

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Flanagin**

# A Bill

**HOUSE BILL 1441**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE §§20-12-201 ET SEQ. TO  
9 CHANGE THE REQUIREMENTS FOR RURAL MEDICAL CLINIC LOANS AND  
10 FINANCIAL ASSISTANCE GRANTS; AND FOR OTHER PURPOSES."

## Subtitle

13 "TO CHANGE THE REQUIREMENTS FOR RURAL MEDICAL CLINIC LOANS  
14 AND GRANTS."

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. Arkansas Code §20-12-201 is hereby amended to read as  
19 follows:

20 "20-12-201. Purpose.

21 (a) The General Assembly is cognizant of an extreme shortage in the  
22 rural areas of this state of obstetricians, gynecologists, general  
23 pediatricians, general internists and family practice physicians.

24 (b) (1) The providing of incentives to attract and encourage  
25 obstetricians, gynecologists, general pediatricians, general internists and  
26 family practice physicians to establish their practices within a rural area of  
27 this state is essential to the protection of the public health, welfare, and  
28 safety of the people of this state.

29 (2) By providing a source of low interest funds, the State of  
30 Arkansas can offer incentives to obstetricians, gynecologists, general  
31 pediatricians, general internists and family practice physicians to establish  
32 medical clinics in rural areas to meet the medical needs of thousands of  
33 citizens of this state.

34 (c) The procedures set forth in this subchapter to provide loans to  
35 these medical practitioners in rural areas for the establishment of medical

1 *clinics are deemed to be in the public interest and essential to the*  
2 *preservation of the public health and safety in rural areas."*

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4 SECTION 2. Arkansas Code §20-12-202 is amended to read as follows:

5 "20-12-202. Definitions. As used in this subchapter, unless the  
6 context otherwise requires:

7 (1) *\_Board\_ shall mean the Board of Finance of the State of Arkansas;*

8 (2) *\_Rural area\_ shall mean any city, town, or other area having a*  
9 *population of fifteen thousand (15,000) inhabitants or less, according to the*  
10 *most recent Decennial Federal Census;*

11 (3) *\_Fund\_ shall mean the Rural Medical Clinic Revolving Loan Fund as*  
12 *established in this subchapter;*

13 (4) *\_Rural medical clinic loans\_ shall mean a loan in the sum of not to*  
14 *exceed one hundred fifty thousand dollars (\$150,000) in the aggregate, to be*  
15 *used exclusively for land acquisition or for the construction, reconstruction,*  
16 *repair, or expansion of a building to be used as a medical clinic in a rural*  
17 *area and the acquisition and installation of equipment therein."*

18

19 SECTION 3. Arkansas Code §20-12-203 is hereby amended by adding a new  
20 subsection to read as follows:

21 "(f) *In addition to such criteria as established by the Board of*  
22 *Finance, the State Board of Health is hereby authorized to establish through*  
23 *rules and regulations promulgated by the Department of Health criteria to*  
24 *implement the following requirements:*

25 (1) *That a person with an already established practice will not*  
26 *be considered an eligible applicant except under extreme circumstances*  
27 *threatening the continuance of his service to the rural community;*

28 (2) *That the applicant must serve a proportionate amount of*  
29 *Medicaid patients for the rural community;*

30 (3) *That the applicant must demonstrate a willingness to work*  
31 *within the existing health care system;*

32 (4) *That the applicant must practice a minimum of thirty-two (32)*  
33 *hours a week; and*

34 (5) *That no applicant with professional income guarantees from*  
35 *other sources shall be approved under this program."*

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SECTION 4. Arkansas Code §§20-12-301, 20-12-302 and 20-12-303 are hereby repealed.

SECTION 5. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 7. All laws and parts of laws in conflict with this act are hereby repealed.

*/s/Pat Flanagan*

***As Engrossed: 2/17/93 2/25/93***

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