SENATE BILL No. 381

By Committee on Education

AN ACT concerning postsecondary and postgraduate loan programs; relating to the university of Kansas school of medicine; relating to the medical student loan program; medical and residency bridging program; loan assistance; encouraging the practice of obstetrics and gynecology in medically underserved areas; establishing the OBGYN medical loan repayment fund and the OBGYN medical residency bridging fund; amending K.S.A. 76-381, 76-383, 76-385 and 76-387 and repealing the existing sections; also repealing K.S.A. 76-386a.

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

Section 1. K.S.A. 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, obstetrics and gynecology, 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, family practice, general psychiatry or child psychiatry if serving as full-time faculty as provided in K.S.A. 76-384(c), and amendments thereto; 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 K.S.A. 76-12a01, and amendments thereto, any institution under the commissioner of juvenile justice as defined by K.S.A. 2019 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 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 K.S.A. 76-711, and amendments thereto, except as specifically provided by statute.

Sec. 2. K.S.A. 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) except as otherwise provided in K.S.A. 76-384, and amendments thereto, 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 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, 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 that 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. 3. K.S.A. 76-385 is hereby amended to read as follows:

76-385. (a) (1) Except as otherwise provided in paragraphs (2), (3), (4) and (5) through (6) 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 postgraduate 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 required 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 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— 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 failure to complete an approved postgraduate residency training program or 90 days of failure to commence qualifying practice, whichever occurs first.

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

(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 medical students who
intend to enter and complete an approved postgraduate residency training
program in obstetrics and gynecology, 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) There is hereby established in the state treasury the OBGYN medical loan repayment fund. All moneys credited to the OBGYN medical loan repayment fund shall be expended only for medical student loans for medical students who intend to enter and complete an approved postgraduate residency training program in obstetrics and gynecology 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 OBGYN 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, the OBGYN medical loan repayment fund or the psychiatry medical loan repayment fund or expended for any purposes related thereto.

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

(a) (1) 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 to:

(A) Enter and complete medical residency training programs in
general pediatrics, general internal medicine, family medicine, family practice, obstetrics and gynecology, 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 medical residency training program that is operated in Kansas and approved by the state board of healing arts; and a person under subsection (i) to

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

(2) 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 medical residency training program in general pediatrics, general internal medicine, family medicine, family practice, obstetrics and gynecology, 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 medical residency training program 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 medical 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 medical 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 medical 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 medical 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) Except as otherwise provided in subsection (g), 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) For any person that completed a medical residency training program in obstetrics and gynecology pursuant to this section, such person's 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 deemed not to be satisfied if such person is employed by, provides services at or establishes any clinic or facility as such terms are defined in K.S.A. 65-4a01, and amendments thereto, or performs or induces, or attempts to perform or induce, an abortion, except in the case of a medical emergency as defined in K.S.A. 65-6701, and amendments thereto, or in the case of a pregnancy resulting from rape or incest, at any time in which such person is obligated to satisfy the provisions of such person's loan agreement made pursuant to this section.

(h) 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.

(i) 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, that:
(1) Was entered into—(A) by a person in a primary care or mental health care medical residency training program in general pediatrics, general internal medicine, family medicine, family practice, obstetrics and gynecology, 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 medical residency training program 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 OBGYN medical residency bridging fund or the rural health bridging psychiatry fund, shall be expended for residency bridging loan agreements for medical residents training in obstetrics and gynecology, 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 this section. 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) There is hereby established in the state treasury the OBGYN
medical residency bridging fund. All moneys credited to the OBGYN medical residency bridging fund shall be used only for purposes related to residency bridging loan agreements for medical residents training in obstetrics and gynecology pursuant to this section. All expenditures from the OBGYN medical residency bridging 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) (n) 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. 5. K.S.A. 76-381, 76-383, 76-385, 76-386a and 76-387 are hereby repealed.

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