

Regular Session, 2008

# ACT No. 605

HOUSE BILL NO. 1071

BY REPRESENTATIVE ELLINGTON AND SENATORS ADLEY, ALARIO, BROOME, CASSIDY, CHEEK, DUPRE, GRAY, JACKSON, KOSTELKA, LAFLEUR, LONG, MARTINY, MCPHERSON, MICHOT, MURRAY, NEVERS, QUINN, RISER, SMITH, THOMPSON, AND WALSWORTH

1 AN ACT

2 To enact R.S. 40:1300.6, relative to student loans for physicians; to provide for the  
3 establishment of a loan forgiveness program for physicians who agree to work in  
4 rural areas; to provide for the administration of the program; to provide for eligibility  
5 requirements; to provide for terms and conditions of a loan repayment assistance  
6 contract entered into between the applicant and the Department of Health and  
7 Hospitals; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 40:1300.6 is hereby enacted to read as follows:

10 §1300.6. Loan forgiveness for primary care physicians, pediatricians, surgeons,  
11 obstetricians, and gynecologists

12 A. The department shall establish a loan forgiveness program for primary  
13 care physicians, which shall include those practicing family medicine, internal  
14 medicine, pediatrics, medicine/pediatrics, obstetrics, gynecology, and general  
15 surgery, hereinafter collectively referred to as "primary care physicians", who are  
16 practicing in a rural health professional shortage area, hereinafter referred to as an  
17 "HPSA", and who serve on the active medical staff of a rural hospital in accordance  
18 with such hospital's medical staff bylaws, rules, and regulations. "Rural hospital" is  
19 defined as provided for in R.S. 40:1300.143. The establishment of this loan  
20 forgiveness program shall be subject to an act of the legislature appropriating monies  
21 sufficient to establish and implement the program.

22 B. The department shall coordinate the administration of the program.

1           C. The department may provide assistance for the repayment of a student  
2           loan for education at an institution of higher learning received by a primary care  
3           physician, practicing in a rural HPSA and on the active medical staff of a rural  
4           hospital in accordance with such hospital's medical staff bylaws, rules, and  
5           regulations. Repayment shall be made by the department to the lending institution  
6           on behalf of the loan recipient.

7           D. Consideration for loan repayment assistance shall be as follows:

8           (1) The applicant must be an individual who has one of the following:

9           (a) A medical degree from an accredited medical school.

10           (b) Completed an Accreditation Council of Graduate Medical Education  
11           (ACGME) accredited training program in family medicine, internal medicine,  
12           pediatrics, medicine/pediatrics, obstetrics, gynecology, or general surgery and is  
13           board eligible in one of such areas.

14           (c) A license to practice medicine in the state.

15           (2) An applicant who is qualified under Paragraph (1) of this Subsection  
16           shall agree to practice in a rural hospital as a primary care physician, for not less than  
17           five years according to a schedule developed by the department.

18           E. A physician who is eligible pursuant to Subsection D of this Section shall  
19           be eligible to receive an amount of loan forgiveness of up to two hundred fifty  
20           thousand dollars, as established by the department, based on the total amount of the  
21           physician's debt and the available funding for this program. No less than ten percent  
22           of such debt amount shall be forgiven each year, subject to funds available for loan  
23           exonerations in that fiscal year.

24           F. A recipient of loan repayment assistance shall enter into a contract with  
25           the department, which shall be considered a contract with the state. The contract  
26           shall include but not be limited to the following terms and conditions:

27           (1) An unlicensed applicant shall apply for a license to practice medicine at  
28           the earliest practicable opportunity.

29           (2) Within six months after licensure and the completion of all ACGME  
30           requirements for the medical specialty, an applicant shall engage in the practice of

1           family medicine, internal medicine, pediatrics, medicine/pediatrics, obstetrics,  
2           gynecology, and general surgery in a rural HPSA and obtain and maintain, during  
3           the term of the loan repayment agreement with the department, active medical staff  
4           privileges at a rural hospital in accordance with such hospital's medical staff bylaws,  
5           rules, and regulations. The department shall provide applicants with a list of  
6           available rural hospital sites and shall, to the extent possible, approve applicant  
7           selections in the order they are received.

8                   (3) The applicant shall agree, for a period of not less than five full years, to  
9                   practice, on a full-time basis, not less than thirty-six hours per week, at an office,  
10                  leased or owned by the applicant, a physician or physicians's group practice, or at an  
11                  entity licensed by the department located in a rural HPSA while maintaining active  
12                  medical staff privileges at a rural hospital, in accordance with such hospital's medical  
13                  staff bylaws, rules, and regulations.

14                   (4) The applicant shall agree to treat patients who are eligible for Medicaid  
15                  and Medicare.

16                   (5) The applicant shall permit the department to monitor his practice to  
17                  determine compliance with the terms of the contract.

18                   (6) The department shall certify compliance with the terms of the contract  
19                  for purposes of receipt by the physician of loan repayment awards for years  
20                  subsequent to the initial year of the loan.

21                   (7) The contract shall be renewable on an annual basis upon certification by  
22                  the department that the physician has complied with the terms of the contract.

23                   (8) Upon the recipient's death or total or permanent disability, the department  
24                  shall nullify the service obligation of the recipient.

25                   (9) If the recipient is convicted of or pleads guilty or no contest to a felony  
26                  or misdemeanor or if the appropriate licensing board has determined that the  
27                  recipient has committed an act of gross negligence in the performance of service  
28                  obligations or has suspended or revoked the license to practice, the department shall  
29                  have the authority to terminate the recipient's service in the program and demand  
30                  repayment of the assistance rendered to date.

1                   (10) Loan recipients who fail to begin or complete the obligations contracted  
 2                   for shall pay to the department three times the amount of assistance received.  
 3                   Falsification or misrepresentation on an application or in verification of service shall  
 4                   be construed to be a default. Determination as to the time of breach of contract shall  
 5                   be made by the department. Both the recipient and the department shall make every  
 6                   effort to resolve conflicts in order to prevent a breach of contract.

7                   G. The department shall have the authority to seek garnishment of wages for  
 8                   the collection of damages provided for in Paragraph (10) of Subsection F of this  
 9                   Section.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_