

Hall of the House of Representatives
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of House Bill No. 1773

"TO REVISE THE RURAL MEDICAL PRACTICE STUDENT LOAN PROGRAM TO
CHANGE THE DEFINITION OF PRIMARY CARE MEDICINE."

Amendment No. 1 to House Bill No. 1773.

Amend House Bill No. 1773 as originally introduced:

Page 1, line 11, delete "MEDICINE" and substitute "MEDICINE AND TO EXTEND THE TIME TO BEGIN LOAN REPAYMENTS"

AND

Page 1, line 16, delete "MEDICINE" and substitute "MEDICINE AND TO EXTEND THE TIME TO BEGIN LOAN REPAYMENTS"

AND

Page 1, line 32, add new sections to read as follows:

"SECTION 2. Arkansas Code § 6-81-708(a)(1)(A), concerning the loan contracts for the Rural Medical Practice Loan program, is amended to read as follows;

(1)(A) The recipient of a rural medical practice loan or loans shall bindingly contract that, upon completion of his or her medical internship of one (1) year undertaken immediately following the earning of the degree of doctor of medicine, or upon completion of ~~three (3)~~ four (4) additional years of medical training beyond the internship, if the training has been approved in advance by the board and includes practice experience in a rural community, he or she shall practice medicine full-time in a rural community.

SECTION 3. Arkansas Code § 6-81-708(d)(4), concerning the loan contracts for the Rural Medical Practice Loan program, is amended to read as follows:

(4)(A) In the event that any rural medical practice loan recipient under this subchapter does not engage in the practice of medicine in accordance with the terms of this section and of his or her loan contract in order to have the loan contract recognized as a scholarship, the recipient shall remain obligated to repay the loan or loans received, together with interest thereon at the maximum rate allowed by Arkansas law or the federal



discount rate plus five percent (5%) per annum, whichever is the lesser, the interest to accrue from the date each payment of funds was received by the recipient.

(B) No interest shall accrue, nor obligation to repay the principal sums accrued, during any one (1) period of time that the recipient involuntarily serves on active duty in the United States armed forces.

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

(i) Failure to remain enrolled in a medically underserved and rural practice curriculum;

(ii) Failure to remain in enrollment status continuously to completion of the degree of doctor of medicine for any reason other than temporary personal illness;

(iii) Failure to complete internship;

(iv)(a) Failure to practice medicine on a regularly sustained basis while residing in a rural community in Arkansas, as defined in § 6-81-701.

(b) Provided, however, that the board may waive the residency requirement on a case-by-case basis; and

(v) Failure to establish such practice within six (6) months following either internship or ~~three (3)~~ four (4) additional years of medical education that include practice experience in a rural community beyond his or her internship where approved by the board.

(D) In the event of the death of the recipient, all loans unpaid shall be due and payable.

SECTION 4. Arkansas Code § 6-81-716(c)(3), concerning the obligations and conditions of the loans for the Community Match Loan and Scholarship Program, is amended to read as follows;

(3)(A) In the event that any loan recipient from the Community Match Loan and Scholarship Program under this section does not engage in the practice of primary care medicine in accordance with the terms of this section and of his or her loan contract in order to have the loan contract recognized as a scholarship, the recipient shall be obligated to repay the loan or loans received, together with interest thereon at the maximum rate allowed by Arkansas law or the federal discount rate plus five percent (5%) per annum, whichever is the lesser, the interest to accrue from the date each payment of funds was received by the recipient.

(B) Repayment of principal, with interest and liquidated damages, under subdivision (c)(3)(A) of this section, shall be due and payable in full at the earliest to occur of the following events:

(i) Failure to complete internship;

(ii) Failure to practice primary care medicine on a regularly sustained basis while residing in the contracting qualified rural community in Arkansas. Provided, however, that the board, in conjunction with the qualified rural community, may waive the residency requirement on a case-by-case basis; and

(iii) Failure to establish a primary care practice within six (6) months, unless otherwise deferred by approval of the board, following either internship or ~~three (3)~~ four (4) additional years of medical education continuously beyond his or her internship where approved by the board.

(C) In addition, because of the hardship placed upon the rural community as a result of a breach of contract by the loan recipient and the difficulty in ascertaining or determining damages arising out of a breach of contract by the loan recipient, the loan contract shall provide for liquidated damages in an amount equal to fifty percent (50%) of the principal of the loan, which shall not preclude the board and the qualified rural community from asserting other legal rights as a result of the breach of contract.”

The Amendment was read _____
By: Representative Bledsoe
EAN/VJF - 030620030915
VJF553 _____ Chief Clerk