

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1074

By: Representative Lipton

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 6-81-707 TO INCREASE FROM \$8,000 TO \$12,000 PER YEAR THE MAXIMUM RURAL MEDICAL PRACTICE LOAN; TO AMEND ARKANSAS CODE 6-81-708 TO AUTHORIZE THE RURAL MEDICAL PRACTICE STUDENT LOAN AND SCHOLARSHIP BOARD TO WAIVE, ON A CASE BY CASE BASIS, THE REQUIREMENT THAT THE LOAN RECIPIENT RESIDE IN A RURAL COMMUNITY; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 6-81-707 is hereby amended to read as follows:

"6-81-707. Medical students - Maximum amount of loans. The maximum amount of each rural practice loan shall not exceed twelve thousand dollars (\$12,000) per academic year or those costs which are reasonable and necessary for the student's attendance as determined by the board."

SECTION 2. Subsection (d) of Arkansas Code 6-81-708 is hereby amended to read as follows:

"(d) Each applicant to whom a loan or loans shall be granted by the Rural Medical Practice Student Loan and Scholarship Board after May 1, 1987, shall execute a written loan contract which shall incorporate the following obligations and conditions:

(1) (A) The recipient of a 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 medicine full time in a rural community or practice medicine full time in an area determined by

the board to be medically underserved due to an unmet need for medical services, taking into consideration the ratio of primary care physicians to population, infant mortality rate, percent of population below the poverty level, percent of population, and physicians age sixty (60) or over, and accessibility of the area to primary care manpower.

(B) For each continuous whole calendar year of medical practice in accordance with subsection (c) (1) (A) of this section, the board shall cancel, by converting to a scholarship grant, the full amount of one year's loan plus accrued interest.

(2) (A) In the event that any loan recipient under this subchapter does not engage in the practice of medicine in accordance with the terms of this section and of his or her loan contract in order to have the loan contract recognized as a scholarship, the recipient shall remain obligated to repay the loan or loans received, together with interest thereon, at the rate of ten percent (10%) per annum, the interest to accrue from the date each payment of funds was received by the recipient.

(B) No interest shall accrue, nor obligation to repay the principal sums accrue:

(i) During any one (1) period of time that the recipient involuntarily serves on active duty in the United States armed forces or the federal Public Health Service;

(ii) During his or her medical internship continuously after receiving the degree of Doctor of Medicine; or

(iii) During not more than three (3) years of specialized medical education continuously following his or her internship if the specialized education is approved by the board.

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

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

(ii) Failure to complete internship;

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

(iv) Failure to establish such practice within six (6) months, unless otherwise deferred by approval of the board, following either internship or three (3) additional years of medical education continuously beyond his or her internship where approved by the board.

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

(e) The Rural Medical Practice Student Loan and Scholarship Board is authorized to 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 post doctoral training as approved by the board pursuant to "6-81-701 et seq."

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.