

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1030

5 By: Representative Bentley  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS RURAL MEDICAL PRACTICE  
9 STUDENT LOAN AND SCHOLARSHIP PROGRAM AND THE  
10 COMMUNITY MATCH RURAL PHYSICIAN RECRUITMENT PROGRAM  
11 TO IMPROVE AND INCREASE ACCESS TO HEALTH CARE IN  
12 MEDICALLY UNDERSERVED COMMUNITIES; AND FOR OTHER  
13 PURPOSES.  
14

## Subtitle

15  
16 TO AMEND THE ARKANSAS RURAL MEDICAL  
17 PRACTICE STUDENT LOAN AND SCHOLARSHIP  
18 PROGRAM AND THE COMMUNITY MATCH RURAL  
19 PHYSICIAN RECRUITMENT PROGRAM TO IMPROVE  
20 AND INCREASE ACCESS TO HEALTH CARE IN  
21 MEDICALLY UNDERSERVED COMMUNITIES.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code § 6-81-701 is amended to read as follows:  
28 6-81-701. Definitions.

29 As used in this subchapter:

30 ~~(1) "Board" means the Arkansas Rural Medical Practice Student~~  
31 ~~Loan and Scholarship Board;~~

32 ~~(2) "Designated specialty" means a medical practice other than~~  
33 ~~primary care that a loan or income incentive recipient and the board have~~  
34 ~~agreed will be practiced in the qualified rural community;~~

35 ~~(3)~~(1) "Medically underserved" means an area in Arkansas that  
36 the ~~board~~ Arkansas Rural Medical Practice Student Loan and Scholarship Board



1 determines ~~to have~~ has unmet needs for medical services due to factors,  
 2 including without limitation:

- 3 (A) The ratio of primary care physicians to population;
- 4 (B) The infant mortality rate;
- 5 (C) The percentage of:

- 6 (i) Population with incomes below the federal  
 7 poverty level, as it existed on ~~January 1, 2007~~ January 1, 2017;

- 8 (ii) Resident individuals sixty (60) years of age  
 9 and older; and

- 10 (iii) Physicians sixty (60) years of age and older;

- 11 (D) Accessibility within the area to primary care  
 12 medicine; and

- 13 (E) Other relevant criteria the board may deem necessary  
 14 for a determination of unmet needs for medical services;

15 ~~(4)~~(2) "Primary care medicine" means health care provided in one  
 16 (1) of the following areas of practice:

- 17 (A) Family medicine;
- 18 (B) General internal medicine;
- 19 (C) General internal medicine and pediatrics;
- 20 (D) General pediatrics;
- 21 (E) General obstetrics and gynecology;
- 22 (F) General surgery;
- 23 (G) Emergency medicine; and
- 24 (H) Geriatrics; and

25 ~~(5)~~(3) "Qualified rural community" means an area:

- 26 (A) With a population below twenty thousand (20,000)  
 27 according to the most recent federal census;

- 28 (B) That is at least twenty (20) miles from a city or town  
 29 with a population of more than twenty thousand (20,000) according to the most  
 30 recent federal census; and

- 31 (C) Is reasonably determined by the board to be medically  
 32 underserved.

33  
 34 SECTION 2. Arkansas Code § 6-81-708 is amended to read as follows:

35 6-81-708. Loan contracts – Rural Medical Practice Loans – Obligations  
 36 and conditions.

1 (a) The Arkansas Rural Medical Practice Student Loan and Scholarship  
2 Board shall enter into a loan contract with the applicant to whom a rural  
3 medical practice loan is made.

4 (b) The contract shall be approved by the Attorney General and shall  
5 be signed by the Chair of the Arkansas Rural Medical Practice Student Loan  
6 and Scholarship Board, countersigned by the Secretary of the Arkansas Rural  
7 Medical Practice Student Loan and Scholarship Board, and signed by the  
8 applicant.

9 (c) Each applicant to whom a rural medical practice loan or loans  
10 ~~shall be~~ is granted by the Arkansas Rural Medical Practice Student Loan and  
11 Scholarship Board shall execute a written loan contract that ~~shall~~  
12 ~~incorporate~~ incorporates the following obligations and conditions:

13 (1)(A) The recipient of a rural medical practice loan or loans  
14 shall bindingly contract that he or she shall practice primary care medicine  
15 ~~or a designated specialty approved by the Arkansas Rural Medical Practice~~  
16 ~~Student Loan and Scholarship Board~~ full time in a qualified rural community  
17 upon completion of:

18 (i) His or her medical internship of one (1) year  
19 undertaken immediately following the earning of the degree of Doctor of  
20 Medicine;

21 (ii) Four (4) additional years of medical training  
22 beyond the internship if the training has been approved in advance by the  
23 Arkansas Rural Medical Practice Student Loan and Scholarship Board and  
24 includes practice experience in a rural community ~~or, if approved by the~~  
25 ~~board, he or she shall practice a designated specialty in a qualified rural~~  
26 ~~community or communities; or~~

27 (iii) At the request of the recipient of a  
28 rural medical practice loan, the Arkansas Rural Medical Practice Student Loan  
29 and Scholarship Board may approve the recipient's request to practice in more  
30 than one (1) qualified rural community to meet his or her obligation to  
31 practice full time if the Arkansas Rural Medical Practice Student Loan and  
32 Scholarship Board determines, ~~on~~ based upon guidelines established by the  
33 board, that the physician need in the rural communities cannot sustain a  
34 full-time medical practice or that other compelling circumstances exist.

35 (B) The recipient of a rural medical practice loan or  
36 loans shall bindingly contract that for each year's loan he or she shall

1 practice medicine in accordance with subdivision (c)(1)(A) of this section  
2 for a whole year.

3 (C) For each continuous whole year of medical practice, in  
4 accordance with subdivision (c)(1)(A) of this section, subject to reasonable  
5 leave periods, including without limitation, vacation, sick leave, continuing  
6 medical education, jury duty, funerals, holidays, or military service, the  
7 Arkansas Rural Medical Practice Student Loan and Scholarship Board shall  
8 cancel, by converting to a scholarship grant, the full amount of one (1)  
9 year's loan plus accrued interest;

10 (2)(A) The recipient of a rural medical practice loan or loans  
11 shall bindingly contract that not engaging in the practice of medicine in  
12 accordance with the loan contract and with this subchapter may result in  
13 suspension of his or her license to practice medicine in this state.

14 (B) For any contract entered into after August 1, 2007,  
15 the recipient's medical license may not be suspended unless the recipient's  
16 contract contained a specific term that loss of license was a consequence of  
17 breach and the recipient signed a written acknowledgment of understanding  
18 that the suspension of license was explained to him or her orally as a  
19 potential consequence of breach of the contractual provisions.

20 (C) The suspension may be for a period of years equivalent  
21 to the number of years that the recipient is obligated to practice medicine  
22 in a rural area but has not so practiced and until the loan with interest  
23 together with any civil money penalties, as reduced by each full year of  
24 medical practice according to the terms of the loan contract, is paid in  
25 full;

26 (3) Any communication from the College of Medicine of the  
27 University of Arkansas for Medical Sciences with any state medical licensing  
28 board shall include a notation that the recipient of a rural medical practice  
29 loan has a contract with the State of Arkansas to practice medicine in a  
30 rural community and that breach of that contract may result in suspension of  
31 the recipient's Arkansas medical license;

32 (4)(A) In the event that any rural medical practice loan  
33 recipient under this subchapter does not engage in the practice of medicine  
34 in accordance with the terms of this section and of his or her loan contract  
35 in order to have the loan contract recognized as a scholarship, the recipient  
36 shall remain obligated to repay the loan or loans received, together with

1 interest ~~thereon~~ at the maximum rate allowed by Arkansas law or the federal  
 2 discount rate plus five percent (5%) per annum, whichever is the lesser, the  
 3 interest to accrue from the date each payment of funds was received by the  
 4 recipient.

5 (B) ~~No interest~~ Neither interest nor the obligation to  
 6 repay the principal sums accrued shall accrue ~~nor obligation to repay the~~  
 7 ~~principal sums accrued~~ during any one (1) period of time that the recipient  
 8 involuntarily serves on active duty in the United States Armed Forces.

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

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

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

16 (iii) Failure to complete internship;

17 (iv)(a) Failure to engage in the full-time practice  
 18 of medicine while residing in a qualified rural community in Arkansas as  
 19 defined in § 6-81-701.

20 (b) However, the Arkansas Rural Medical  
 21 Practice Student Loan and Scholarship Board may waive the residency  
 22 requirement on a case-by-case basis; and

23 (v) Failure to establish ~~such~~ a practice as  
 24 described under subdivision (c)(4)(C)(iv)(a) of this section within six (6)  
 25 months following either internship or four (4) additional years of medical  
 26 education that includes practice experience in a rural community ~~or a~~  
 27 ~~designated specialty in accordance with subsection (c)(1)(A) of this section~~  
 28 ~~beyond his or her internship when approved by the Arkansas Rural Medical~~  
 29 ~~Practice Student Loan and Scholarship Board.~~

30 (D) In the event of the death of the recipient, the entire  
 31 loan amount that has not been converted to a scholarship grant pursuant to  
 32 the terms of the loan contract shall be due and payable;

33 (5) If an alternate on the waiting list for acceptance to the  
 34 College of Medicine of the University of Arkansas for Medical Sciences enters  
 35 into a rural medical practice program contract conditioned only upon the  
 36 applicant's being accepted for admission to the college and otherwise meets

1 the requirements of § 6-81-706 and if the applicant is moved to the top of  
 2 the waiting list under § 6-81-718, the alternate's contract shall contain an  
 3 additional term that breach of the contract may result in civil money  
 4 penalties in the amount of one hundred percent (100%) of the loan amount; and

5 (6) ~~Nothing stated in this subsection (e)~~ This subsection shall  
 6 ~~be construed to not~~ prohibit the ~~board~~ Arkansas Rural Medical Practice  
 7 Student Loan and Scholarship Board from considering and entering into a  
 8 negotiated settlement with the rural medical practice loan recipient  
 9 involving the license suspension, the amount of the civil money penalty, and  
 10 the terms of repayment of the loan.

11 (d) The Arkansas Rural Medical Practice Student Loan and Scholarship  
 12 Board may amend agreements entered into with any loan recipient at any time  
 13 prior to full performance of the recipient's contractual obligations.

14 (e)(1) A rural medical practice loan recipient may apply to the Dean  
 15 of the College of Medicine of the University of Arkansas for Medical Sciences  
 16 for a waiver of the contractual provisions set forth in subdivision (c)(2) of  
 17 this section.

18 (2)(A) If the dean as Chair of the Arkansas Rural Medical  
 19 Practice Student Loan and Scholarship Board determines that exigent  
 20 circumstances warrant a waiver, the loan recipient shall be notified in  
 21 writing.

22 (B) The dean shall immediately notify the Arkansas State  
 23 Medical Board of such determination.

24  
 25 SECTION 3. Arkansas Code § 6-81-715 is amended to read as follows:

26 6-81-715. Medical school graduates – Community match contract –  
 27 Eligibility ~~for community match loans~~.

28 (a)(1) The Arkansas Rural Medical Practice Student Loan and  
 29 Scholarship Board shall administer the Community Match Rural Physician  
 30 Recruitment Program.

31 (2)(A) Interested rural communities may apply to the ~~board~~  
 32 Arkansas Rural Medical Practice Student Loan and Scholarship Board to  
 33 participate in the program as a qualified rural community.

34 (B) The ~~board~~ Arkansas Rural Medical Practice Student Loan  
 35 and Scholarship Board shall approve a designated representative or  
 36 representatives of the qualified rural community to assist the ~~board~~ Arkansas

1 Rural Medical Practice Student Loan and Scholarship Board in matters relating  
 2 to any community match contracts entered into by the ~~board~~ Arkansas Rural  
 3 Medical Practice Student Loan and Scholarship Board and the qualified rural  
 4 community.

5 (b) The ~~board~~ Arkansas Rural Medical Practice Student Loan and  
 6 Scholarship Board, in conjunction with a qualified rural community, may grant  
 7 community match income incentives to applicants, each incentive being  
 8 expressly made subject to § 6-81-716, if it finds that:

9 (1) The applicant is a graduate of ~~the~~:

10 (A) The College of Medicine of the University of Arkansas  
 11 for Medical Sciences or any accredited medical school in the United States;  
 12 or

13 (B) A foreign medical school if the applicant:

14 (i) Was a resident of Arkansas and citizen of the  
 15 United States prior to enrollment in the foreign medical school; and

16 (ii) Has been licensed by the Arkansas State Medical  
 17 Board;

18 (2) The applicant satisfies one (1) of the following criteria:

19 (A) He or she is enrolled in a residency or other training  
 20 program in an area of primary care medicine ~~or, upon approval of the board,~~  
 21 ~~in a designated specialty;~~ or

22 (B) No more than two (2) years before the date of the  
 23 application, he or she completed a residency or other training program in an  
 24 area of primary care medicine ~~or, upon approval of the board, in a designated~~  
 25 ~~specialty;~~

26 (3) The applicant desires to practice medicine in the qualified  
 27 rural community; and

28 (4) The designated representative or representatives of the  
 29 qualified rural community approve the applicant.

30  
 31 SECTION 4. Arkansas Code § 6-81-716 is amended to read as follows:

32 6-81-716. Medical school graduates – Community match contract –  
 33 Obligations and conditions.

34 (a)(1)~~(A)~~ The Arkansas Rural Medical Practice Student Loan and  
 35 Scholarship Board and the qualified rural community shall enter a joint  
 36 community match contract with the applicant.

1                   ~~(B) Any agreements made between the qualified rural~~  
 2 ~~community and a recipient regarding the community match contract, including~~  
 3 ~~establishing a medical practice in the community, shall be in writing and~~  
 4 ~~included as an addendum to the contract.~~

5                   (2) The form of the community match contract shall be approved  
 6 by the Attorney General and shall be signed by the Chair of the Arkansas  
 7 Rural Medical Practice Student Loan and Scholarship Board, the Secretary of  
 8 the Arkansas Rural Medical Practice Student Loan and Scholarship Board, the  
 9 designated representative or representatives of the qualified rural  
 10 community, and the applicant.

11                  (b) Each applicant to whom a community match income incentive is  
 12 granted by the board shall execute a written contract that shall incorporate  
 13 the following obligations and conditions:

14                  (1)(A) The recipient of a community match income incentive shall  
 15 bindingly contract that he or she shall practice primary care medicine full  
 16 time in the contracting qualified rural community for a period of four (4)  
 17 years ~~or, if approved by the board, he or she shall practice a designated~~  
 18 ~~specialty full time in the contracting qualified rural community for a period~~  
 19 ~~of four (4) years.~~

20                  (B)(i) The recipient shall receive the income incentive  
 21 funds according to a disbursement schedule acceptable to the board, the  
 22 qualified rural community, and the recipient as set forth in writing in the  
 23 community match contract.

24                  (ii) For each three-month period of full-time  
 25 medical practice by the recipient, according to the terms of the community  
 26 match contract, the board and the qualified rural community shall award one-  
 27 quarter ( $\frac{1}{4}$ ) of the income incentive for the year of service;

28                  (2)(A) If any recipient does not begin or ceases the full-time  
 29 practice of medicine in breach of the community match contract or otherwise  
 30 breaches the ~~loan~~ community match contract, the recipient shall ~~repay all~~  
 31 ~~unearned income paid under the terms of the contract, any actual costs paid~~  
 32 ~~by the community in reliance for the income incentive recipient's agreement~~  
 33 ~~to practice full time in that community~~ pay twenty thousand dollars (\$20,000)  
 34 for each uncompleted full year of the four-year contract term, and any civil  
 35 money penalties that apply.

36                  (B) The board may impose civil money penalties of up to



1 fifty percent (50%) of the principal amount of the income incentive ~~paid~~  
 2 under the terms of the community match contract as a consequence of breach;  
 3 and

4 (3) ~~No interest~~ Neither interest nor the obligation to repay the  
 5 principal sums accrued shall accrue, ~~nor obligation to repay the principal~~  
 6 ~~sums accrued~~, during any one (1) period of time that the recipient  
 7 involuntarily serves on active duty in the United States Armed Forces, ~~and.~~

8 ~~(4) In the event of the death of the recipient, any unearned~~  
 9 ~~income paid under the terms of the community match contract is due and~~  
 10 ~~payable.~~

11 (c) Subsection (b) of this section does not prohibit the board from  
 12 considering and entering into a negotiated settlement with the income  
 13 incentive recipient involving the terms of repayment of amounts paid under  
 14 the terms of the community match contract.

15 (d) Community match ~~loan~~ contracts may be amended at any time before  
 16 the income incentive has been paid in full or terms and conditions of the  
 17 contract are satisfied.

18 (e) The board shall promulgate rules setting forth additional terms  
 19 and conditions of community match contracts.

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