

Senator David P. Hinkins proposes the following substitute bill:

RURAL PHYSICIAN LOAN REPAYMENT PROGRAM

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David P. Hinkins

House Sponsor: Stewart Barlow

LONG TITLE

General Description:

This bill creates the Rural Physician Loan Repayment Program.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Rural Physician Loan Repayment Program within the Department of Health;
- ▶ grants rulemaking authority;
- ▶ creates the Rural Physician Loan Repayment Program Advisory Committee; and
- ▶ amends the Budgetary Procedures Act to specify that revenues and appropriations to the program are nonlapsing.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63J-1-602.1, as last amended by Laws of Utah 2014, Chapter 384



26 ENACTS:

27 **26-46a-101**, Utah Code Annotated 1953

28 **26-46a-102**, Utah Code Annotated 1953

29 **26-46a-103**, Utah Code Annotated 1953

30 **26-46a-104**, Utah Code Annotated 1953

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32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **26-46a-101** is enacted to read:

34 **CHAPTER 46a. RURAL PHYSICIAN LOAN REPAYMENT PROGRAM**

35 **26-46a-101. Title.**

36 This chapter is known as "Rural Physician Loan Repayment Program."

37 Section 2. Section **26-46a-102** is enacted to read:

38 **26-46a-102. Definitions.**

39 As used in this chapter:

40 (1) "Hospital" means a general acute hospital, as defined in Title 26, Chapter 21,

41 Health Care Facility Licensing and Inspection Act.

42 (2) "Physician" means a person:

43 (a) licensed as a physician under Title 58, Chapter 67, Utah Medical Practice Act; or

44 (b) licensed as a physician under Title 58, Chapter 68, Utah Osteopathic Medical

45 Practice Act.

46 (3) "Rural county" means a county with a population of less than 50,000, as determined

47 by:

48 (a) the most recent official census or census estimate of the United States Census

49 Bureau; or

50 (b) the most recent population estimate for the county from the Utah Population

51 Estimates Committee, if a population figure for the county is not available under Subsection

52 (3)(a).

53 (4) "Rural hospital" means a hospital located within a rural county.

54 Section 3. Section **26-46a-103** is enacted to read:

55 **26-46a-103. Rural Physician Loan Repayment Program -- Purpose -- Repayment**
56 **limit -- Funding -- Reporting -- Rulemaking -- Advisory committee.**

57 (1) There is created within the department the Rural Physician Loan Repayment
58 Program to provide, within funding appropriated by the Legislature for this purpose, education
59 loan repayment assistance to physicians in accordance with Subsection (2).

60 (2) The department may enter into an education loan repayment assistance contract
61 with a physician if:

62 (a) the physician:

63 (i) locates or continues to practice in a rural county; and

64 (ii) has a written commitment from a rural hospital that the hospital will provide
65 education loan repayment assistance to the physician;

66 (b) the assistance provided by the program does not exceed the assistance provided by
67 the rural hospital; and

68 (c) the physician is otherwise eligible for assistance under administrative rules adopted
69 under Subsection (6).

70 (3) Funding for the program:

71 (a) shall be a line item within an appropriations act;

72 (b) may be used to pay for the per diem and travel expenses of the Rural Physician
73 Loan Repayment Program Advisory Committee under Subsection [26-46a-104\(5\)](#); and

74 (c) may be used to pay for department expenses incurred in the administration of the
75 program:

76 (i) including administrative support provided to the Rural Physician Loan Repayment
77 Program Advisory Committee created under Subsection [26-46a-104\(7\)](#); and

78 (ii) in an amount not exceeding 10% of funding for the program.

79 (4) Refunds of loan repayment assistance, penalties for breach of contract, and other
80 payments to the program are dedicated credits to the program.

81 (5) The department shall prepare an annual report of the program's revenues,
82 expenditures, and outcomes.

83 (6) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
84 the department shall make rules governing the administration of the program, including rules
85 that address:

86 (i) application procedures;

87 (ii) eligibility criteria;

88 (iii) verification of the amount provided by a rural hospital to a physician for
89 repayment of the physician's education loans;

90 (iv) service conditions, which at a minimum shall include professional service by the
91 physician in the rural hospital providing loan repayment assistance to the physician;

92 (v) selection criteria and assistance amounts;

93 (vi) penalties for failure to comply with service conditions or other terms of a loan
94 repayment assistance contract; and

95 (vii) criteria for modifying or waiving service conditions or penalties in the case of
96 extreme hardship or for other good cause.

97 (b) The department shall seek and consider the recommendations of the Rural
98 Physician Loan Repayment Program Advisory Committee created under Section [26-46a-104](#) as
99 it develops and modifies rules to administer the program.

100 Section 4. Section **26-46a-104** is enacted to read:

101 **26-46a-104. Rural Physician Loan Repayment Program Advisory Committee --**
102 **Membership -- Compensation -- Duties.**

103 (1) There is created the Rural Physician Loan Repayment Program Advisory
104 Committee consisting of the following seven members appointed by the executive director:

105 (a) two legislators whose districts include rural counties; and

106 (b) five administrators of rural hospitals nominated by an association representing Utah
107 hospitals, no more than two of whom are employed by hospitals affiliated by ownership.

108 (2) An appointment to the committee shall be for a four-year term unless the member is
109 appointed to complete an unexpired term. The executive director shall adjust the length of
110 term at the time of appointment or reappointment so that approximately one half of the
111 committee is appointed every two years. The executive director shall annually appoint a
112 committee chair from among the members of the committee.

113 (3) (a) The committee shall meet at the call of:

114 (i) the chair;

115 (ii) at least three members of the committee; or

116 (iii) the executive director.

117 (b) The committee shall meet at least once each calendar year.

118 (4) A majority of the members of the committee constitutes a quorum. The action of a

119 majority of a quorum constitutes the action of the committee.

120 (5) A member may not receive compensation or benefits for the member's service, but
121 may receive per diem and travel expenses in accordance with:

122 (a) Section 63A-3-106;

123 (b) Section 63A-3-107; and

124 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
125 63A-3-107.

126 (6) The committee shall make recommendations to the department for the development
127 and modification of rules to administer the Rural Physician Loan Repayment Program.

128 (7) As funding permits, the department shall provide staff and other administrative
129 support to the committee.

130 Section 5. Section **63J-1-602.1** is amended to read:

131 **63J-1-602.1. List of nonlapsing accounts and funds -- General authority and Title**
132 **1 through Title 30.**

133 (1) Appropriations made to the Legislature and its committees.

134 (2) The Percent-for-Art Program created in Section 9-6-404.

135 (3) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in
136 Section 9-18-102.

137 (4) The LeRay McAllister Critical Land Conservation Program created in Section
138 11-38-301.

139 (5) An appropriation made to the Division of Wildlife Resources for the appraisal and
140 purchase of lands under the Pelican Management Act, as provided in Section 23-21a-6.

141 (6) Award money under the State Asset Forfeiture Grant Program, as provided under
142 Section 24-4-117.

143 (7) Funds collected from the emergency medical services grant program, as provided in
144 Section 26-8a-207.

145 (8) The Prostate Cancer Support Restricted Account created in Section 26-21a-303.

146 (9) State funds appropriated for matching federal funds in the Children's Health
147 Insurance Program as provided in Section 26-40-108.

148 (10) The Utah Health Care Workforce Financial Assistance Program created in Section
149 26-46-102.

150

(11) The primary care grant program created in Section [26-10b-102](#).

151

(12) The Rural Physician Loan Repayment Program created in Section [26-46a-103](#).