

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H3/7/03
A Bill

HOUSE BILL 1773

5 By: Representative Bledsoe
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8 **For An Act To Be Entitled**

9 AN ACT TO REVISE THE RURAL MEDICAL PRACTICE LOAN
10 PROGRAM TO CHANGE THE DEFINITION OF PRIMARY CARE
11 *MEDICINE AND TO EXTEND THE TIME TO BEGIN LOAN*
12 *REPAYMENTS*; AND FOR OTHER PURPOSES.
13

14 **Subtitle**

15 TO REVISE THE RURAL MEDICAL PRACTICE
16 STUDENT LOAN PROGRAM TO CHANGE THE
17 DEFINITION OF PRIMARY CARE *MEDICINE AND*
18 *TO EXTEND THE TIME TO BEGIN LOAN*
19 *REPAYMENTS*.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 6-81-701(3), concerning the definition for
25 the Rural Medical Practice Loan program, is amended to read as follows:

26 (3) "Primary care medicine" means health care provided in one
27 (1) of the following areas of practice:

- 28 (A) Family medicine;
29 (B) General internal medicine;
30 (C) General internal medicine and pediatrics;
31 (D) General pediatrics; ~~and~~
32 (E) General obstetrics and gynecology; and
33 (F) General surgery.
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35 SECTION 2. Arkansas Code § 6-81-708(a)(1)(A), concerning the loan
36 contracts for the Rural Medical Practice Loan program, is amended to read as



1 follows;

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

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

14 (4)(A) In the event that any rural medical practice loan recipient
15 under this subchapter does not engage in the practice of medicine in
16 accordance with the terms of this section and of his or her loan contract in
17 order to have the loan contract recognized as a scholarship, the recipient
18 shall remain obligated to repay the loan or loans received, together with
19 interest thereon at the maximum rate allowed by Arkansas law or the federal
20 discount rate plus five percent (5%) per annum, whichever is the lesser, the
21 interest to accrue from the date each payment of funds was received by the
22 recipient.

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

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

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

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

33 (iii) Failure to complete internship;

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

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

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

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

9
10 SECTION 4. Arkansas Code § 6-81-716(c)(3), concerning the obligations
11 and conditions of the loans for the Community Match Loan and Scholarship
12 Program, is amended to read as follows;

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

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

25 (i) Failure to complete internship;

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

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

36 (C) In addition, because of the hardship placed upon the

1 rural community as a result of a breach of contract by the loan recipient and
2 the difficulty in ascertaining or determining damages arising out of a breach
3 of contract by the loan recipient, the loan contract shall provide for
4 liquidated damages in an amount equal to fifty percent (50%) of the principal
5 of the loan, which shall not preclude the board and the qualified rural
6 community from asserting other legal rights as a result of the breach of
7 contract.

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/s/ Bledsoe

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