

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995

A Bill

ACT 1257 OF 1995
SENATE BILL 637

4 By: Senators Smith and Bell

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 6-81-701 AND 6-81-708 TO CHANGE THE MANDATORY
9 CONTRACTUAL PROVISIONS FOR RURAL MEDICAL PRACTICE STUDENT LOANS; AND
10 FOR OTHER PURPOSES."

11

Subtitle

12 "TO CHANGE THE MANDATORY CONTRACTUAL PROVISIONS FOR RURAL MEDICAL
13 PRACTICE STUDENT LOANS."
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16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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18 SECTION 1. Arkansas Code 6-81-701 is amended to read as follows:

19 "6-81-701. Definitions.

20 For purposes of this subchapter:

21 (1) Board means the Rural Medical Practice Student Loan and
22 Scholarship Board;

23 (2) Rural community is a community within a Health Professions
24 Shortage Area, as determined by the board, or a community having a population
25 of no more than fifteen thousand (15,000) persons according to the most recent
26 federal census taken prior to the execution of the loan contract or the most
27 recent federal census taken prior to the time the recipient of the loan or
28 loans shall be required to practice full time in such rural community as
29 provided in § 6-81-708;

30 (3) Primary care medicine means health care provided in one of the
31 following areas of practice: family medicine, general internal medicine,
32 general internal medicine/pediatrics, general pediatrics and general
33 obstetrics/gynecology."
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35 SECTION 2. Arkansas Code 6-81-708 is amended to read as follows:

36 "6-81-708. Medical students - Loan contracts - Obligations and

1 conditions.

2 (a) The board shall enter a loan contract with the applicant to whom a
3 *rural medical practice* loan is made.

4 (b) The contract shall be approved by the Attorney General of the State
5 of Arkansas and shall be signed by the chairman of the board, countersigned by
6 the vice-chairman, and signed by the applicant.

7 (c) Acts No. 131, § 9, as amended, shall not apply to loans made after
8 May 1, 1987, by the Rural Medical Practice Student Loan and Scholarship Board.

9 (d) Each applicant to whom a *rural medical practice* loan or loans shall
10 be granted by the Rural Medical Practice Student Loan and Scholarship Board
11 after May 1, 1991, shall execute a written loan contract which shall
12 incorporate the following obligations and conditions:

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

20 (B) The recipient of a *rural medical practice* loan or loans
21 shall bindingly contract that for each year's loan, he or she shall practice
22 medicine in accordance with subdivision (d)(1)(A) for a whole calendar year.

23 (C) For each continuous whole calendar year of medical
24 practice in accordance with subdivision (d)(1)(A) of this section, the board
25 shall cancel, by converting to a scholarship grant, the full amount of one
26 year's loan plus accrued interest.

27 (2) *The recipient of a rural medical practice loan or loans shall*
28 *bindingly contract that not engaging in the practice of medicine in accordance*
29 *with the loan contract and with this section shall result in automatic*
30 *suspension of his or her license to practice medicine in this state. The*
31 *suspension shall be for a period of years equivalent to the number of years*
32 *that the recipient is obligated to practice medicine in a rural area, and the*
33 *suspension shall continue until the loan, with interest thereon, is paid in*
34 *full.*

35 (3) *Any communication from the College of Medicine with any state*

1 medical licensing board shall include a notation that the recipient of a rural
2 medical practice loan has a contract with the State of Arkansas to practice
3 medicine in a rural community and breach of that contract will result in
4 automatic suspension of the recipient's Arkansas medical license.

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

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

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

19 (i) Failure, beginning with the 1995-1996 school
20 year, to remain enrolled in a medically underserved and rural practice
21 curriculum;

22 (ii) Failure to remain in enrollment status
23 continuously to completion of the degree of Doctor of Medicine for any reason
24 other than temporary personal illness;

25 (iii) Failure to complete internship;

26 (iv) Failure to practice medicine on a regularly
27 sustained basis while residing in a rural community in Arkansas, as defined in
28 § 6-81-701, provided however, that the board may waive the residency
29 requirement on a case-by-case basis; and

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

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

1 (e) The board may amend agreements entered into with any student who is
2 currently enrolled as a medical student or an intern or resident who has not
3 completed his or her postdoctoral training as approved by the board pursuant
4 to § 6-81-701 et seq.

5 (f) A rural medical practice loan recipient may apply to the Dean of the
6 College of Medicine for a waiver of the contractual provisions set forth in
7 subsection (d)(2). If the Dean as chairman of the board and the Director of
8 the Department of Health agree that exigent circumstances warrant a waiver,
9 the loan recipient shall be notified in writing that his or her license to
10 practice medicine shall be automatically reinstated. The Dean of College of
11 Medicine and the Director of the Health Department shall immediately notify
12 the Medical Board of such determination."

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14 SECTION 3. Arkansas Code 17-93-409 is amended to read as follows:

15 "17-93-409. Denial, suspension, or revocation - Grounds.

16 (a) The board may revoke an existing license, suspend an existing
17 license, or refuse to issue a license in the event the holder or applicant, as
18 the case may be, has committed any of the acts or offenses defined in this
19 section to be unprofessional conduct. The words unprofessional conduct as
20 used in subchapters 2 - 4 of this chapter are declared to mean:

21 (1) Conviction of any crime involving moral turpitude or
22 conviction of a felony. The judgment of any such conviction, unless pending
23 upon appeal, shall be conclusive evidence of unprofessional conduct;

24 (2) Resorting to fraud, misrepresentation, or deception in
25 applying for or securing a license to practice medicine or in taking the
26 examination for the license;

27 (3) Aiding or abetting an unlicensed person to practice medicine;

28 (4) Procuring or aiding or abetting in procuring a wrongful and
29 criminal abortion;

30 (5) Violation of the laws of the United States or the State of
31 Arkansas regulating the possession, distribution, or use of narcotic or
32 controlled drugs classed in schedules 1-5 of the Controlled Substances Act of
33 1970 or the Uniform Controlled Substances Act, § 5-64-101 et seq., including
34 any amendments thereto;

35 (6) Habitual indulgence in the use of alcohol to such an extent

1 as to render himself incapable of exercising that degree of skill and judgment
2 in the treatment of his patients which the moral trust and confidence in him
3 demands;

4 (7) Grossly negligent or ignorant malpractice;

5 (8) Habitual, intemperate, or excessive use of narcotics or of
6 any other habit-forming drugs;

7 (9) Representing to a patient that a manifestly incurable
8 condition of sickness, disease, or injury can be permanently cured;

9 (10) Becoming physically or mentally incompetent to practice
10 medicine to such an extent as to endanger the public;

11 (11) Insanity or mental disease, if evidenced by an adjudication
12 or by voluntary commitment to an institution for treatment of a mental disease
13 or as determined by an examination conducted by three (3) impartial
14 psychiatrists retained by the board;

15 (12)(A) Soliciting for patronage;

16 (B) Advertising for patronage in a false, fraudulent,
17 deceptive, or misleading manner;

18 (C) Advertising the quality of medical services; or

19 (D) Advertising illegal procedures and practices;

20 (13) Offering, undertaking, attempting, or agreeing to cure or
21 treat disease by a secret method, procedure, treatment, or medicine or
22 representing, directly or indirectly, that he can treat, operate on, or
23 prescribe for any human condition by a method, means, or procedure which he
24 refuses to divulge upon demand to the Arkansas State Medical Board;

25 (14) The willful betraying of a professional secret; and

26 (15) Persistent, flagrant overcharging or overtreating of
27 patients.

28 (b)(1) *The board shall suspend an existing license in the event the*
29 *holder breached a contract to practice medicine in a rural community that was*
30 *entered into under the provisions of 6-81-701, et seq. The suspension shall*
31 *be for a period of years equivalent to the number of years that the recipient*
32 *is obligated to practice medicine in a rural area, and the suspension shall*
33 *continue until the loan, with interest thereon, is paid in full.*

34 (2) *Upon notification from the Dean of the College of Medicine*
35 *and the Director of the Health Department that exigent circumstances warrant a*

1waiver of the suspension, the board shall reinstate the holder's license."

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3 SECTION 4. The provisions of this act shall not apply to any person
4entering a Rural Medical Practice Student Loan prior to the 1995-96 school
5year or to any subsequent Rural Medical Practice Student Loan contracts
6entered into by those persons.

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8 SECTION 5. The College of Medicine shall track graduates who were
9recipients of Rural Medical Practice Loans for the length of their contractual
10obligations and shall report to the Legislative Council by October 1 of each
11even numbered year regarding the compliance of those graduates with the terms
12of their contracts.

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14 SECTION 6. All provisions of this act of a general and permanent nature
15are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
16Revision Commission shall incorporate the same in the Code.

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18 SECTION 7. If any provision of this act or the application thereof to
19any person or circumstance is held invalid, such invalidity shall not affect
20other provisions or applications of the act which can be given effect without
21the invalid provision or application, and to this end the provisions of this
22act are declared to be severable.

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24 SECTION 8. All laws and parts of laws in conflict with this act are
25hereby repealed.

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/s/Smith

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APPROVED: 4-13-95

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