

REPORTS OF STANDING COMMITTEES

MADAM PRESIDENT:

The Committee on **Public Health and Welfare** recommends **SB 32** be amended on page 2, following line 1, by inserting:

"Sec. 2. K.S.A. 2016 Supp. 76-382 is hereby amended to read as follows: 76-382. (a) There is hereby established the medical student loan program at the university of Kansas school of medicine.

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

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

(d) Subject to the provisions of appropriation acts, medical student loan agreements under this act may be entered into on an annual basis and shall provide the payment of the amounts specified under subsection (c) for one year unless otherwise terminated before such period of time. Subject to the provisions of appropriation acts, an undergraduate student enrolled

in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine may receive a separate loan under this act for each separate year the student enters into a written medical student loan agreement with the university of Kansas school of medicine in accordance with K.S.A. 76-383, and amendments thereto. Loans may be awarded retroactively for any academic year that a student has completed successfully at the university of Kansas medical school, but for which a loan had not previously been awarded. Retroactive loans shall be in an amount equal to the amount of tuition paid by the student, plus a stipend in an amount not to exceed the maximum amount of the stipend for such academic year multiplied by the number of months for which the student was enrolled at the medical school during such year. For each separate year a student receives a loan under this act, the student shall engage in the full-time practice of medicine and surgery in an appropriate service commitment area for a period of 12 months unless such obligation is otherwise satisfied as provided in K.S.A. 76-386, and amendments thereto.

(e) Medical student loans shall be awarded on a priority basis as follows, first to qualified applicants who are Kansas residents at the time of entry into the university of Kansas school of medicine, and second, to qualified applicants who are not Kansas residents at the time of entry into the university of Kansas school of medicine. As used in this subsection, "Kansas residents" means persons who meet the residence requirements established in K.S.A. 76-729, and amendments thereto.

(f) Subject to appropriations, the university of Kansas school of medicine shall enter into medical student loan agreements with six individuals who commit to satisfy obligations to engage in the full-time practice of medicine and surgery in a service commitment area by: (1) Serving as a full-time faculty member of the university of Kansas school of medicine in general psychiatry or child psychiatry pursuant to K.S.A. 76-384(c), and amendments thereto; or (2) performing at least 100 hours per month of on-site mental health care pursuant to K.S.A. 76-384(d), and amendments thereto."

On page 3, in line 33, by striking all after "facility"; in line 34, by striking "or mental health department"; in line 35, after "persons" by inserting "or at a community mental health center";

following line 42, by inserting:

"Sec. 5. K.S.A. 2016 Supp. 76-385 is hereby amended to read as follows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2), (3), (4) and (5) ~~of this subsection (a)~~ or in K.S.A. 76-386, 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 a service commitment area of this state for the required period of time under any medical student loan agreement entered into under this act, such person shall repay to the university of Kansas school of medicine in accordance with subsection (b) 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 15% from the date such money was received.

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

(3) If at any time a person is failing 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 under this act because such person is engaged in the full-time practice of medicine and surgery in a state other than Kansas, or within Kansas in an area that is not a service commitment area or in the practice of medicine and surgery which does not otherwise comply with the agreement entered into under this act, 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 is in a service commitment area or which otherwise complies with the agreement entered into under this act, 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, 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.

(4) If, during the time a person is satisfying the service requirement of an agreement entered into under this act, such person desires to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state and remain in satisfaction of such service requirement, such person may make application to the chancellor of the university of Kansas or the designee of the chancellor for permission to engage in less than such full-time practice of medicine and surgery. Upon a finding of exceptional circumstances made by the chancellor of the university of Kansas, or the designee of the chancellor, such person may be authorized to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state for the remaining required period of time under such agreement and for an additional period of time which shall be equal to the length of the originally required period of time multiplied by the decimal fraction which is equal to the reduction of the full-time practice of medicine and surgery to be authorized hereunder, multiplied by two. In any such determination of the period required to be engaged in the less than full-time practice of medicine and surgery, the decimal fraction utilized shall not exceed 0.5 and any person granted permission to engage in less than the full-time practice of medicine and surgery in accordance with the provisions of this paragraph ~~(4)~~ shall be required to engage in at least the half-time practice of medicine and surgery.

(5) Any person who enters but fails to complete an approved postgraduate residency training program, or who enters and completes an approved postgraduate residency training program but fails to satisfy the obligation to engage in the full-time practice of medicine and surgery within a service commitment area of this state for the required period of time shall be required to repay all money

received pursuant to an agreement entered into under this act a medical student loan, plus accumulated interest at an annual rate of 15% and shall commence such repayment in accordance with subsection (b) within 90 days of failure to complete an approved postgraduate residency training program or 90 days of failure to commence qualifying practice, whichever occurs first.

(b) For any repayment requirement under this section, 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. The repayment shall be made in not more than 10 equal annual installment payments.

(c) 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, 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.

(d) The total repayment obligation imposed under all agreements entered into under this act may be satisfied by the person who entered into the agreements at any time prior to graduation from the university of Kansas school of medicine 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.

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

(f) There is hereby created in the state treasury the medical loan repayment fund. All

expenditures from the medical loan repayment fund shall be for medical student loans under the medical student loan act and for the expenses of administration of the medical student loan act 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, except that expenditures shall not be made from the medical loan repayment fund for medical student loans for general psychiatry or child psychiatry. On the effective date of this act, the director of accounts and reports shall transfer all moneys in the medical scholarship and loan repayment fund to the medical loan repayment fund. On the effective date of this act, all liabilities of the medical scholarship and loan repayment fund are hereby imposed on the medical loan repayment fund and the medical scholarship and loan repayment fund is hereby abolished. Whenever the medical scholarship and loan repayment fund, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the medical loan repayment fund.

(g) There is hereby established in the state treasury the psychiatry medical loan repayment fund. All moneys credited to the psychiatry medical loan repayment fund shall be expended only for medical student loans for general psychiatry or child psychiatry students under the medical student loan act and for the expenses of administration of the medical student loan act associated with such students. All expenditures from the psychiatry medical loan repayment fund 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 the chancellor's designee."

On page 6, following line 11, by inserting:

"(j) Notwithstanding any other provision of law to the contrary, no moneys appropriated for the Kansas medical residency bridging program at the university of Kansas school of medicine, except moneys appropriated to the rural health bridging psychiatry fund, shall be expended for residency bridging loan agreements for medical residents training in general psychiatry or child psychiatry.

(k) Subject to appropriations, the university of Kansas school of medicine shall enter into residency bridging loan agreements with three medical residents training in general psychiatry or child psychiatry.

(l) There is hereby established in the state treasury the rural health bridging psychiatry fund. All moneys credited to the rural health bridging psychiatry fund shall be used only for purposes related to residency bridging loan agreements for medical residents training in general psychiatry or child psychiatry pursuant to K.S.A. 76-387, and amendments thereto. All expenditures from the rural health bridging psychiatry fund 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 the chancellor's designee";

Also on page 6, in line 12, after the comma by inserting "76-382,"; also in line 12, by striking the second "and" and inserting a comma; in line 13, after "384" by inserting "and 76-385";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the semicolon by inserting "establishing the psychiatry medical loan repayment fund and the rural health bridging psychiatry fund;"; in line 4, after the comma by inserting "76-382,"; also in line 4, by striking the second "and" and inserting a comma; also in line 4, after "76-384" by inserting "and 76-385"; and the bill be passed as amended.

Chairperson