

# 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. 2 to House Bill No. 1324.

Amend House Bill No. 1324 as engrossed, H3/9/07 (version: 03-09-2007 11:02):

Page 2, delete lines 20 through 27 and substitute the following:

~~"(3) "Rural community" means a community within a health  
professions shortage area, as determined by the board, or a community having  
a population of no more than fifteen thousand (15,000) persons according to  
the most recent federal census taken prior to the execution of the loan  
contract or the most recent federal census taken prior to the time the  
recipient of the loan or loans shall be required to practice full time in  
such rural community as provided in § 6-81-708.~~

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

AND

Page 3, delete lines 11 and 12 and substitute the following"

"member appointed by the Arkansas Medical Association. Society, giving  
preference to physicians who have received rural medical practice loans or  
community match loans;"

AND

Page 3, delete line 23 and substitute the following:

"(A) For a health professions shortage area; and"

AND

Page 3, delete line 27 and substitute the following:

"Recruitment Program; and

(C) For a procedure to resolve disputes arising out of or  
relating to a rural practice or community match loan contract."

AND



Page 4, delete lines 5 and 6 and substitute the following:

“(8) Sue, and be sued as the board; and”

AND

Page 6, delete line 17 and substitute the following:

“determine payable under § 6-81-716.”

AND

Page 7, delete line 16 and substitute the following:

“medical practice loan, the board may approve the recipient’s request to”

AND

Page 7, delete line 20 and substitute the following”

“cannot sustain a full time medical practice or other compelling circumstances exist.”

AND

Page 7, delete lines 35 and 36

AND

Page 8, delete lines 1 through 7 and substitute the following:

“practice medicine in this state.

(B) For any contract entered into after August 1, 2007, the recipient’s medical license may not be suspended unless the recipient’s contract contained a specific term that loss of license was a consequence of breach and 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.”

AND

Page 8, delete line 13 and substitute the following:

“each full year of medical practice according to the terms of the loan contract, is paid in full.”

AND

Page 8, delete line 18 and substitute the following:

“rural community and that breach of that contract ~~will result in automatic~~ may”

AND

Page 9, delete lines 14 and 15 and substitute the following:

“(D) In the event of the death of the recipient, ~~all loans unpaid~~ the entire loan amount that has not been converted to a scholarship

grant pursuant to the terms of the loan contract shall be due and payable.”

AND

Page 9, delete lines 17 through 19 and substitute the following:

“College of Medicine of the University of Arkansas for Medical Sciences enters into a rural medical practice program contract conditioned only upon the applicant’s being accepted for admission to the College and otherwise meets the requirements of § 6-81-706 and if the applicant is moved to the top of the waiting list under § 6-81-718, the alternate’s contract shall contain an”

AND

Page 9, delete line 25 and substitute the following:

“suspension, the amount of the civil money penalty, and the terms of repayment of the loans.”

AND

Page 10, delete lines 24 through 34 and substitute the following:

“Funds collected as a result of a recipient’s breach of a rural practice loan contract or community match loan contract 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 ~~Scholarship~~ Rural Physician Recruitment Program, or as otherwise deemed appropriate by the board in its discretion, and disbursed by the fiscal officer of the University of Arkansas for Medical Sciences pursuant to under this subchapter.”

AND

Delete page 11 through 13

AND

Page 14, delete lines 1 and 2 and substitute the following:

“(a) 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, or any party to a rural medical practice or community match loan may appeal any decision or action by the board relating to the application for a loan or relating to a loan granted by the board pursuant to the dispute resolution procedure established under this subchapter. ~~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.~~

(b)(1) The board, under § 6-81-702(b)(1), shall promulgate rules establishing a procedure that may be used by a loan recipient, the board, or a qualified rural community to resolve any dispute arising out of or relating to a rural practice or community match loan contract, including the validity or interpretation of a contract term, contract enforcement or defenses, the

occurrence of an event of default or breach, loan repayment, the assessment or imposition of contract damages or civil money penalties, or other related disputes.

(2) The rules may provide for alternative dispute resolution, such as mediation, as appropriate.

(3) The dispute resolution procedure established by the board shall be followed before the initiation of any litigation related to a rural practice or community match loan contract.

(c) Nothing in this subchapter shall prohibit informal disposition by stipulation, settlement, or consent."

AND

Page 15, delete lines 31 through 34 and substitute the following"

"community and a recipient regarding the loan contract, including establishing a medical practice in the community, shall be in writing and included as an addendum to the loan contract.

(2) The form of the community match loan contract shall be approved by the"

AND

Page 16, delete line 25 and substitute the following

"medical practice by the recipient, according to the terms of the loan contract, the board and the qualified rural"

AND

Page 21, delete line 15 and substitute:

"to add three additional sections to read as follows:"

AND

Page 22, delete lines 6 and 7 and substitute the following:

"The General Assembly expressly intends that § 6-81-701(2) shall apply retroactively to loan"

AND

Page 22, delete line 9 and substitute the following:

"residencies or approved fellowship training on or before August 1, 2007.

6-81-722. Sunset Clause.

(a) Loan recipients enrolled in the community match program on or before the day before the effective date of this act shall not have their loan contracts impaired by the amendments to the community match program.

(b)(1) Subject to the availability of funds, the loan for the 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 sixteen thousand five hundred dollars (\$16,500).

(2) However, all subsequent loans shall be granted only upon application by the recipient and a finding by the board that the applicant:

(A) Has completed successfully the medical studies of the preceding academic year and remains in good standing as an enrolled student in the college;

(B) Is enrolled or participating in a medically underserved and rural practice curriculum; and

(C) Continues to be a resident of Arkansas.

(c) This section expires on August 31, 2014.”

AND

Page 22, delete lines 13 through 20 and substitute the following:

“(b)(1)(A)(i) ~~The board shall suspend an existing license in the event the holder breached a contract to practice medicine in a rural community that was entered into under the provisions of §6-81-701 et seq. Upon receipt of a final order from another agency of the State of Arkansas or a final order from a court of this state after all appeal rights have been exhausted, that finds a physician licensed to practice medicine in this state has breached the loan contract entered into by the physician under §§ 6-81-701 et seq., the board may suspend the license of that physician.~~

(ii) However no license may be suspended unless the physician was given notice and there is evidence that the suspension of his or her medical license was a potential consequence of breach of the loan contract, or both.”

AND

Page 22, delete line 26 and substitute the following:

“year of medical practice according to the terms of the loan contract, is paid in full.”

AND

Page 23, delete lines 5 through 8 and substitute the following:

“remedy contractual obligations, and for attempts at resolution to occur; and that it is imperative that changes be made in”

The Amendment was read \_\_\_\_\_  
By: Representative D. Johnson  
MGF/CDS - 03-15-2007 10:40  
MGF553

\_\_\_\_\_  
Chief Clerk