

SENATE BILL No. 98

By Committee on Education

1-24

1 AN ACT concerning postsecondary and postgraduate loan programs;
2 relating to the university of Kansas school of medicine; medical student
3 loan program and residency bridging program; encouraging the practice
4 of obstetrics and gynecology; establishing the OBGYN medical loan
5 repayment fund and the OBGYN medical residency bridging fund;
6 amending K.S.A. 76-381, 76-383, 76-385 and 76-387 and repealing the
7 existing sections; also repealing K.S.A. 76-386a.
8

9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 76-381 is hereby amended to read as follows: 76-
11 381. As used in K.S.A. 76-380 through 76-386, and amendments thereto:

12 (a) "Act" means the medical student loan act;

13 (b) "approved postgraduate residency training program" means a
14 residency training program in general pediatrics, general internal
15 medicine, family medicine, family practice, emergency medicine,
16 *obstetrics and gynecology*, general psychiatry, child psychiatry or
17 fellowship training in geriatric medicine;

18 (c) "service commitment area" means: (1) Any community within any
19 county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or
20 Wyandotte county; (2) any state medical care facility or institution; (3) any
21 medical center operated by the veterans administration of the United
22 States; (4) ~~the full-time faculty of the university of Kansas school of~~
23 ~~medicine in family medicine, family practice, general psychiatry or child~~
24 ~~psychiatry if serving as full-time faculty as provided in K.S.A. 76-384(c),~~
25 *and amendments thereto*; or (5) any community within Wyandotte county
26 for purposes of any practice obligation under an agreement entered into by
27 a person who is enrolled for the first time after July 1, 2004, in a course of
28 study leading to the medical degree; and

29 (d) "state medical care facility or institution" includes, but is not
30 limited to, the Kansas state school for the ~~visually handicapped~~ *blind*, the
31 Kansas state school for the deaf, any institution under the secretary for
32 aging and disability services, as defined ~~by~~ *in* K.S.A. 76-12a01, and
33 amendments thereto, any institution ~~under the commissioner of juvenile~~
34 ~~justice as defined by~~ *in* K.S.A. 38-2302, and amendments thereto, the
35 Kansas soldiers' home, the Kansas veterans' home and any correctional
36 institution under the secretary of corrections, as defined ~~by~~ *in* K.S.A. 75-

1 5202, and amendments thereto, but shall not include any state educational
2 institution under the state board of regents, as defined by ~~in~~ K.S.A. 76-711,
3 and amendments thereto, except as specifically provided by statute.

4 Sec. 2. K.S.A. 76-383 is hereby amended to read as follows: 76-383.

5 A medical student loan agreement entered into by the university of Kansas
6 school of medicine and an undergraduate student enrolled in or admitted to
7 the university of Kansas school of medicine in a course of instruction
8 leading to the degree of doctor of medicine for the purpose of receiving a
9 medical student loan under this act shall require that the person receiving
10 the loan:

11 (a) Complete the required course of instruction and receive the degree
12 of doctor of medicine and apply for, enter and complete an approved
13 postgraduate residency training program;

14 (b) apply for and obtain a license to practice medicine and surgery in
15 Kansas;

16 (c) *except as otherwise provided in K.S.A. 76-384, and amendments*
17 *thereto*, engage in the full-time practice of medicine and surgery for a
18 period of 12 months within a service commitment area, ~~except as~~
19 ~~otherwise provided in K.S.A. 76-384(e), and amendments thereto, for~~
20 ~~service as a full-time faculty member of the university of Kansas school of~~
21 ~~medicine in family medicine, family practice, general psychiatry or child~~
22 ~~psychiatry;~~

23 (d) commence such full-time practice of medicine and surgery within
24 nine months after completion of an approved postgraduate residency
25 training program and licensure in a service commitment area and continue
26 such full-time practice in such service commitment area for a consecutive
27 period of months equal to the total number of months required under the
28 agreement;

29 (e) agree that the service commitment for each agreement entered into
30 under this act is in addition to the service commitment contained in any
31 other agreement ~~which~~ *that* has been or may be entered into under this act
32 for the purpose of obtaining a medical student loan or under other
33 agreements for the purpose of obtaining scholarship aid;

34 (f) maintain records and make reports to the university of Kansas
35 school of medicine to document the satisfaction of the obligation under
36 such agreement to engage in the full-time practice of medicine and surgery
37 within a service commitment area and to continue such full-time practice
38 in such service commitment area for a consecutive period of months equal
39 to the total number of months required under the agreement; and

40 (g) upon failure to satisfy an agreement to engage in the full-time
41 practice of medicine and surgery within a service commitment area for the
42 required period of time under any such agreement, the person receiving a
43 medical student loan under this act shall repay amounts to the university of

1 Kansas school of medicine as provided in K.S.A. 76-385, and amendments
2 thereto.

3 Sec. 3. K.S.A. 76-385 is hereby amended to read as follows: 76-385.

4 (a) (1) Except as otherwise provided in paragraphs (2), ~~(3), (4) and (5)~~
5 *through (6)* or in K.S.A. 76-386, and amendments thereto, upon the failure
6 of any person to satisfy the obligation to engage in the full-time practice of
7 medicine and surgery within a service commitment area of this state for
8 the required period of time under any medical student loan agreement
9 entered into under this act, such person shall repay to the university of
10 Kansas school of medicine in accordance with subsection (b) an amount
11 equal to the total of: (A) The amount of money received by such person
12 pursuant to such agreement, or the amount of money determined under
13 rules and regulations of the university of Kansas; plus (B) annual interest
14 at a rate of 15% from the date such money was received.

15 (2) Any person who fails to apply for and enter an approved
16 postgraduate residency training program shall be required to repay all
17 moneys received pursuant to an agreement entered into for any such
18 medical student loan, plus accumulated interest at an annual rate of 15%
19 and shall commence such repayment in accordance with subsection (b)
20 within 90 days of graduation from the school of medicine or upon
21 termination or completion of a residency training program ~~which~~ *that* does
22 not comply with the provisions of this act, whichever is later.

23 (3) If at any time a person is failing to satisfy an obligation to engage
24 in the full-time practice of medicine and surgery in Kansas for the required
25 period of time under an agreement entered into under this act because such
26 person is engaged in the full-time practice of medicine and surgery in a
27 state other than Kansas, or within Kansas in an area that is not a service
28 commitment area or in the practice of medicine and surgery which does
29 not otherwise comply with the agreement entered into under this act, and if
30 such person is subject to or currently making repayments under this
31 section and if such person subsequently commences the practice of
32 medicine and surgery in this state which is in a service commitment area
33 or which otherwise complies with the agreement entered into under this
34 act, the balance of the repayment amount, including interest thereon, from
35 the time of such commencement of practice until the obligation of such
36 person is satisfied, or until the time such person again becomes subject to
37 repayments, shall be waived. All repayment amounts due prior to such
38 commencement of practice, including interest thereon, shall continue to be
39 payable as provided in this section. If subsequent to such commencement
40 of practice, the person fails to satisfy such obligation, the person again
41 shall be subject to repayments, including interest thereon, as otherwise
42 provided in this section.

43 (4) If, during the time a person is satisfying the service requirement

1 of an agreement entered into under this act, such person desires to engage
2 in less than the full-time practice of medicine and surgery within a service
3 commitment area of the state and remain in satisfaction of such service
4 requirement, such person may make application to the chancellor of the
5 university of Kansas or the designee of the chancellor for permission to
6 engage in less than such full-time practice of medicine and surgery. Upon
7 a finding of exceptional circumstances made by the chancellor of the
8 university of Kansas, or the designee of the chancellor, such person may
9 be authorized to engage in less than the full-time practice of medicine and
10 surgery within a service commitment area of the state for the remaining
11 required period of time under such agreement and for an additional period
12 of time which shall be equal to the length of the originally required period
13 of time multiplied by the decimal fraction which is equal to the reduction
14 of the full-time practice of medicine and surgery to be authorized
15 hereunder, multiplied by two. In any such determination of the period
16 required to be engaged in the less than full-time practice of medicine and
17 surgery, the decimal fraction utilized shall not exceed 0.5 and any person
18 granted permission to engage in less than the full-time practice of
19 medicine and surgery in accordance with the provisions of this paragraph
20 shall be required to engage in at least the half-time practice of medicine
21 and surgery.

22 (5) Any person who enters but fails to complete an approved
23 postgraduate residency training program, or who enters and completes an
24 approved postgraduate residency training program but fails to satisfy the
25 obligation to engage in the full-time practice of medicine and surgery
26 within a service commitment area of this state for the required period of
27 time shall be required to repay all money received pursuant to an
28 agreement entered into under this act ~~a~~ *for any such* medical student loan,
29 plus accumulated interest at an annual rate of 15%, and shall commence
30 such repayment in accordance with subsection (b) within 90 days of failure
31 to complete an approved postgraduate residency training program or 90
32 days of failure to commence qualifying practice, whichever occurs first.

33 (6) *For any person who entered and completed an approved*
34 *postgraduate residency training program in obstetrics and gynecology, if*
35 *during the time such person is satisfying the service requirement of an*
36 *agreement entered into pursuant to this act, such person is employed by,*
37 *provides services at or establishes any clinic or facility as such terms are*
38 *defined in K.S.A. 65-4a01, and amendments thereto, or performs or*
39 *induces, or attempts to perform or induce, an abortion, except in the case*
40 *of a medical emergency as defined in K.S.A. 65-6701, and amendments*
41 *thereto, or in the case of a pregnancy resulting from rape or incest, such*
42 *person shall be deemed to have failed to complete such person's service*
43 *requirement and shall be required to repay all money received pursuant to*

1 *an agreement entered into under this act for any such medical student*
2 *loan, plus accumulated interest at an annual rate of 15%, and shall*
3 *commence such repayment in accordance with subsection (b).*

4 (b) For any repayment requirement under this section, the person
5 shall repay an amount totaling the entire amount to be repaid under all
6 such agreements for which such obligations are not satisfied, including all
7 amounts of interest at the rate prescribed. The repayment shall be made in
8 not more than 10 equal annual installment payments.

9 (c) All installment payments under this section shall commence six
10 months after the date of the action or circumstance that causes the failure
11 of the person to satisfy the obligations of such agreements, as determined
12 by the university of Kansas school of medicine based upon the
13 circumstances of each individual case. In all cases, if an installment
14 payment becomes 91 days overdue, the entire amount outstanding shall
15 become immediately due and payable, including all amounts of interest at
16 the rate prescribed.

17 (d) The total repayment obligation imposed under all agreements
18 entered into under this act may be satisfied by the person who entered into
19 the agreements at any time prior to graduation from the university of
20 Kansas school of medicine by making a single lump-sum payment equal to
21 the total of: (1) The entire amount to be repaid under all such agreements
22 upon failure to satisfy the obligations under such agreements to practice in
23 Kansas; plus (2) all amounts of interest thereon at the rate prescribed to the
24 date of payment.

25 (e) The university of Kansas school of medicine shall remit all
26 moneys received under this section to the state treasurer in accordance
27 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
28 receipt of each such remittance, the state treasurer shall deposit the entire
29 amount in the state treasury to the credit of the medical loan repayment
30 fund.

31 (f) There is hereby created in the state treasury the medical loan
32 repayment fund. All expenditures from the medical loan repayment fund
33 shall be for medical student loans under the medical student loan act and
34 for the expenses of administration of the medical student loan act and shall
35 be made in accordance with appropriation acts upon warrants of the
36 director of accounts and reports issued pursuant to vouchers approved by
37 the chancellor of the university of Kansas or by a person designated by the
38 chancellor, except that expenditures shall not be made from the medical
39 loan repayment fund for medical student loans for *medical students who*
40 *intend to enter and complete an approved postgraduate residency training*
41 *program in obstetrics and gynecology, general psychiatry or child*
42 *psychiatry. On the effective date of this act, the director of accounts and*
43 *reports shall transfer all moneys in the medical scholarship and loan*

1 repayment fund to the medical loan repayment fund. On the effective date
2 of this act, all liabilities of the medical scholarship and loan repayment
3 fund are hereby imposed on the medical loan repayment fund and the
4 medical scholarship and loan repayment fund is hereby abolished.
5 Whenever the medical scholarship and loan repayment fund, or words of
6 like effect, is referred to or designated by any statute, contract or other
7 document, such reference or designation shall be deemed to apply to the
8 medical loan repayment fund.

9 (g) There is hereby established in the state treasury the psychiatry
10 medical loan repayment fund. All moneys credited to the psychiatry
11 medical loan repayment fund shall be expended only for medical student
12 loans for general psychiatry or child psychiatry students under the medical
13 student loan act and for the expenses of administration of the medical
14 student loan act associated with such students. All expenditures from the
15 psychiatry medical loan repayment fund shall be made in accordance with
16 appropriation acts upon warrants of the director of accounts and reports
17 issued pursuant to vouchers approved by the chancellor of the university of
18 Kansas or the chancellor's designee.

19 (h) *There is hereby established in the state treasury the OBGYN*
20 *medical loan repayment fund. All moneys credited to the OBGYN medical*
21 *loan repayment fund shall be expended only for medical student loans for*
22 *medical students who intend to enter and complete an approved*
23 *postgraduate residency training program in obstetrics and gynecology*
24 *under the medical student loan act and for the expenses of administration*
25 *of the medical student loan act associated with such students. All*
26 *expenditures from the OBGYN medical loan repayment fund shall be made*
27 *in accordance with appropriation acts upon warrants of the director of*
28 *accounts and reports issued pursuant to vouchers approved by the*
29 *chancellor of the university of Kansas or the chancellor's designee.*

30 (h)(i) Notwithstanding any other provision of law to the contrary, no
31 moneys shall be transferred from the comprehensive grant program
32 account of the state board of regents to the medical loan repayment fund,
33 the OBGYN medical loan repayment fund or the psychiatry medical loan
34 repayment fund or expended for any purposes related thereto.

35 Sec. 4. K.S.A. 76-387 is hereby amended to read as follows: 76-387.

36 (a) (1) There is hereby established the Kansas medical residency bridging
37 program at the university of Kansas school of medicine, which shall be
38 developed and implemented in order to provide encouragement,
39 opportunities and incentives for persons in ~~primary care or mental health~~
40 ~~care to:~~

41 (A) *Enter and complete medical residency training programs in*
42 *general pediatrics, general internal medicine, family medicine, family*
43 *practice, obstetrics and gynecology, general psychiatry or child psychiatry*

1 that are operated by or affiliated with the university of Kansas school of
2 medicine or other such ~~primary care or mental health care~~ *medical*
3 residency training program that is operated in Kansas and approved by the
4 state board of healing arts; and ~~a person under subsection (i) to~~

5 (B) locate their medical practice in rural Kansas communities upon
6 completion of such residency training.

7 (2) The Kansas medical residency bridging program shall be
8 administered by the institute for rural health care of the university of
9 Kansas school of medicine.

10 (b) Subject to the provisions of appropriation acts, the university of
11 Kansas school of medicine may enter into residency bridging loan
12 agreements, ~~in accordance with the provisions of this section:~~ (A) with any
13 person who has completed the first year of a ~~primary care or mental health~~
14 ~~care~~ *medical* residency training program in general pediatrics, general
15 internal medicine, family medicine, family practice, *obstetrics and*
16 *gynecology*, general psychiatry or child psychiatry that is operated by or
17 affiliated with the university of Kansas school of medicine or other such
18 ~~primary care or mental health care~~ *medical* residency training program that
19 is operated in Kansas and approved by the state board of healing arts; ~~and~~
20 ~~(B) with a person under subsection (i).~~

21 (c) Subject to the provisions of appropriation acts, each person
22 entering into a residency bridging loan agreement under this section shall
23 receive a payment of \$5,000 each year of ~~primary care or mental health~~
24 ~~care~~ *medical* residency training, or any part of a year of such training, after
25 the date that the residency bridging loan agreement is entered into by the
26 resident and the university of Kansas school of medicine and, upon
27 completion of the ~~primary care or mental health care~~ *medical* residency
28 training program, a payment of \$6,000.

29 (d) Each residency bridging loan agreement shall require that the
30 person receiving the loan:

31 (1) Complete the ~~primary care or mental health care~~ *medical*
32 residency training program;

33 (2) engage in the full-time practice of medicine and surgery in any
34 county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or
35 Wyandotte for three years under a practice commitment agreement;

36 (3) commence such full-time practice of medicine and surgery within
37 90 days after completing the ~~primary care or mental health care~~ *medical*
38 residency training program; and

39 (4) upon failure to satisfy the obligation to engage in the full-time
40 practice of medicine and surgery in accordance with the provisions of the
41 residency bridging loan agreement and this section, the person receiving
42 the loan under this section shall repay to the university of Kansas school of
43 medicine, within 90 days of such failure, the amount equal to the amount

1 of ~~money~~ *moneys* received by such person from the university of Kansas
2 school of medicine, less credits earned, under such agreement plus interest
3 at the annual rate of 15% from the date such ~~money~~ *moneys were*
4 received.

5 (e) An obligation to engage in the practice of medicine and surgery in
6 accordance with the provisions of a residency bridging loan agreement and
7 this section shall be postponed during: (1) Any period of temporary
8 medical disability during which the person obligated is unable to practice
9 medicine and surgery because of such medical disability; or (2) any other
10 period of postponement agreed to or determined in accordance with
11 criteria agreed to in the practice commitment agreement.

12 (f) *Except as otherwise provided in subsection (g),* an obligation to
13 engage in the practice of medicine and surgery in accordance with the
14 provisions of a residency bridging loan agreement and this section shall be
15 satisfied: (1) If the obligation to engage in the practice of medicine and
16 surgery in accordance with such agreement has been completed; (2) if the
17 person obligated dies; or (3) if, because of permanent physical disability,
18 the person obligated is unable to practice medicine and surgery.

19 (g) *For any person who completed a medical residency training*
20 *program in obstetrics and gynecology pursuant to this section, such*
21 *person's obligation to engage in the practice of medicine and surgery in*
22 *accordance with the provisions of a residency bridging loan agreement*
23 *and this section shall be deemed to not be satisfied if such person is*
24 *employed by, provides services at or establishes any clinic or facility as*
25 *such terms are defined in K.S.A. 65-4a01, and amendments thereto, or*
26 *performs or induces, or attempts to perform or induce, an abortion, except*
27 *in the case of a medical emergency as defined in K.S.A. 65-6701, and*
28 *amendments thereto, or in the case of a pregnancy resulting from rape or*
29 *incest, at any time in which such person is obligated to satisfy the*
30 *provisions of such person's loan agreement made pursuant to this section.*

31 ~~(g)~~(h) The university of Kansas school of medicine may adopt
32 additional provisions, requirements or conditions for participation in the
33 Kansas medical residency bridging program as are practicable and
34 appropriate to accomplish the purposes of the program or as may be
35 required for the implementation or administration of the program and, in
36 any case, as are not inconsistent with the provisions of this section or the
37 provisions of appropriation acts.

38 ~~(h)~~(i) As used in this section, "practice commitment agreement"
39 means an agreement to commence the full-time practice of medicine and
40 surgery in a city located in any county in Kansas other than Douglas,
41 Johnson, Sedgwick, Shawnee or Wyandotte county, that:

42 (1) Was entered into: ~~(A)~~ by a person in a ~~primary care or mental~~
43 ~~health care~~ *medical* residency training program in general pediatrics,

1 general internal medicine, family medicine, family practice, *obstetrics and*
 2 *gynecology*, general psychiatry or child psychiatry, that is operated by or
 3 affiliated with the university of Kansas school of medicine or other such
 4 ~~primary care or mental health care~~ *medical* residency training program that
 5 is operated in Kansas and approved by the state board of healing arts; ~~or~~
 6 ~~(B) by a person under subsection (i), with the city where such practice is to~~
 7 commence or another contracting entity other than the university of
 8 Kansas school of medicine that is representative of the interests of such
 9 city; and

10 (2) provides benefits to such person that have an aggregate monetary
 11 value equal to or greater than the aggregate amount of payments to such
 12 person from the university of Kansas school of medicine under a residency
 13 bridging loan agreement under this section.

14 ~~(i) A person who graduated from the university of Kansas school of~~
 15 ~~medicine prior to July 1, 1992, who has completed the first year of a~~
 16 ~~primary care residency training program in family practice which is~~
 17 ~~operated outside the state of Kansas and who has entered into a practice~~
 18 ~~commitment agreement with the north central Kansas health care~~
 19 ~~foundation is eligible to enter into a residency bridging loan agreement~~
 20 ~~under this section.~~

21 (j) Notwithstanding any other provision of law to the contrary, no
 22 moneys appropriated for the Kansas medical residency bridging program
 23 at the university of Kansas school of medicine, except moneys
 24 appropriated to the *OBGYN medical residency bridging fund* or the rural
 25 health bridging psychiatry fund, shall be expended for residency bridging
 26 loan agreements for medical residents training in *obstetrics and*
 27 *gynecology*, general psychiatry or child psychiatry.

28 (k) Subject to appropriations, the university of Kansas school of
 29 medicine shall enter into residency bridging loan agreements with three
 30 medical residents training in general psychiatry or child psychiatry.

31 (l) There is hereby established in the state treasury the rural health
 32 bridging psychiatry fund. All moneys credited to the rural health bridging
 33 psychiatry fund shall be used only for purposes related to residency
 34 bridging loan agreements for medical residents training in general
 35 psychiatry or child psychiatry pursuant to ~~K.S.A. 76-387, and amendments~~
 36 ~~thereto~~ *this section*. All expenditures from the rural health bridging
 37 psychiatry fund shall be made in accordance with appropriation acts upon
 38 warrants of the director of accounts and reports issued pursuant to
 39 vouchers approved by the chancellor of the university of Kansas or the
 40 chancellor's designee.

41 (m) *There is hereby established in the state treasury the OBGYN*
 42 *medical residency bridging fund. All moneys credited to the OBGYN*
 43 *medical residency bridging fund shall be used only for purposes related to*

1 *residency bridging loan agreements for medical residents training in*
2 *obstetrics and gynecology pursuant to this section. All expenditures from*
3 *the OBGYN medical residency bridging fund shall be made in accordance*
4 *with appropriation acts upon warrants of the director of accounts and*
5 *reports issued pursuant to vouchers approved by the chancellor of the*
6 *university of Kansas or the chancellor's designee.*

7 ~~(m)~~(n) Notwithstanding any other provision of law to the contrary, no
8 moneys shall be transferred from the comprehensive grant program
9 account of the state board of regents to the rural health bridging psychiatry
10 fund *or the OBGYN medical residency bridging fund* or expended for any
11 purposes related to the Kansas medical residency bridging program.

12 Sec. 5. K.S.A. 76-381, 76-383, 76-385, 76-386a and 76-387 are
13 hereby repealed.

14 Sec. 6. This act shall take effect and be in force from and after its
15 publication in the statute book.