

# Hall of the House of Representatives

86th General Assembly - Regular Session, 2007

## Amendment Form

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### Subtitle of House Bill No. 1324

"AN ACT TO ENSURE THAT COMPETING RURAL COMMUNITIES IN NEED OF  
PHYSICIAN PRACTITIONERS HAVE EQUAL OPPORTUNITY TO ATTRACT  
PHYSICIANS."

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### Amendment No. 1 to House Bill No. 1324.

Amend House Bill No. 1324 as originally introduced:

Page 1, delete lines 24 and 25 and substitute the following:

"SECTION 1. Arkansas Code §§ 6-81-701 through 6-81-703 are amended to  
read as follows:"

AND

Page 2, delete lines 3 through 5

AND

Page 2, line 6, delete "(4)" and substitute "(3)"

AND

Page 2, delete line 18 and substitute the following:

"medicine; and"

AND

Page 2, line 21, delete "(5)" and substitute "(4)"

AND

Page 2, line 23, delete "~~(3)~~(6)" and substitute "~~(3)~~(5)"

AND

Page 2, delete line 29 and substitute the following:

"such rural community as provided in § 6-81-708.

(6) "Designated specialty" means a medical practice, other than



primary care, that a loan recipient and the board have agreed will be practiced in the qualified rural community, provided the loan recipient has identified a community, or communities, that have agreed to accept that loan recipient in the designated specialty."

AND

Page 3, delete lines 1 through 4, and substitute the following:

"(B) ~~The President of One (1) representative of the Arkansas Medical Association Society~~ as vice-chair;

(C) ~~The Chancellor for Health Sciences of the University of Arkansas for Medical Sciences;~~"

AND

Page 3, delete lines 7 through 9 and substitute the following:

"school; and

(E) ~~Two (2) physicians named by the President of physician members appointed by the Arkansas Medical Association. Society who have received rural medical practice loans or community match loans;~~

(F) Two (2) representatives appointed by the Arkansas Hospital Association."

AND

Page 3, delete line 21, and substitute the following:

"Scholarship Program or the Community Match Loan and Rural Physician Recruitment Program;"

AND

Page 3, delete line 23 and substitute the following:

"loan applications for financial assistance;"

AND

Page 3, delete line 25 and substitute the following:

"(4) Allow or disallow loan applications ~~for financial assistance;~~"

AND

Page 3, delete lines 27 and 28 and substitute the following:

"regulate all ~~grants for this purpose~~ loan disbursements for these purposes, receipt for their repayment, and convert loans to scholarships or grants, as applicable;"

AND

Page 3, delete lines 33 through 35 and substitute the following:

"(8) Sue in Pulaski County Circuit Court, and be sued as the board in Pulaski County Circuit Court as authorized by law; and"

AND

Page 4, delete lines 3 through 7 and substitute the following:

"stipends in accordance with § 25-16-901 et seq.

(d) The Arkansas Rural Medical Practice Student Loan and Scholarship Board shall administer the Rural Medical Practice Loan and Scholarship Program and the Community Match Loan and Rural Physician Recruitment Program.

6-81-703. ~~Medical Students – Loan applications.~~ Loan applications – Medical students and medical school graduates.

(a) Any student accepted for admission to or enrolled in good standing in the College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine who is a bona fide resident of Arkansas may apply for a loan under this subchapter on forms prescribed by the Arkansas Rural Medical Practice Student Loan and Scholarship Board.

(b) A graduate of the College of Medicine of the University of Arkansas for Medical Sciences or any accredited medical school in the United States who is a bona fide resident of Arkansas may apply for a community match loan under this subchapter on forms prescribed by the board as long as the applicant satisfies the criteria set forth in § 6-81-715.

SECTION 2. Arkansas Code §§ 6-81-704 through 6-81-708 are amended to read as follows:

6-81-704. Medical students – Investigation after application.

When a rural medical practice loan application is filed with the Arkansas Rural Medical Practice Student Loan and Scholarship board, the board shall examine the application, investigate the ability, character, and qualifications of the applicant, and investigate the financial standing of the applicant or his or her parents to determine whether the applicant is in need of a loan to advance his or her medical education.

6-81-705. Medical students – Purpose of loan.

~~The Rural medical practice~~ loans provided for in this subchapter shall be made for the sole purpose of paying the applicant's tuition, maintenance, and educational expenses and the necessary living expenses of his or her dependents while the applicant is enrolled in a program of medical education as described in this subchapter.

6-81-706. Medical students – Eligibility for initial and renewal loans.

(a) The Arkansas Rural Medical Practice Student Loan and Scholarship Board may make rural medical practice loans to the applicant, each rural medical practice loan being expressly made subject to the provisions of §§ ~~6-81-708 (d)~~ 6-81-708(c) and 6-81-710, if it finds that:

(1) The applicant is a bona fide resident of Arkansas;  
(2) The applicant has been accepted for admission to or is enrolled in good standing in the College of Medicine of the University of Arkansas for Medical Sciences in studies leading to the degree of Doctor of Medicine;

(3) The applicant is enrolled in a medically underserved and

rural practice curriculum;

(4) The applicant needs financial assistance to complete his or her medical studies;

(5) The applicant desires to practice medicine in an eligible qualifying rural community as determined by the board; and

(6) The applicant is a person of good moral character and one who has the talent and capacity to profit by medical studies.

(b) Subject to the availability of funds, an initial rural medical practice loan for one (1) academic year shall be renewable annually for the number of years required to complete studies leading to the Doctor of Medicine degree or for additional amounts, not to exceed the maximum amounts specified in § 6-81-707, but all subsequent rural medical practice loans shall be granted only upon application by the recipient and a finding by the board that:

(1) The applicant has completed successfully the medical studies of the preceding academic year and remains in good standing as an enrolled student in the college;

(2) The applicant is enrolled or participating in a medically underserved and rural practice curriculum;

(3) The applicant continues to be a resident of Arkansas; and

(4) The applicant's financial situation continues to warrant financial assistance made under the conditions of this section.

6-81-707. ~~Medical students~~ — Maximum amount of loans.

(a) The maximum amount of each rural practice loan for medical students shall not exceed ~~twelve thousand dollars (\$12,000)~~ sixteen thousand five hundred dollars (\$ 16,500) per academic year, or those costs which are reasonable and necessary for the student's attendance as determined by the Arkansas Rural Medical Practice Student Loan and Scholarship Board.

(b)(1) The maximum amount of each community match loan shall not exceed eighty thousand dollars (\$80,000), or as the board otherwise shall determine payable over a four-year period under § 6-81-716.

(2) The Arkansas Rural Medical Practice Student Loan and Scholarship Board shall provide one-half (1/2) of the community match loan, and the qualified rural community shall provide the other one-half (1/2) of the loan.

(3) However, in the event the board does not have sufficient funds to match the community's portion of the loan, nothing precludes a qualified rural community from providing the total loan amount.

6-81-708. ~~Medical students~~ — Loan contracts — Rural Medical Practice"

AND

Page 4, delete line 18 and substitute the following:

"shall be granted by the board ~~after May 1, 1991~~, shall execute a written loan"

AND

Page 4, delete lines 21 and 22 and substitute the following:

"shall bindingly contract that he or she shall practice primary care

medicine, or a designated specialty approved by the board, full time in a qualified rural community upon completion of:"

AND

Page 4, delete lines 28 through 30 and substitute the following:

"board and includes practice experience in a rural community or, if approved by the board, he or she shall practice a designated specialty in a qualified rural community or communities-; or"

AND

Page 5, delete lines 11 through 36 and substitute the following:

"(2)(A) The recipient of a rural medical practice loan or loans shall bindingly contract that not engaging in the practice of medicine in accordance with the loan contract and with this ~~section shall result in automatic~~ subchapter may result in suspension of his or her license to practice medicine in this state, if the recipient signed a written acknowledgment of understanding that the suspension of license was explained to him or her orally as a potential consequence of breach of the contractual provisions.

(B) Any contract for a rural medical practice loan or community match loan, that existed before August 1, 2007, and referenced the loss of medical license as a consequence of breach is amended by operation of law to state that the recipient's medical license may be suspended, but that suspension is not automatic.

~~(B)~~(C) The suspension ~~shall~~ may be for a period of years"

AND

Page 6, delete lines 3 through 6 and substitute with the following:

"with interest thereon, is paid in full but has not so practiced, and until the loan with interest together with any civil money penalties, as reduced by each full year of medical practice, is paid in full."

(3) Any communication from the College of Medicine of the"

AND

Page 6, line 12 delete "~~(4)(A)(5)(A)~~" and substitute "(4)(A)"

AND

Page 6, delete lines 32 through 36 and substitute the following:

"(iv)(a) Failure to engage in the full-time practice of medicine on a regularly sustained basis while residing in a qualified rural community in Arkansas as defined in § 6-81-701;

(b) ~~Provided, however~~ However, the board may waive the residency requirement on a case by case basis; and"

AND

Page 7, delete line 4 and substitute the following:

“designated specialty in accordance with subsection (c)(1)(A) of this section,”

AND

Page 7, delete lines 7 and 8 and substitute the following:

"unpaid shall be due and payable.

(6) If an alternate on the waiting list for acceptance to the College of Medicine of the University of Arkansas for Medical Sciences is admitted conditioned upon the agreement to enter into a rural medical practice program contract, then the alternate's contract shall contain an additional term that breach of the contract may result in civil money penalties in the amount of one hundred percent (100%) of the loan amount.

(7) Nothing stated in this subsection (c) shall be construed to"

AND

Page 7, delete lines 12 through 15 and substitute the following:

"~~(e)~~(d) The board may amend agreements entered into with any student who is currently enrolled as a medical student or an intern or resident who has not completed his or her postdoctoral training as approved by the board pursuant to §6-81-701 et seq. loan recipient at any time prior to full performance of the recipient's contractual obligations."

AND

Page 7, delete line 19 and substitute the following:

"~~(d)(2)~~(c)(2) of this section."

AND

Page 7, delete line 22 through 24 and substitute the following:

"a waiver, the loan recipient shall be notified in writing. ~~that his or her license to practice medicine shall be automatically reinstated.~~"

AND

Page 7, delete lines 28 through 36 and substitute the following:

"SECTION 3. Arkansas Code § 6-81-709 is repealed.

~~6-81-709. Medical students—Disability of minority.~~

~~The disability of minority of all applicants granted loans under this subchapter to contract is removed for the purpose of this subchapter.~~

SECTION 4. Arkansas Code § 6-81-710 is amended to read as follows:

~~6-81-710. Medical students—Funding of loans.~~

(a)(1) All payments for rural practice loans and community match loans under this subchapter shall be made on"

AND

Page 8, line 4 delete "~~(2)~~(b)" and substitute "(2)"

AND

Page 8, delete lines 10 through 36

AND

Delete Pages 9 through 12 entirely

AND

Page 13, delete lines 1 through 10 and substitute the following:

~~“(b) When collected, damages awarded pursuant to §§ 6-81-716 — 6-81-718~~ Funds collected as a result of a recipient’s breach of a rural practice loan or community match loan contract shall be administered as follows:

(1) Any funds that were contributed by a qualified rural community, together with any interest collected on those funds shall be returned to the community or at the community’s option held in trust for the community’s use in funding future community match loans; and

(2) The remaining funds shall be held in trust for the use of the Arkansas Rural Medical Practice Student Loan and Scholarship Program and the Community Match Loan and Rural Physician Recruitment Loan and Scholarship Program and disbursed by the fiscal officer of the University of Arkansas for Medical Sciences pursuant to this subchapter.

6-81-714. Appeals ~~Dispute~~ resolution – Determination of breach.

~~Any applicant for a loan issued by the Arkansas Rural Medical Practice Student Loan and Scholarship Board and any person who has been granted a loan by the board may appeal any decision or action relating to the application for a loan or relating to a loan granted by the board. An appeal from any decision or action of the board or of the Director of Student Aid of the University of Arkansas for Medical Sciences may be made at any time to the President of the University of Arkansas, except that the president may designate the General Counsel for the University of Arkansas to serve as the officer to hear such appeals. All contracts for loans under this subchapter shall include the following provisions that shall be binding on and enforceable against all parties to the contract:~~

(1) In the event any party to a loan contract seeks to enforce the terms of contract or a dispute arises between or among the parties regarding the interpretation or enforceability of any provision of the contract, the occurrence of an event of default or breach, or the assessment or amount of civil money penalties as a result of breach, the parties shall be governed by the dispute resolution procedures set forth in this section;

(2)(A) Notice of a dispute shall be submitted to the board in writing on a form prepared by the board, or if none exists, by any form deemed appropriate by the noticing party under the circumstances.

(B) The notice of dispute shall outline the facts and circumstances giving rise to the dispute and shall set forth a request for relief or a proposed resolution to the dispute.

(C) Any party to a contract, including the board, may file a notice of dispute with the board at any time prior to a loan recipient’s fulfillment of his or her contractual obligations.

(D) Upon receipt, the board shall forthwith provide a copy

of the notice of dispute to the loan recipient, to the Arkansas State Medical Board, and to a representative of any qualified rural community the board determines to hold an interest in the issues set forth in the notice of dispute.

(E) Within thirty (30) days after the notice of dispute is filed with the board, any party against whom relief is sought shall file with the board a written response to the requested relief.

(3)(A) If the dispute cannot be settled at this stage, any party against whom relief is sought may request that the dispute be mediated.

(B) Mediation shall be conducted in Little Rock, Arkansas, within thirty (30) days after the filing of the request for mediation by a mutually acceptable mediator in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Code of Ethics and Rules of Procedure for Mediation, or such other rules as mutually agreed upon by the parties.

(C) Mediation fees shall be split evenly among the parties to the dispute.

(4)(A) If the dispute is not resolved by informal negotiation or by mediation within one hundred twenty (120) days after the original filing of the notice of dispute, any party may, thereafter, before the expiration of one hundred fifty (150) days after the original filing of the notice of dispute, file a notice of request for arbitration.

(B) Arbitration shall be conducted in Little Rock, Arkansas, under § 16-108-201 et seq.

(C) The arbitrator may determine issues of breach; and order repayment of loan amounts with interest, impose civil money penalties, and determine other remedies to further effectuate the purposes of this subchapter.

(D) All arbitration awards may be enforced and appealed from in accordance with § 16-108-201 et seq.;

(5)(A) If the dispute is not resolved by informal negotiation, mediation, or arbitration within one hundred fifty (150) days after the original filing of the notice of dispute, on or before the expiration of one hundred eighty (180) days after the original filing of the notice of dispute, the Board shall conduct a hearing on the issues set forth in the notice of dispute.

(B) The hearing shall be conducted under the Administrative Procedure Act, § 25-15-201 et seq.

(C) The board may determine issues of breach; and order repayment of loan amounts with interest, impose civil money penalties, and determine other remedies to further effectuate the purposes of this subchapter.

(D) The board's decision shall represent the agency's final order from which an appeal may be taken under the Administrative Procedure Act, § 25-15-101 et seq.

(E) All remedies shall be stayed pending final resolution of the dispute;

(6)(A) The board's chairperson may assign the appeal to a fair and impartial hearing officer who shall not be a member of the board or a full-time employee of the University of Arkansas for Medical Sciences.

(B) The hearing officer shall preside over the hearing and make findings of fact and conclusions of law in the form of a recommendation



to the chairperson.

(C) The chairperson shall review the hearing officer's recommendation and make the final agency decision. The chairperson may:

(i) Approve the hearing officer's recommendation;  
or

(ii) For good cause:

(a) Modify the recommendation in whole or in part; or

(b)(1) Remand the recommendation to the hearing officer for further proceedings.

(2) If the recommendation is remanded, the hearing officer shall conduct further proceedings as directed by the chairperson and shall submit an amended recommendation to the chairperson.

(D) If the chairperson modifies a recommendation, in whole or in part, or remands the decision, he or she shall state in writing at the time of the remand or modification all grounds for the remand or modification, including statutory, regulatory, factual, or other grounds.

(E) The modification or approval of a recommendation by the chairperson shall be the final agency action under the Administrative Procedure Act, § 25-15-201 et seq;

(7) Upon the expiration of one-hundred eighty (180) days after the original filing of the notice of dispute and no request is filed for arbitration or agency hearing within the time period specified in this section, any party in interest may initiate suit in Pulaski County Circuit Court to resolve the dispute; and

(8) The Arkansas State Medical Board may, at its discretion, adopt any or all recommendations, findings of fact, and conclusions of law issued or adopted by the board, an arbitrator, or a court in connection with the Medical Board's authority to suspend a loan recipient's medical license pursuant to § 17-95-409(b).

SECTION 6. Arkansas Code §§ 6-81-715 and 6-81-716 are amended as follows:

6-81-715. Medical ~~students~~ school graduates – Community match contract – Eligibility for ~~initial and renewal loans~~ community match loans.

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

(2)(A) Interested rural communities may apply to the board to participate in the program as a qualified rural community.

(B) The board shall approve a designated representative or representatives of the qualified rural community to assist the board in matters relating to any community match contracts entered into by the board and the qualified rural community.

(b) The board, in conjunction with a qualified rural community, may make community match loans to applicants, each loan being expressly made subject to the provisions of § 6-81-716, if it finds that:

(1) The applicant is a bona fide resident of Arkansas;

(2) The applicant ~~has been accepted for admission to or is enrolled in good standing in~~ is a graduate of the College of Medicine of the University of Arkansas for Medical Sciences ~~in studies leading to the degree~~

~~of Doctor of Medicine or any accredited medical school in the United States;~~

(3) ~~The applicant is enrolled in a medically underserved and rural practice curriculum~~ satisfies one (1) of the following criteria:

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

(B) No more than two (2) years prior to the date of the loan application, he or she completed a residency or other training program in an area of primary care medicine or, upon approval of the board, in a designated specialty;

(4) ~~The applicant desires to practice primary care medicine in the qualified rural community; and~~

~~(5) The applicant is a person of good moral character and one who has the talent and capacity to profit by medical studies; and~~

~~(6)~~(5) ~~The designated representative or representatives of the qualified rural community approve the applicant.~~

~~(c) Subject to the availability of funds, an initial community match loan for one (1) academic year shall be renewable annually for the number of years required to complete studies leading to the Doctor of Medicine degree or for additional amounts, not to exceed the maximum amounts specified in § 6-81-716, but all subsequent loans shall be granted only upon application by the recipient and a finding by the board that:~~

~~(1) The applicant has completed successfully the medical studies of the preceding academic year and remains in good standing as an enrolled student in the college;~~

~~(2) The applicant is enrolled or participating in a medically underserved and rural practice curriculum; and~~

~~(3) The applicant continues to be a resident of Arkansas.~~

6-81-716. ~~Medical students~~ school graduates – Community match contract – Obligations and conditions.

~~(a)(1) The maximum amount of each community match loan shall not exceed sixteen thousand dollars (\$16,500) per academic year.~~

~~(2)(A) The Arkansas Rural Medical Practice Student Loan and Scholarship Board shall provide one half (½) of the community match loan, and the qualified rural community shall provide the other one half (½) of the loan.~~

~~(B) Provided, however, that in the event the board does not have sufficient funds to match the community's portion of the loan, nothing shall preclude a qualified rural community from providing the total loan amount.~~

~~(b)(1)(a)(1)(A)~~ The board and the qualified rural community shall enter a joint loan contract with the applicant to whom a loan is made.

(B) Any agreements made between the qualified rural community and a recipient to induce the recipient to enter into the loan contract must be in writing and included as a part of the joint loan contract.

(2) The community match loan contract shall be approved by the Attorney General and shall be signed by the chair of the board, the vice chair of the board, the designated representative or representatives of the qualified rural community, and the applicant.

~~(e)(b)~~ Each applicant to whom a community match loan or loans is granted by the board shall execute a written loan contract which shall

incorporate the following obligations and conditions:

(1)(A) The recipient of a community match 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) additional years of medical training beyond the internship, if the training has been approved in advance by the board, he or she shall practice primary care medicine full time in the contracting qualified rural community for a period of four (4) years or, if approved by the board, under subsection (d) of this section, he or she shall practice a designated specialty full time in the contracting qualified rural community for a period of four (4) years.~~

(B)(i) ~~For each continuous whole calendar year of primary care medical practice in accordance with subdivision (c)(1)(A) of this section or for each continuous whole calendar year of a designated specialty approved under subsection (d) of this section, the board and the qualified rural community shall cancel, by converting to scholarship grant, the full amount of one (1) year's loan plus accrued interest; The recipient shall receive the loan funds according to a disbursement schedule acceptable to the board, the qualified rural community and the recipient as set forth in writing in the loan contract.~~

(ii) ~~For each three-month period of full-time medical practice by the recipient, the board and the qualified rural community shall cancel, by converting to a grant, a pro rata portion of the loan amount plus accrued interest.~~

(2)(A) ~~In the event that any loan recipient withdraws from the Community Match Loan and Scholarship Program while enrolled as a medical student at the College of Medicine of the University of Arkansas for Medical Sciences does not begin or ceases the full-time practice of medicine in breach of the loan contract or otherwise breaches the loan contract, the recipient shall be obligated to repay the community match loan or loans received entire amount of the community match loan received with interest, together with any civil money penalties, as reduced by any amount that has been converted to a grant pursuant to the terms of the loan contract, 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 under subdivision (c)(2)(A) of this section shall be due and payable in full at the earliest to occur of the following events:~~

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

(ii) ~~Withdrawal from the program; or~~

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

(3)(A) ~~In the event that a loan recipient does not engage in the practice of primary care medicine in accordance with this section or a designated specialty in accordance with subsection (d) of this section and does not comply with the terms 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. However, the board, in conjunction with the qualified rural community, may waive the residency requirement on a case by case basis or may waive the primary care practice requirement as provided in subsection (d) of this section; 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 four (4) additional years of medical education continuously beyond his or her internship where approved by the board or as provided in subsection (d) of this section.~~

~~(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;~~

(B) The board may impose civil money penalties of up to fifty percent (50%) of the principal amount of the loan as a consequence of breach.

~~(4)(3) 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; and.~~

(5)(4) In the event of the death of the recipient, all loans unpaid the entire loan amount that has not been converted to a grant pursuant to the terms of the loan contract shall be due and payable.

~~(d)(1) A recipient of a community match loan or loans who has successfully completed three (3) years of medical school at the University of Arkansas for Medical Sciences may seek approval from the qualified community that is a party to the recipient's community match contract and the board to practice medicine in the qualified rural community in a specialty other than primary care.~~

~~(2) The board may approve the recipient's request to practice medicine in the qualified rural community in a specialty other than primary care upon the following conditions:~~

~~(A) The qualified rural community that is a party to the recipient's contract determines that the requested specialty meets the needs of the community;~~

~~(B) The community match contract is amended to recite:~~

~~(i) The recipient's obligation to practice the designated specialty in the qualified rural community; and~~

~~(ii) If the recipient fails to complete the training program and all other qualifications for the designated specialty, the~~

~~recipient's obligation to practice primary care in the qualified rural community; and~~

~~(C) The remaining terms of the community match contract are amended to be consistent with the changes in the practice obligations of the recipient.~~

(c) Nothing in subsection (b) of this section shall be construed to prohibit the board from considering and entering into a negotiated settlement with the loan recipient involving the terms of repayment of the community match loan.

(d) Community match loan contracts may be amended at any time prior to the time that the loan has been repaid in full or fully converted to a grant.

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

SECTION 7. Arkansas Code §§ 6-81-717 is repealed."

AND

Page 14, delete lines 6 through 36

AND

Page 15, delete lines 1 through 16 and substitute the following:

"SECTION 8. § 6-81-718 is amended to read as follows:"

6-81-718. Medical school alternates - Rural medical practice loans.

(a)(1)~~(A)~~ If an alternate on the waiting list for acceptance to the College of Medicine of the University of Arkansas for Medical Sciences demonstrates a willingness to enter into a rural medical practice loan contract and meets the requirements of § 6-81-706, the applicant shall be moved to the top of the waiting list ~~to a position just below alternates entering into community match contracts~~ upon entering into a rural medical practice loan contract.

~~(B)~~(2) The priority on the waiting list for those alternates who enter into a rural medical practice loan contract shall be determined by the date and time such alternate enters into the rural medical practice loan contract.

~~(2) The college shall designate up to ten (10) positions on the alternate list per year for alternates who enter into rural medical practice loan contracts.~~

(b) The college shall meet the requirements set forth at § 6-64-406 for allocation of enrollment positions for medical students among congressional districts before accepting for admission an alternate who has entered into a rural medical practice loan contract with the Arkansas Rural Medical Practice Student Loan and Scholarship Board.

~~(c) Each rural medical practice loan made to an alternate shall be subject to the provisions of § 6-81-708, except that:~~

~~(1) An alternate entering a rural medical practice loan contract shall be guaranteed participation in the program for four (4) years of medical school provided that he or she continues to meet the eligibility requirements for renewal of a loan set forth in § 6-81-706(b).; and~~

~~(2) The alternate shall bindingly contract to practice primary medical care in a rural community for four (4) years.~~

~~(3) If the alternate is admitted to the college under the Arkansas Rural Medical Practice Student Loan and Scholarship Program and the individual breaches his or her contract by withdrawing from the program during medical school or by failing to engage in the practice of medicine in accordance with the terms of his or her loan contract in order to have the loan contract recognized as a scholarship, damages shall include moneys in an amount equal to the difference between resident and out of state tuition at the college for four (4) years of medical school and other unspecified damages, with the minimum amount of damages no less than twenty five thousand dollars (\$25,000).~~

SECTION 9. Arkansas Code Title 6, Chapter 81, Subchapter 7 is amended to add two additional sections to read as follows:"

"6-81-720. Rural Medical Practice Program administrator.

(a) There is established a Rural Medical Practice Program administrator.

(b) The administrator shall:

(1) Be employed by the University of Arkansas for Medical Sciences;

(2) Serve as liaison between loan recipients and rural communities by:

(i) Working with the communities to identify their unique needs, to develop profiles of their ideal candidates, and to prepare for recruitment visits; and

(ii) Assisting medical students and residents to identify medically underserved and other rural communities that suit their personal and medical practice needs and to meet their contractual obligations;

(3) Collect and monitor program data, including demographic data of participants and communities, service completion rates, retention rates beyond service completion, satisfaction of obligated physicians and communities, and other information;

(4) Prepare annual program evaluations and present the evaluations to the board;

(5) Assist with preparation and submission of program reports;

(6) Attend board meetings in a non-voting capacity; and

(7) Perform other functions assigned by the board.

6-81-721. Retroactive application.

The General Assembly expressly intends that §§ 6-81-701, 6-81-702, 6-81-708, 6-81-710, 6-81-714 and 17-95-409(b) shall apply retroactively to loan recipients under Title 6, Chapter 81, subchapter 7, having completed their residencies or approved fellowship training on or before August 1, 2007."

AND

Page 15, line 18 delete "SECTION 6" and substitute "SECTION 10"

AND

Page 15, delete lines 22 and 23, and substitute the following:

"community that was entered into under the provisions of § 6-81-701 et seq.

if the holder was given written notice in the loan contract or in an acknowledgement that suspension of medical license was a potential consequence of breach of the loan contracts, or both."

AND

Page 15, delete lines 29 and 30 and substitute the following:

"~~with interest thereon~~ but has not so practiced and until the loan with interest together with any civil money penalties, as reduced by each full year of medical practice, is paid in full."

AND

Page 15, delete lines 34 through 36 and substitute the following:

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

(3) In deciding whether to suspend a holder's medical license, the board may, at its discretion, adopt any or all recommendations, findings of fact, and conclusions of law issued or adopted by the Rural Medical Practice Student Loan and Scholarship Board, an arbitrator, or a court."

AND

Delete Page 16 entirely

AND

Page 17 delete lines 1 through 13, and substitute the following:

"SECTION 10. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that amendments and clarifications are needed in order for all rural communities to have more equal access to physician providers, for the Rural Medical Practice Student Loan and Scholarship Board to have more flexibility in working with loan recipients to remedy contractual obligations when unforeseen circumstances occur that may impair the recipients' abilities to perform their obligations, and for due process proceedings to occur when the board finds loan recipients in breach of contractual obligations; and that it is imperative that changes be made in state law to remedy these problems. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

**The Amendment was read** \_\_\_\_\_  
**By: Representative D. Johnson**  
**MGF/CDS - 03-08-2007 12:14** \_\_\_\_\_  
**MGF478** **Chief Clerk**