto.

42 (e) Medical student loans shall be awarded on a priority basis as
43 follows: First, to qualified applicants who are Kansas residents at the time

1 of entry into the university of Kansas school of medicine; and second, to
2 qualified applicants who are not Kansas residents at the time of entry into
3 the university of Kansas school of medicine. As used in this subsection,
4 "Kansas residents" means persons who meet the residence requirements
5 established in K.S.A. 76-729, and amendments thereto.

6 ~~(f) Subject to appropriations, the university of Kansas school of~~
7 ~~medicine shall enter into medical student loan agreements with up to 12~~
8 ~~individuals who commit to satisfy obligations to engage in the full-time~~
9 ~~practice of medicine and surgery in a service commitment area by:~~

10 ~~(1) Serving as a full-time faculty member of the university of Kansas~~
11 ~~school of medicine in general psychiatry or child psychiatry pursuant to~~
12 ~~K.S.A. 76-384(e), and amendments thereto; or~~

13 ~~(2) performing at least 100 hours per month of on-site mental~~
14 ~~healthcare pursuant to K.S.A. 76-384(d), and amendments thereto.~~

15 ~~(g) For~~ Any student who has entered into a medical student loan
16 agreement pursuant to the medical student loan act, the university of
17 Kansas school of medicine shall not prohibit or otherwise create any
18 substantial impediment to such student switching between approved
19 postgraduate residency training programs.

20 Sec. 5. K.S.A. 76-384 is hereby amended to read as follows: 76-384.

21 (a) Upon the selection of a service commitment area for the purposes of
22 satisfying a service obligation under a medical student loan agreement
23 entered into under this act, the person so selecting shall inform the
24 university of Kansas school of medicine of the service commitment area
25 selected.

26 (b) A person serving in a service commitment area pursuant to any
27 agreement under this act may serve all or part of any commitment in the
28 service commitment area initially selected by such person. If such person
29 moves from one service commitment area to another service commitment
30 area, such person shall notify the university of Kansas school of medicine
31 of such person's change of service commitment area. Service in any such
32 service commitment area shall be deemed to be continuous for the purpose
33 of satisfying any agreement entered into under this act.

34 (c) A person receiving a medical student loan under this act *in*
35 *primary care*, may satisfy the obligation to engage in the full-time practice
36 of medicine and surgery in a service commitment area if the person serves
37 as a full-time faculty member of the university of Kansas school of
38 medicine in general internal medicine, general pediatrics, family medicine;
39 ~~or family practice, general psychiatry or child psychiatry~~ and serves two
40 years for each one year of such obligation, or the equivalent thereof on a
41 two-for-one basis, except that, at the time any person commences
42 satisfying such service obligation as a full-time faculty member pursuant
43 to this subsection, the number of persons satisfying service commitments

1 or service obligations, pursuant to agreements under the medical student
2 loan act, as full-time faculty members pursuant to this subsection shall not
3 exceed the number equal to 25% of the total number of full-time faculty
4 members of the university of Kansas school of medicine in general internal
5 medicine, general pediatrics, family medicine; *or* family practice; ~~general~~
6 ~~psychiatry or child psychiatry.~~

7 (d) A person may satisfy the obligation to engage in the full-time
8 practice of medicine and surgery in a service commitment area by
9 performing at least 100 hours per month of on-site primary care or mental
10 health care at a medical facility operated by a local health department or
11 nonprofit organization in this state serving medically indigent persons or at
12 a community mental health center or at Larned state hospital, Osawatomie
13 state hospital or any facility that provides mental health services and that is
14 operated by a state agency. As used in this subsection, "medically
15 indigent" means a person *who is*:

16 (1) ~~Who is~~ Unable to secure health care because of inability to pay
17 for all or a part of the costs thereof due to inadequate personal resources,
18 being uninsured, being underinsured, being ineligible for governmental
19 health benefits; or

20 (2) ~~who is~~ eligible for governmental benefits but is unable to obtain
21 medical services; and "primary care" means general pediatrics, general
22 internal medicine, family medicine and family practice.

23 Sec. 6. K.S.A. 2024 Supp. 76-385 is hereby amended to read as
24 follows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2)
25 through (6) or in K.S.A. 76-386, and amendments thereto, upon the failure
26 of any person to satisfy the obligation to engage in the full-time practice of
27 medicine and surgery within a service commitment area of this state for
28 the required period of time under any medical student loan agreement
29 entered into under this act, such person shall repay to the university of
30 Kansas school of medicine in accordance with subsection (b) an amount
31 equal to the total of: (A) The amount of money received by such person
32 pursuant to such agreement, or the amount of money determined under
33 rules and regulations of the university of Kansas; plus (B) annual interest
34 at a rate of 15% from the date such money was received.

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

43 (3) If at any time a person is failing to satisfy an obligation to engage

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

20 (4) If, during the time a person is satisfying the service requirement
21 of an agreement entered into under this act, such person desires to engage
22 in less than the full-time practice of medicine and surgery within a service
23 commitment area of the state and remain in satisfaction of such service
24 requirement, such person may make application to the chancellor of the
25 university of Kansas or the designee of the chancellor for permission to
26 engage in less than such full-time practice of medicine and surgery. Upon
27 a finding of exceptional circumstances made by the chancellor of the
28 university of Kansas, or the designee of the chancellor, such person may
29 be authorized to engage in less than the full-time practice of medicine and
30 surgery within a service commitment area of the state for the remaining
31 required period of time under such agreement and for an additional period
32 of time which shall be equal to the length of the originally required period
33 of time multiplied by the decimal fraction which is equal to the reduction
34 of the full-time practice of medicine and surgery to be authorized
35 hereunder, multiplied by two. In any such determination of the period
36 required to be engaged in the less than full-time practice of medicine and
37 surgery, the decimal fraction utilized shall not exceed 0.5 and any person
38 granted permission to engage in less than the full-time practice of
39 medicine and surgery in accordance with the provisions of this paragraph
40 shall be required to engage in at least the half-time practice of medicine
41 and surgery.

42 (5) Any person who enters but fails to complete an approved
43 postgraduate residency training program, or who enters and completes an

1 approved postgraduate residency training program but fails to satisfy the
2 obligation to engage in the full-time practice of medicine and surgery
3 within a service commitment area of this state for the required period of
4 time shall be required to repay all money received pursuant to an
5 agreement entered into under this act for any such medical student loan,
6 plus accumulated interest at an annual rate of 15%, and shall commence
7 such repayment in accordance with subsection (b) within 90 days of failure
8 to complete an approved postgraduate residency training program or 90
9 days of failure to commence qualifying practice, whichever occurs first.
10 Any person who fails to satisfy the obligation to engage in the full-time
11 practice of medicine and surgery in accordance with this section due to
12 active military service of such person or such person's spouse shall not be
13 required to pay the 15% annual interest rate on any moneys received under
14 such agreement.

15 (6) For any person who entered and completed an approved
16 postgraduate residency training program in obstetrics and gynecology, if
17 during the time such person is satisfying the service requirement of an
18 agreement entered into pursuant to this act, such person is employed by,
19 provides services at or establishes any clinic or facility as such terms are
20 defined in K.S.A. 65-4a01, and amendments thereto, or performs or
21 induces, or attempts to perform or induce, an abortion, except in the case
22 of a medical emergency as defined in K.S.A. 65-6701, and amendments
23 thereto, or in the case of a pregnancy resulting from rape or incest, such
24 person shall be deemed to have failed to complete such person's service
25 requirement and shall be required to repay all money received pursuant to
26 an agreement entered into under this act for any such medical student loan,
27 plus accumulated interest at an annual rate of 15%, and shall commence
28 such repayment in accordance with subsection (b).

29 (b) For any repayment requirement under this section, the person
30 shall repay an amount totaling the entire amount to be repaid under all
31 such agreements for which such obligations are not satisfied, including all
32 amounts of interest at the rate prescribed. The repayment shall be made in
33 not more than 10 equal annual installment payments.

34 (c) All installment payments under this section shall commence six
35 months after the date of the action or circumstance that causes the failure
36 of the person to satisfy the obligations of such agreements, as determined
37 by the university of Kansas school of medicine based upon the
38 circumstances of each individual case. In all cases, if an installment
39 payment becomes 91 days overdue, the entire amount outstanding shall
40 become immediately due and payable, including all amounts of interest at
41 the rate prescribed.

42 (d) The total repayment obligation imposed under all agreements
43 entered into under this act may be satisfied by the person who entered into

1 the agreements at any time prior to graduation from the university of
2 Kansas school of medicine by making a single lump-sum payment equal to
3 the total of: (1) The entire amount to be repaid under all such agreements
4 upon failure to satisfy the obligations under such agreements to practice in
5 Kansas; plus (2) all amounts of interest thereon at the rate prescribed to the
6 date of payment.

7 (e) The university of Kansas school of medicine shall remit all
8 moneys received under this section to the state treasurer in accordance
9 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
10 receipt of each such remittance, the state treasurer shall deposit the entire
11 amount in the state treasury to the credit of the medical loan repayment
12 fund.

13 (f) There is hereby created in the state treasury the medical loan
14 repayment fund. All expenditures from the medical loan repayment fund
15 shall be for medical student loans under the medical student loan act and
16 for the expenses of administration of the medical student loan act and shall
17 be made in accordance with appropriation acts upon warrants of the
18 director of accounts and reports issued pursuant to vouchers approved by
19 the chancellor of the university of Kansas or by a person designated by the
20 chancellor, except that expenditures shall not be made from the medical
21 loan repayment fund for medical student loans for medical students who
22 intend to enter and complete an approved postgraduate residency training
23 program in *an approved specialty, including, but not limited to, obstetrics*
24 *and gynecology, general psychiatry or child psychiatry.* On the effective
25 date of this act, the director of accounts and reports shall transfer all
26 moneys in the medical scholarship and loan repayment fund to the medical
27 loan repayment fund. On the effective date of this act, all liabilities of the
28 medical scholarship and loan repayment fund are hereby imposed on the
29 medical loan repayment fund and the medical scholarship and loan
30 repayment fund is hereby abolished. Whenever the medical scholarship
31 and loan repayment fund, or words of like effect, is referred to or
32 designated by any statute, contract or other document, such reference or
33 designation shall be deemed to apply to the medical loan repayment fund.
34 *The chancellor of the university of Kansas may transfer funds from the*
35 *medical loan repayment fund to the specialty loan repayment fund for the*
36 *purposes of medical student loans for students in an approved specialty*
37 *program under the medical student loan act. The chancellor of the*
38 *university of Kansas shall certify each such transfer to the director of*
39 *accounts and reports and shall transmit a copy of each certification to the*
40 *director of legislative research and the director of the budget.*

41 (g) There is hereby established in the state treasury the ~~psychiatry~~
42 ~~specialty~~ medical loan repayment fund. All moneys credited to the
43 ~~psychiatry~~ ~~specialty~~ medical loan repayment fund shall be expended only

1 for medical student loans for ~~general psychiatry or child psychiatry~~
2 students *in an approved specialty program* under the medical student loan
3 act and for the expenses of administration of the medical student loan act
4 associated with such students. *If in any one year, not all specialty*
5 *agreements are awarded, such funds may be used for primary care*
6 *agreements.* All expenditures from the ~~psychiatry specialty~~ medical loan
7 repayment fund shall be made in accordance with appropriation acts upon
8 warrants of the director of accounts and reports issued pursuant to
9 vouchers approved by the chancellor of the university of Kansas or the
10 chancellor's designee. *On July 1, 2025, the director of accounts and*
11 *reports shall transfer all moneys in the psychiatry medical loan repayment*
12 *fund and the OBGYN medical loan repayment fund to the specialty*
13 *medical loan repayment fund. On the effective date of this act, all*
14 *liabilities of the psychiatry medical loan fund and the OBGYN medical*
15 *loan repayment fund are hereby transferred to and imposed on the*
16 *specialty medical loan repayment fund. The psychiatry medical loan*
17 *repayment fund and the OBGYN medical loan repayment fund are hereby*
18 *abolished.*

19 (h) ~~There is hereby established in the state treasury the OBGYN~~
20 ~~medical loan repayment fund. All moneys credited to the OBGYN medical~~
21 ~~loan repayment fund shall be expended only for medical student loans for~~
22 ~~medical students who intend to enter and complete an approved~~
23 ~~postgraduate residency training program in obstetrics and gynecology~~
24 ~~under the medical student loan act and for the expenses of administration~~
25 ~~of the medical student loan act associated with such students. All~~
26 ~~expenditures from the OBGYN medical loan repayment fund shall be~~
27 ~~made in accordance with appropriation acts upon warrants of the director~~
28 ~~of accounts and reports issued pursuant to vouchers approved by the~~
29 ~~chancellor of the university of Kansas or the chancellor's designee.~~

30 (†) Notwithstanding any other provision of law to the contrary, no
31 moneys shall be transferred from the comprehensive grant program
32 account of the state board of regents to the medical loan repayment fund,
33 the ~~OBGYN specialty~~ medical loan repayment fund ~~or the psychiatry~~
34 ~~medical loan repayment fund~~ or expended for any purposes related thereto.

35 Sec. 7. K.S.A. 76-380 and 76-384 and K.S.A. 2024 Supp. 76-381, 76-
36 382 and 76-385 are hereby repealed.

37 Sec. 8. This act shall take effect and be in force from and after its
38 publication in the statute book.