

SENATE BILL No. 32

AN ACT relating to mental health care; medical student and resident loan assistance; medical student loan agreements; practice commitment agreements; providing for agreements for the practice of psychiatry; establishing the psychiatry medical loan repayment fund and the rural health bridging psychiatry fund; concerning mental healthcare facilities; amending K.S.A. 76-387 and 76-12a07 and K.S.A. 2016 Supp. 75-3373, 76-381, 76-382, 76-383, 76-384 and 76-385 and repealing the existing sections.

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

Section 1. K.S.A. 2016 Supp. 76-381 is hereby amended to read as follows: 76-381. As used in K.S.A. 76-380 through 76-386, and amendments thereto:

- (a) “Act” means the medical student loan act;
- (b) “approved postgraduate residency training program” means a residency training program in general pediatrics, general internal medicine, family medicine, family practice, emergency medicine, *general psychiatry*, *child psychiatry* or fellowship training in geriatric medicine;
- (c) “service commitment area” means: (1) Any community within any county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county; (2) any state medical care facility or institution; (3) any medical center operated by the veterans administration of the United States; (4) the full-time faculty of the university of Kansas school of medicine in family medicine ~~or~~, family practice, *general psychiatry* or *child psychiatry*; or (5) any community within Wyandotte county for purposes of any practice obligation under an agreement entered into by a person who is enrolled for the first time after July 1, 2004, in a course of study leading to the medical degree; and
- (d) “state medical care facility or institution” includes, but is not limited to, the Kansas state school for the visually handicapped, the Kansas state school for the deaf, any institution under the secretary for aging and disability services, as defined by ~~subsection (b) of~~ K.S.A. 76-12a01, and amendments thereto, any institution under the commissioner of juvenile justice as defined by K.S.A. 2016 Supp. 38-2302, and amendments thereto, the Kansas soldiers’ home, the Kansas veterans’ home and any correctional institution under the secretary of corrections, as defined by ~~subsection (d) of~~ K.S.A. 75-5202, and amendments thereto, but shall not include any state educational institution under the state board of regents, as defined by ~~subsection (a) of~~ K.S.A. 76-711, and amendments thereto, except as specifically provided by statute.

Sec. 2. K.S.A. 2016 Supp. 76-382 is hereby amended to read as follows: 76-382. (a) There is hereby established the medical student loan program at the university of Kansas school of medicine.

(b) Subject to the provisions of appropriation acts, the university of Kansas school of medicine may make medical student loans in accordance with the provisions of this act to undergraduate students enrolled in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine who enter into a written medical student loan agreement with the university of Kansas school of medicine in accordance with K.S.A. 76-383, and amendments thereto.

(c) Each medical student loan agreement under this act shall provide to the person receiving the loan the payment of all tuition and a stipend for living expenses in an amount of up to \$2,000 per month for each month enrolled in such school during a year. Subject to the maximum amount, the amount of the monthly stipend shall be determined on an annual basis by the student receiving the loan.

(d) Subject to the provisions of appropriation acts, medical student loan agreements under this act may be entered into on an annual basis and shall provide the payment of the amounts specified under subsection (c) for one year unless otherwise terminated before such period of time. Subject to the provisions of appropriation acts, an undergraduate student enrolled in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine may receive a separate loan under this act for each separate year the student enters into a written medical student loan agreement with the university of Kansas school of medicine in accordance with K.S.A. 76-383, and amendments thereto. Loans may be awarded retroactively for any academic year that a student has completed successfully at the university of Kansas medical school, but for which a loan had not previously been awarded. Retroactive loans shall be in an amount equal to the amount of

tuition paid by the student, plus a stipend in an amount not to exceed the maximum amount of the stipend for such academic year multiplied by the number of months for which the student was enrolled at the medical school during such year. For each separate year a student receives a loan under this act, the student shall engage in the full-time practice of medicine and surgery in an appropriate service commitment area for a period of 12 months unless such obligation is otherwise satisfied as provided in K.S.A. 76-386, and amendments thereto.

(e) Medical student loans shall be awarded on a priority basis as follows, first to qualified applicants who are Kansas residents at the time of entry into the university of Kansas school of medicine, and second, to qualified applicants who are not Kansas residents at the time of entry into the university of Kansas school of medicine. As used in this subsection, “Kansas residents” means persons who meet the residence requirements established in K.S.A. 76-729, and amendments thereto.

(f) *Subject to appropriations, the university of Kansas school of medicine shall enter into medical student loan agreements with six individuals who commit to satisfy obligations to engage in the full-time practice of medicine and surgery in a service commitment area by: (1) Serving as a full-time faculty member of the university of Kansas school of medicine in general psychiatry or child psychiatry pursuant to K.S.A. 76-384(c), and amendments thereto; or (2) performing at least 100 hours per month of on-site mental health care pursuant to K.S.A. 76-384(d), and amendments thereto.*

Sec. 3. K.S.A. 2016 Supp. 76-383 is hereby amended to read as follows: 76-383. A medical student loan agreement entered into by the university of Kansas school of medicine and an undergraduate student enrolled in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine for the purpose of receiving a medical student loan under this act shall require that the person receiving the loan:

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

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

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

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

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

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

(g) upon failure to satisfy an agreement to engage in the full-time practice of medicine and surgery within a service commitment area for the required period of time under any such agreement, the person receiving a medical student loan under this act shall repay amounts to the university of Kansas school of medicine as provided in K.S.A. 76-385, and amendments thereto.

Sec. 4. K.S.A. 2016 Supp. 76-384 is hereby amended to read as fol-

lows: 76-384. (a) Upon the selection of a service commitment area for the purposes of satisfying a service obligation under a medical student loan agreement entered into under this act, the person so selecting shall inform the university of Kansas school of medicine of the service commitment area selected.

(b) A person serving in a service commitment area pursuant to any agreement under this act may serve all or part of any commitment in the service commitment area initially selected by such person. If such person moves from one service commitment area to another service commitment area, such person shall notify the university of Kansas school of medicine of such person's change of service commitment area. Service in any such service commitment area shall be deemed to be continuous for the purpose of satisfying any agreement entered into under this act.

(c) A person receiving a medical student loan under this act, may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area if the person serves as a full-time faculty member of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine ~~or~~, family practice, *general psychiatry or child psychiatry* and serves two years for each one year of such obligation, or the equivalent thereof on a two-for-one basis, except that, at the time any person commences satisfying such service obligation as a full-time faculty member pursuant to this subsection, the number of persons satisfying service commitments or service obligations, pursuant to agreements under the medical student loan act, as full-time faculty members pursuant to this subsection shall not exceed the number equal to 25% of the total number of full-time faculty members of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine ~~or~~, family practice, *general psychiatry or child psychiatry*.

(d) A person may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area by performing at least 100 hours per month of on-site primary care *or mental health care* at a medical facility operated by a local health department or nonprofit organization in this state serving medically indigent persons *or at a community mental health center or at Larned state hospital, Osawatomie state hospital or any facility that provides mental health services and that is operated by a state agency*. As used in this subsection, "medically indigent" means a person: (1) Who is unable to secure health care because of inability to pay for all or a part of the costs thereof due to inadequate personal resources, being uninsured, being underinsured, being ineligible for governmental health benefits; or (2) who is eligible for governmental benefits but is unable to obtain medical services; and "primary care" means general pediatrics, general internal medicine, family medicine and family practice.

Sec. 5. K.S.A. 2016 Supp. 76-385 is hereby amended to read as follows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2), (3), (4) and (5) ~~of this subsection (a)~~ or in K.S.A. 76-386, and amendments thereto, upon the failure of any person to satisfy the obligation to engage in the full-time practice of medicine and surgery within a service commitment area of this state for the required period of time under any medical student loan agreement entered into under this act, such person shall repay to the university of Kansas school of medicine in accordance with subsection (b) an amount equal to the total of: (A) The amount of money received by such person pursuant to such agreement, or the amount of money determined under rules and regulations of the university of Kansas; plus (B) annual interest at a rate of 15% from the date such money was received.

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

(3) If at any time a person is failing to satisfy an obligation to engage in the full-time practice of medicine and surgery in Kansas for the re-

quired period of time under an agreement entered into under this act because such person is engaged in the full-time practice of medicine and surgery in a state other than Kansas, or within Kansas in an area that is not a service commitment area or in the practice of medicine and surgery which does not otherwise comply with the agreement entered into under this act, and if such person is subject to or currently making repayments under this section and if such person subsequently commences the practice of medicine and surgery in this state which is in a service commitment area or which otherwise complies with the agreement entered into under this act, the balance of the repayment amount, including interest thereon, from the time of such commencement of practice until the obligation of such person is satisfied, or until the time such person again becomes subject to repayments, shall be waived. All repayment amounts due prior to such commencement of practice, including interest thereon, shall continue to be payable as provided in this section. If subsequent to such commencement of practice, the person fails to satisfy such obligation, the person again shall be subject to repayments, including interest thereon, as otherwise provided in this section.

(4) If, during the time a person is satisfying the service requirement of an agreement entered into under this act, such person desires to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state and remain in satisfaction of such service requirement, such person may make application to the chancellor of the university of Kansas or the designee of the chancellor for permission to engage in less than such full-time practice of medicine and surgery. Upon a finding of exceptional circumstances made by the chancellor of the university of Kansas, or the designee of the chancellor, such person may be authorized to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state for the remaining required period of time under such agreement and for an additional period of time which shall be equal to the length of the originally required period of time multiplied by the decimal fraction which is equal to the reduction of the full-time practice of medicine and surgery to be authorized hereunder, multiplied by two. In any such determination of the period required to be engaged in the less than full-time practice of medicine and surgery, the decimal fraction utilized shall not exceed 0.5 and any person granted permission to engage in less than the full-time practice of medicine and surgery in accordance with the provisions of this paragraph ~~(4)~~ shall be required to engage in at least the half-time practice of medicine and surgery.

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

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

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

(d) The total repayment obligation imposed under all agreements entered into under this act may be satisfied by the person who entered into the agreements at any time prior to graduation from the university of Kansas school of medicine by making a single lump-sum payment equal

to the total of: (1) The entire amount to be repaid under all such agreements upon failure to satisfy the obligations under such agreements to practice in Kansas; plus (2) all amounts of interest thereon at the rate prescribed to the date of payment.

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

(f) There is hereby created in the state treasury the medical loan repayment fund. All expenditures from the medical loan repayment fund shall be for medical student loans under the medical student loan act and for the expenses of administration of the medical student loan act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or by a person designated by the chancellor, *except that expenditures shall not be made from the medical loan repayment fund for medical student loans for general psychiatry or child psychiatry.* On the effective date of this act, the director of accounts and reports shall transfer all moneys in the medical scholarship and loan repayment fund to the medical loan repayment fund. On the effective date of this act, all liabilities of the medical scholarship and loan repayment fund are hereby imposed on the medical loan repayment fund and the medical scholarship and loan repayment fund is hereby abolished. Whenever the medical scholarship and loan repayment fund, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the medical loan repayment fund.

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

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

Sec. 6. K.S.A. 76-387 is hereby amended to read as follows: 76-387.

(a) There is hereby established the Kansas medical residency bridging program at the university of Kansas school of medicine which shall be developed and implemented in order to provide encouragement, opportunities and incentives for persons in primary care *or mental health care* residency training programs in general pediatrics, general internal medicine, family medicine ~~or~~ family practice, ~~which~~ *general psychiatry or child psychiatry* that are operated by or affiliated with the university of Kansas school of medicine or other such primary care *or mental health care* residency training program ~~which~~ *that* is operated in Kansas and approved by the state board of healing arts and a person under subsection (i) to locate their medical practice in rural Kansas communities upon completion of such residency training. The Kansas medical residency bridging program shall be administered by the institute for rural health care of the university of Kansas school of medicine.

(b) Subject to the provisions of appropriation acts, the university of Kansas school of medicine may enter into residency bridging loan agreements, in accordance with the provisions of this section: (A) With any person who has completed the first year of a primary care *or mental health care* residency training program in general pediatrics, general internal medicine, family medicine ~~or~~ family practice, ~~which~~ *general psychiatry or child psychiatry* that is operated by or affiliated with the university of Kansas school of medicine or other such primary care *or mental health care* residency training program ~~which~~ *that* is operated in Kansas and

approved by the state board of healing arts; and (B) with a person under subsection (i).

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

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

(1) Complete the primary care *or mental health care* residency training program;

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

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

(4) upon failure to satisfy the obligation to engage in the full-time practice of medicine and surgery in accordance with the provisions of the residency bridging loan agreement and this section, the person receiving the loan under this section shall repay to the university of Kansas school of medicine, within 90 days of such failure, the amount equal to the amount of money received by such person from the university of Kansas school of medicine, less credits earned, under such agreement plus interest at the annual rate of 15% from the date such money was received.

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

(f) An obligation to engage in the practice of medicine and surgery in accordance with the provisions of a residency bridging loan agreement and this section shall be satisfied: (1) If the obligation to engage in the practice of medicine and surgery in accordance with such agreement has been completed; (2) if the person obligated dies; or (3) if, because of permanent physical disability, the person obligated is unable to practice medicine and surgery.

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

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

(1) Was entered into: (A) By a person in a primary care *or mental health care* residency training program in general pediatrics, general internal medicine, family medicine ~~or~~ family practice, *general psychiatry or child psychiatry*, that is operated by or affiliated with the university of Kansas school of medicine or other such primary care *or mental health care* residency training program ~~which that~~ is operated in Kansas and approved by the state board of healing arts; or (B) by a person under subsection (i) with the city where such practice is to commence or another contracting entity other than the university of Kansas school of medicine that is representative of the interests of such city; and

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

(i) A person who graduated from the university of Kansas school of

medicine prior to July 1, 1992, who has completed the first year of a primary care residency training program in family practice which is operated outside the state of Kansas and who has entered into a practice commitment agreement with the north central Kansas health care foundation is eligible to enter into a residency bridging loan agreement under this section.

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

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

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

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

Sec. 7. K.S.A. 2016 Supp. 75-3373 is hereby amended to read as follows: 75-3373. (a) ~~Notwithstanding any other provision of law, the Kansas department for aging and disability services, solely or in consultation or cooperation with any other state agency, no state agency shall not enter into any agreement or take any action to outsource or privatize any operations or facilities of the Larned state hospital or, the Osawatomi state hospital or any facility that provides mental health services and that is operated by a state agency without prior specific authorization by an act of the legislature or an appropriation act of the legislature. The restriction imposed by this subsection applies to any action to outsource or privatize all or any part of any operation or facility of the Larned state hospital, the Osawatomi state hospital or any facility that provides mental health services and that is operated by a state agency, including, but not limited to, any action to transfer all or any part of the rated bed capacity at the Larned state hospital or the Osawatomi state hospital, in effect on the effective date of this act, to another facility.~~

(b) Nothing in this section shall prevent the Kansas department for aging and disability services from renewing, in substantially the same form as an existing agreement, any agreement in existence prior to March 4, 2016, for services at the Larned state hospital or the Osawatomi state hospital.

(c) Nothing in this section shall prevent the Kansas department for aging and disability services from entering into an agreement for services at the Larned state hospital or the Osawatomi state hospital with a different provider if such agreement is substantially similar to an agreement for services in existence prior to March 4, 2016.

Sec. 8. K.S.A. 76-12a07 is hereby amended to read as follows: 76-12a07. The secretary may adopt rules and regulations for the government, regulation and operation of institutions. The secretary may adopt rules and regulations relating to the assignment of all persons admitted to institutions, *except that the secretary shall take no action to transfer or assign any person admitted to an institution for the purpose of circumventing the restrictions imposed by K.S.A. 2016 Supp. 75-3373, and amendments thereto.*

Sec. 9. K.S.A. 76-387 and 76-12a07 and K.S.A. 2016 Supp. 75-3373, 76-381, 76-382, 76-383, 76-384 and 76-385 are hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE concurred in
HOUSE amendments _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.