

UPDATED
SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 32

As Amended by Senate Committee of the Whole

Brief*

SB 32, as amended, would amend the Medical Student Loan Act (Act) and the statute establishing the Kansas Medical Residency Bridging Program (Program) and would restrict the outsourcing and privatization of certain state operations and facilities.

Medical Student Loan Act

The bill would amend the Act by expanding the eligible practice areas loan recipients could engage in to meet their loan obligations under the Act. The bill would add general psychiatry and child psychiatry to the definitions of “approved post graduate residency training program” and “service commitment area.” The bill also would allow a loan recipient under the Act to meet the loan obligation to engage in the full-time practice of medicine and surgery in a service commitment area if the person served as a full-time faculty member of the University of Kansas in general or child psychiatry. Additionally, the bill would allow a loan recipient to satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area by performing at least 100 hours per month of on-site mental health care at a medical facility, at a community mental health center (CMHC), at Larned State Hospital (LSH), Osawatomie State Hospital (OSH), or at any facility that provides mental health services and is operated by a state agency.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill would require, subject to appropriations, the University of Kansas School of Medicine to enter into medical student loan agreements with six individuals who commit to satisfying their loan obligations by practicing or teaching, as set out above, general or child psychiatry. The bill would create in the state treasury the Psychiatry Medical Loan Repayment Fund and all moneys credited to the Fund would be expended only for expenses associated with general or child psychiatry students under the Act. The bill would specify that no moneys shall be transferred from the Comprehensive Grant Program account of the State Board of Regents to the Medical Loan Repayment Fund or the Psychiatry Medical Loan Repayment Fund or expended for any related purposes.

Kansas Medical Residency Bridging Program

The bill would also amend the statute establishing the Program by expanding the eligible practice areas. The bill would add persons in a mental health care residency training program in general or child psychiatry to the list of persons with whom the University of Kansas School of Medicine could enter into residency bridging loan agreements.

The bill would require, subject to appropriations, the University of Kansas School of Medicine to enter into residency bridging loan agreements with three medical residents training in general or child psychiatry. The bill would create in the state treasury the Rural Health Bridging Psychiatry Fund, and all moneys credited to the Fund would be expended only for expenses associated with general psychiatry or child psychiatry residents under the Program. The bill would specify that no moneys shall be transferred from the Comprehensive Grant Program account of the State Board of Regents to the Rural Health Bridging Psychiatry Fund or expended for any related purposes.

Restrictions on Outsourcing and Privatization of Certain State Operations and Facilities

The bill would prohibit the outsourcing or privatization of any operation or facility of LSH, OSH, or any facility that provides mental health services and is operated by a state agency, including but not limited to, any action to transfer all or any part of the rated bed capacity at the LSH or the OSH, without specific authorization by the Legislature. Additionally, the Secretary for Aging and Disability Services (Secretary) would not be allowed to transfer or assign any person admitted to an institution for the purpose of circumventing the outsourcing or privatization restrictions imposed in KSA 2016 Supp. 75-3373.

Background

The bill was introduced by the Senate Committee on Public Health and Welfare at the request of Senator Bollier. In the Senate Committee hearing, proponent testimony was provided by the Secretary and representatives of the Association of Community Mental Health Centers of Kansas, Kansas Psychiatric Society, and Pawnee Mental Health Services. Proponents stated there is a shortage of psychiatrists in Kansas and enactment of the bill would assist in recruiting and retaining psychiatrists in Kansas, especially in rural areas.

Written-only proponent testimony was provided by Compass Behavioral Health, DCCCA, Family Service and Guidance Center, High Plains Mental Health Center, Kansas Association of Chiefs of Police, Kansas Sheriffs' Association, Kansas Peace Officers Association, and Kansas Mental Health Coalition. No other testimony was provided.

The Senate Committee amended the bill to create two funds in the state treasury specifically for medical student loan agreements with individuals who commit to satisfying their loan obligations by practicing or teaching general

psychiatry or child psychiatry and residency-bridging loan agreements with medical residents training in general or child psychiatry. The Senate Committee also made a technical amendment to clarify CMHCs are independent entities and not operated by local health departments.

The Senate Committee of the Whole amended the bill to add LSH, OSH, and any facility that provides mental health services and is operated by a state agency to the sites allowed for fulfilling obligations under the Act. The bill was also amended to bar the transfer of moneys from the Comprehensive Grant Program account of the State Board of Regents to the Medical Loan Repayment Fund, the Psychiatry Medical Loan Repayment Fund, or the Rural Health Bridging Psychiatry Fund or expenditures for any related purposes. In addition, the Senate Committee of the Whole amended the bill to prohibit the outsourcing or privatization of any operation or facility of LSH, OSH, or any facility that provides mental health services and is operated by a state agency without specific authorization by the Legislature. Finally, the Senate Committee of the Whole amended the bill to prohibit the Secretary from taking action to circumvent the outsourcing and privatization restrictions imposed by KSA 2016 Supp. 75-3373.

The fiscal note prepared by the Division of the Budget on the bill, as introduced, states the University of Kansas estimates enactment of the bill would have no fiscal effect on its operations.