

INTERIM STUDY PROPOSAL 2023-041

State of Arkansas

*As Engrossed: H4/3/23*

94th General Assembly

**A Bill**

Regular Session, 2023

HOUSE BILL 1747

By: Representative McAlindon

Filed with: House Committee on Education  
pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

AN ACT TO AMEND THE LAW CONCERNING RURAL MEDICAL PRACTICE STUDENT LOANS AND SCHOLARSHIPS; TO AMEND THE LAW TO INCLUDE STUDENTS ENROLLED IN ADDITIONAL MEDICAL PROGRAMS AS ELIGIBLE FOR RECEIPT OF RURAL MEDICAL PRACTICE LOANS; AND FOR OTHER PURPOSES.

**Subtitle**

TO AMEND THE LAW CONCERNING RURAL MEDICAL PRACTICE STUDENT LOANS AND SCHOLARSHIPS; AND TO AMEND THE LAW TO INCLUDE STUDENTS ENROLLED IN ADDITIONAL MEDICAL PROGRAMS AS ELIGIBLE FOR RECEIPT OF RURAL MEDICAL PRACTICE LOANS.

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

SECTION 1. Arkansas Code § 6-81-703 is amended to read as follows:

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

(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 and meets at least one (1) of the following eligibility criteria may apply for a loan under this subchapter on forms prescribed by the Arkansas *Rural* Medical Practice Student Loan and Scholarship Board:

1           (1) A student who has been accepted for admission to or is  
2 enrolled in good standing in the College of Medicine of the University of  
3 Arkansas for Medical Sciences in studies leading to the degree of Doctor of  
4 Medicine;

5           (2) A student who has been accepted for admission to or is  
6 enrolled in good standing in an educational program for physician assistants  
7 accredited by the Accreditation Review Commission on Education for the  
8 Physician Assistant, Inc. or its successor, as required for licensing  
9 purposes under § 17-105-101 et seq.; or

10           (3) A student who has been accepted for admission to or is  
11 enrolled in good standing in a regionally accredited United States college or  
12 university with a program in human nutrition, food and nutrition, dietetics,  
13 or food systems management, as required for licensing purposes under § 17-87-  
14 301 et seq.

15           (b) A graduate of the College of Medicine of the University of  
16 Arkansas for Medical Sciences or any accredited medical school in the United  
17 States may apply for the community match income incentive program under this  
18 subchapter on forms prescribed by the board so long as the applicant  
19 satisfies the criteria set forth in § 6-81-715.

20  
21           SECTION 2. Arkansas Code § 6-81-706 is amended to read as follows:

22           6-81-706. ~~Medical students~~ Applicants – Eligibility for initial and  
23 renewal loans.

24           (a) The Arkansas *Rural* Medical Practice Student Loan and Scholarship  
25 Board may make rural medical practice loans to ~~the~~ an applicant, each *rural*  
26 medical practice loan being expressly made subject to the provisions of § 6-  
27 81-708(c) and § 6-81-710, if it finds that:

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

29           (2) The applicant ~~has been accepted for admission to or is~~  
30 ~~enrolled in good standing in the College of Medicine of the University of~~  
31 ~~Arkansas for Medical Sciences in studies leading to the degree of Doctor of~~  
32 ~~Medicine~~ is a student who has been accepted for admission to or is enrolled  
33 in good standing in:

34           (A) The College of Medicine of the University of Arkansas  
35 for Medical Sciences in studies leading to the degree of Doctor of Medicine;

1                   (B) An educational program for physician assistants  
2 located in the State of Arkansas and accredited by the Accreditation Review  
3 Commission on Education for the Physician Assistant, Inc. or its successor,  
4 as required for licensing purposes under § 17-105-101 et seq.; or

5                   (C) A regionally accredited United States college or  
6 university located in the State of Arkansas with a program in human  
7 nutrition, food and nutrition, dietetics, or food systems management, as  
8 required for licensing purposes under § 17-87-301 et seq.;

9                   (3) The applicant is enrolled in a medically underserved *and*  
10 *rural practice* curriculum, as applicable to the college or educational  
11 program for which an applicant has been accepted for admission or in which an  
12 applicant is enrolled in good standing;

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

15                   (5) *The applicant desires to practice ~~medicine~~ in an eligible*  
16 *qualified rural community; and*

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

19                   (b) Subject to the availability of funds, an initial *rural* medical  
20 practice loan for one (1) academic year shall be renewable annually for the  
21 number of years required to complete studies leading to ~~the Doctor of~~  
22 ~~Medicine~~ a degree necessary for an eligible profession under this subchapter  
23 or for additional amounts, not to exceed the maximum amounts specified in §  
24 6-81-707, but all subsequent *rural* medical practice loans shall be granted  
25 only upon application by the recipient and a finding by the board that:

26                   (1) The applicant has completed successfully the ~~medical~~  
27 required studies of the preceding academic year and remains in good standing  
28 as an enrolled student in the college or educational program;

29                   (2) The applicant is enrolled or participating in a medically  
30 underserved *and rural practice* curriculum, as applicable to the college or  
31 educational program for which an applicant has been accepted for admission or  
32 in which an applicant is enrolled in good standing;

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

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

36

1 SECTION 3. Arkansas Code § 6-81-708(c), concerning obligations and  
 2 conditions incorporated into a written loan contract granted by the Arkansas  
 3 Rural Medical Practice Student Loan and Scholarship Board, is amended to read  
 4 as follows:

5 (c) *Each applicant to whom a rural medical practice loan or loans is*  
 6 *granted by the Arkansas Rural Medical Practice Student Loan and Scholarship*  
 7 *Board shall execute a written loan contract that incorporates the following*  
 8 *obligations and conditions:*

9 (1)(A) *The recipient of a rural medical practice loan or loans*  
 10 *shall bindingly contract that he or she shall practice ~~primary care medicine~~*  
 11 *full time in a qualified rural community upon completion of:*

12 (i) For students who have been accepted for  
 13 admission to or are enrolled in good standing in the College of Medicine of  
 14 the University of Arkansas for Medical Sciences in studies leading to the  
 15 degree of Doctor of Medicine:

16 ~~(i)~~(a) His or her medical internship of one (1) year  
 17 undertaken immediately following the earning of the degree of Doctor of  
 18 Medicine;

19 ~~(ii)~~(b) Four (4) additional years of medical  
 20 training beyond the internship if the training has been approved in advance  
 21 by the Arkansas Rural Medical Practice Student Loan and Scholarship Board and  
 22 includes practice experience in a rural community; or

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

32 (ii) For students who have been accepted for  
 33 admission to or are enrolled in good standing in a college or educational  
 34 program under §§ 6-81-706(a)(2)(B) or (C), the educational program and  
 35 accompanying requirements in which the students are enrolled.

1                   (B) *The recipient of a rural medical practice loan or*  
2 *loans shall bindingly contract that for each year's loan he or she shall*  
3 *practice ~~medicine~~ in accordance with subdivision (c)(1)(A) of this section*  
4 *for a whole year.*

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

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

16                   (B) For any contract entered into after August 1, 2007,  
17 the recipient's ~~medical~~ license ~~may~~ shall not be suspended unless the  
18 ~~recipient's contract:~~

19                                 (i) Contract contained a specific term that loss of  
20 license ~~was~~ is a consequence of breach; and ~~the recipient~~

21                                 (ii) Recipient signed a written acknowledgment of  
22 understanding that the suspension of license was explained to him or her  
23 orally as a potential consequence of breach of the contractual provisions.

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

30                   (3) Any communication from the University of Arkansas College of  
31 Medicine with any state medical licensing board shall include a notation that  
32 the recipient of a *rural* medical practice loan has a contract with the State  
33 of Arkansas to practice medicine in a *rural community and that breach of that*  
34 contract may result in suspension of the recipient's Arkansas medical  
35 license;

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

9           (B) Neither interest nor the obligation to repay the  
 10 principal sums accrued shall accrue during any one (1) period of time that  
 11 the recipient involuntarily serves on active duty in the United States Armed  
 12 Forces.

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

15           (i) Failure to remain enrolled in a medically  
 16 underserved and rural practice curriculum, as applicable to the college or  
 17 educational program for which an applicant has been accepted for admission or  
 18 in which an applicant is enrolled in good standing;

19           (ii) Failure to remain in enrollment status  
 20 continuously to completion of ~~the a degree of Doctor of Medicine~~ necessary to  
 21 meet eligibility criteria under this subchapter for any reason other than  
 22 temporary personal illness;

23           (iii) ~~Failure~~ For students who have been accepted  
 24 for admission to or are enrolled in good standing in the College of Medicine  
 25 of the University of Arkansas for Medical Sciences in studies leading to the  
 26 degree of Doctor of Medicine, failure to complete internship;

27           (iv)(a) Failure to engage in ~~the a~~ full-time  
 28 *practice of ~~medicine~~ while residing in a qualified rural community in*  
 29 *Arkansas as defined in § 6-81-701.*

30           (b) *However, the Arkansas Rural Medical*  
 31 *Practice Student Loan and Scholarship Board may waive the residency*  
 32 *requirement on a case-by-case basis; and*

33           (v) Failure to establish a practice as described  
 34 under subdivision (c)(4)(C)(iv)(a) of this section within six (6) months  
 35 following ~~either~~:

1                                   (a) Either internship or four (4) additional  
2 *years of medical education that includes practice experience in a rural*  
3 *community; or*

4                                   (b) The completion of an educational program  
5 in which a student is enrolled and as described under §§ 6-81-706(a)(2)(B)  
6 and (C) and any additional licensure requirements, as applicable;

7                                   (5) ~~If an alternate on the waiting list for acceptance to the~~  
8 ~~University of Arkansas College of Medicine enters into a rural medical~~  
9 ~~practice program contract conditioned only upon the applicant's being~~  
10 ~~accepted for admission to the college and otherwise meets the requirements of~~  
11 ~~§ 6-81-706 and if the applicant is moved to the top of the waiting list under~~  
12 ~~§ 6-81-718, the alternate's~~ A contract for an alternate on the waiting list  
13 for acceptance to the University of Arkansas College of Medicine shall  
14 contain an additional term that breach of the contract may result in civil  
15 money penalties in the amount of one hundred percent (100%) of the loan  
16 amount if the applicant who is an alternate on the waiting list for  
17 acceptance:

- 18                                   (A) Has been accepted for admission to the college;
- 19                                   (B) Meets the requirements of § 6-81-706, as applicable;

20 and

- 21                                   (C) Is moved to the top of the waiting list under § 6-81-  
22 718.

23                                   (6) *This subsection shall not prohibit the Arkansas Rural*  
24 *Medical Practice Student Loan and Scholarship Board from considering and*  
25 *entering into a negotiated settlement with the rural medical practice loan*  
26 *recipient involving the license suspension, the amount of the civil money*  
27 *penalty, and the terms of repayment of the loan.*

28  
29                                   /s/McAlindon

30  
31  
32 Referred requested by the Arkansas House of Representatives

33 Prepared by: TNL/SJA