

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

As Engrossed: H2/24/99

## A Bill

Act 589 of 1999  
HOUSE BILL 1606

5 By: Representatives Horn, Ammons, Angel, Dees, King, Jones, Oglesby, L. Thomas, Teague, Wood,  
6 *Gullett*  
7  
8

### For An Act To Be Entitled

9  
10 "AN ACT TO CREATE THE RURAL PHYSICIAN INCENTIVE  
11 REVOLVING FUND; TO AMEND ARKANSAS CODE 20-12-501 TO  
12 CHANGE THE PROGRAM AND PAYMENT STRUCTURE OF THE RURAL  
13 PHYSICIAN INCENTIVE PROGRAM; TO AMEND ARKANSAS CODE  
14 20-12-503 TO MODIFY THE RURAL PHYSICIAN INCENTIVE  
15 PROGRAM ELIGIBILITY CRITERIA; AND FOR OTHER PURPOSES. "  
16

### Subtitle

17  
18 "AN ACT TO CHANGE THE PROGRAM AND PAYMENT  
19 STRUCTURE OF THE RURAL PHYSICIAN  
20 INCENTIVE PROGRAM. "  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code 20-12-501 is amended to read as follows:

26 "20-12-501. Purpose - Grant established.

27 (a)~~(1)~~ It is the purpose and intent of this subchapter to establish a  
28 program of financial assistance to encourage physicians to locate in and  
29 remain in the practice of family primary care medicine in communities of the  
30 state that have a population of not more than fifteen thousand (15,000)  
31 persons. ~~inhabitants or less according to the 1990 Federal Decennial Census.~~  
32 ~~The census from federal or state penal institutions, federal or state human~~  
33 ~~services institutions, institutions of higher education, or any similar~~  
34 ~~facility shall not be included in the census figure when defining a city,~~  
35 ~~town, or other area under this subchapter.~~ It is the intent of the General  
36 Assembly that physicians who locate, for a minimum of four (4) years, in and

1 carry on a full-time practice of family medicine in a priority medically  
 2 underserved area as defined by the Section of Health Facility Services and  
 3 Systems, Department of Health, after July 1, 1999, shall be entitled to  
 4 receive grants totaling fifty-five thousand dollars (\$55,000) to be paid out  
 5 over four (4) years. The first payment of twenty-five thousand dollars  
 6 (\$25,000) will be made when a practice is established by the physician in the  
 7 community and patients are being seen in the office. The second, third and  
 8 fourth payments of ten thousand dollars (\$10,000) each will be made after  
 9 completion of each continuous year of service. ~~such communities after March 5,~~  
 10 1991, shall be entitled to receive a grant for each whole calendar year of  
 11 full-time practice, not to exceed five (5) years of assistance.

12 ~~(2) In order to enhance the retention as well as the recruitment~~  
 13 ~~of physicians to rural communities, physicians will be awarded grants for~~  
 14 ~~continuous service in qualifying full-time practice in the same rural~~  
 15 ~~community as follows:~~

- 16 ~~(A) For the first year of full-time practice in a rural~~  
 17 ~~community.....\$6,000~~
- 18 ~~(B) For the second year of continuous full-time practice in~~  
 19 ~~a qualifying community.....8,000~~
- 20 ~~(C) For the third year of continuous full-time practice in a~~  
 21 ~~qualifying community.....10,000~~
- 22 ~~(D) For the fourth year of continuous full-time practice in~~  
 23 ~~a qualifying community.....12,000~~
- 24 ~~(E) For the fifth year of continuous full-time practice in a~~  
 25 ~~qualifying community.....14,000~~

26 (b) It is further the intent of this subchapter that individuals who  
 27 were assisted by the Arkansas Rural Medical Practice Student Loan and  
 28 Scholarship Program or the Medical Community Match Program are also eligible  
 29 for benefits under this program."  
 30

31 SECTION 2. There is established on the books of the Treasurer of State,  
 32 the Auditor of State, and the Chief Fiscal Officer of the State, a fund to be  
 33 known as the "Rural Physician Incentive Revolving Fund." Any unexpended  
 34 balance in this fund at the end of each state fiscal year shall be carried  
 35 forward to the next fiscal year to be used for the same intent and purpose set  
 36 forth in this act.

1  
2 SECTION 3. Arkansas Code 20-12-503 is amended to read as follows:

3 "20-12-503. Eligibility.

4 (a)(1) Any person licensed to practice medicine in this state who,  
5 subsequent to ~~March 5, 1991~~ July 1, 1999, establishes a full-time practice of  
6 family medicine in a community in Arkansas having a population of not more  
7 than fifteen thousand (15,000) persons inhabitants or less as set forth in  
8 § 20-12-501, ~~or in an area determined to be medically underserved due to an~~  
9 ~~unmet need for medical services, taking into consideration the ratio of~~  
10 ~~primary care physicians to population, infant mortality rate, percent of~~  
11 ~~population below the poverty level, percent of population and physicians age~~  
12 ~~sixty (60) or over, and accessibility of the area to primary care manpower,~~  
13 ~~shall be eligible to make application for a grant under the provisions of this~~  
14 ~~subchapter in an amount described under § 20-12-501. and that community is~~  
15 identified by the Department of Health as medically underserved, shall be  
16 eligible to make application for a grant under the provisions of this  
17 subchapter in an amount described under Arkansas Code 20-12-501.

18 ~~(2) Persons with an already established practice in the community shall~~  
19 ~~only be considered eligible under extreme circumstances threatening the~~  
20 ~~continuance of their service to the community, as determined by the State~~  
21 ~~Board of Health.~~

22 ~~(3) No applicant with professional income guarantees from other sources~~  
23 ~~shall be approved under this program.~~

24 ~~(b)(2)~~ Grants will be awarded on the basis of available funds, with  
25 priority given to rural communities having the greatest need.

26 ~~(c)(3)~~ Grant recipients shall enter into a contract to serve a  
27 proportionate number of Medicaid patients for the community, agree to work  
28 within the existing health care system, and practice a minimum of thirty-two  
29 (32) hours a week.

30 (b)(1) The Department of Health shall enter into a grant agreement with  
31 the recipient of a Rural Physician Incentive Grant.

32 (2) Each applicant to whom a Rural Physician Incentive Grant is  
33 awarded shall execute a written grant agreement which shall incorporate the  
34 following obligations and conditions:

35 (A) The recipient of a Rural Physician Incentive Grant shall  
36 commit to provide four (4) continuous years of primary care services in

1 accordance with Arkansas Code 20-12-501; and

2 (B)(i) In the event that any Rural Physician Incentive Grant  
3 recipient under this subchapter does not engage in the practice of primary  
4 care services in accordance with the terms of this section, the recipient  
5 shall be obligated to repay the grant received, together with interest  
6 thereon, at the maximum rate allowed by Arkansas law, or the federal discount  
7 rate plus five percent (5%) per year, whichever is less, the interest to  
8 accrue from the date each payment of funds was received by the recipient; and

9 (ii) No interest shall accrue nor obligation to repay  
10 the principal sums accrued during any one (1) period of time that the  
11 recipient involuntarily serves on active duty in the United States Armed  
12 Forces;

13 (C) Repayment of principal, with interest, shall be due and  
14 payable in full at the earliest to occur of the following events:

15 (i) Failure to remain in the originating rural  
16 community for four (4) continuous years for any reason other than temporary  
17 personal illness; and

18 (ii) Failure to practice primary care on a regularly  
19 sustained basis as defined in Arkansas Code 20-12-501(a).

20 (c) Persons accepted into and participating in the Rural Physician  
21 Incentive Program prior to July 1, 1999, will be eligible to complete the  
22 program under the payment system established when they entered the program."

23  
24 SECTION 4. All provisions of this act of a general and permanent nature  
25 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
26 Revision Commission shall incorporate the same in the Code.

27  
28 SECTION 5. If any provision of this act or the application thereof to  
29 any person or circumstance is held invalid, such invalidity shall not affect  
30 other provisions or applications of the act which can be given effect without  
31 the invalid provision or application, and to this end the provisions of this  
32 act are declared to be severable.

33  
34 SECTION 6. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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