

**House Study Bill 583 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
HUMAN RESOURCES BILL BY  
CHAIRPERSON L. MILLER)

**A BILL FOR**

1 An Act establishing an allopathic physician recruitment program  
2 and revolving fund and making an appropriation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.21 **Allopathic physician**  
2 **recruitment program.**

3 1. *Program established.* An allopathic physician recruitment  
4 program is established to be administered by the college  
5 student aid commission for, and in conjunction with, the state  
6 university of Iowa college of medicine. The program shall  
7 consist of a forgivable loan program, a tuition scholarship  
8 program, and a loan repayment program. The maximum amount of  
9 assistance a person may qualify to receive under the program is  
10 one hundred thousand dollars.

11 2. *Forgivable loan program.* A forgivable loan may be  
12 awarded to a resident of Iowa who is enrolled at the state  
13 university of Iowa college of medicine in a program leading  
14 to a doctor of medicine degree if the individual agrees to  
15 practice general internal medicine, general surgery, family  
16 medicine, obstetrics and gynecology, pediatrics, or psychiatry  
17 in an eligible community for a period of four years under  
18 rules adopted by the commission. The state university of  
19 Iowa college of medicine shall provide recommendations to  
20 the commission for individuals who meet the eligibility  
21 requirements of the forgivable loan program. Forgivable loans  
22 shall not become due until after the individual completes  
23 a residency program. Interest on the loans shall begin to  
24 accrue the day following the individual's graduation date.  
25 The individual's total loan amount, including principal and  
26 interest, shall be reduced by twenty-five percent for each year  
27 in which the individual remains an Iowa resident and practices  
28 in the area of specialization in an eligible community as  
29 agreed pursuant to the requirements of this subsection. If the  
30 individual completes the four-year period of practice agreed to  
31 by the individual, the total loan amount, including principal  
32 and interest, shall be forgiven. The individual shall repay  
33 the loan amount, including remaining principal and interest,  
34 for any year in the four-year period in which the individual  
35 fails to practice as required under the forgivable loan

1 agreement. If the commission determines that the individual  
2 who entered into the forgivable loan agreement with the  
3 commission does not meet the criteria for forgiveness of the  
4 principal and interest payments, the commission shall establish  
5 a plan for repayment of the principal and interest over a  
6 ten-year period. If the individual required to make repayment  
7 does not make the required payments, the commission shall  
8 provide for payment collection.

9     3. *Tuition scholarship.* A student enrolled at the state  
10 university of Iowa college of medicine in a program leading to  
11 a doctor of medicine degree shall be eligible for a tuition  
12 scholarship for the student's study at the university. The  
13 scholarship shall be for an amount not to exceed the annual  
14 tuition for the university's college of medicine. A student  
15 who receives a tuition scholarship may also be eligible for the  
16 loan repayment program pursuant to subsection 4. A student who  
17 receives a tuition scholarship shall agree to practice general  
18 internal medicine, general surgery, family medicine, obstetrics  
19 and gynecology, pediatrics, or psychiatry in an eligible  
20 community for a period of four years under rules adopted by  
21 the commission. The student shall repay the scholarship to  
22 the commission if the student fails to practice in an eligible  
23 community as agreed to for the required period of time.

24     4. *Loan repayment.* A physician who graduates from the state  
25 university of Iowa college of medicine by December 31, 2016,  
26 shall be eligible for the physician loan repayment program if  
27 the physician agrees to practice general internal medicine,  
28 general surgery, family medicine, obstetrics and gynecology,  
29 pediatrics, or psychiatry in an eligible community for a period  
30 of four years under rules adopted by the commission. The state  
31 university of Iowa college of medicine shall assist eligible  
32 communities to identify and recruit physicians eligible for  
33 the loan repayment program. The contract for loan repayment  
34 shall stipulate that the physician repay any funds paid on the  
35 physician's loan by the commission if the physician fails to

1 practice in an eligible community for the required period of  
2 time.

3 5. *Eligible community.* For purposes of this section,  
4 "*eligible community*" means any area in this state that is not  
5 located within twenty miles of the boundary of a city having  
6 a population of twenty thousand or more. The physician shall  
7 choose the practice location and the eligible community may  
8 offer additional benefits to the physician.

9 6. *Revolving fund.* An allopathic physician recruitment  
10 revolving fund is created in the state treasury as a separate  
11 fund under the control of the commission. The commission shall  
12 deposit payments made by allopathic physician recruitment  
13 program assistance recipients and the proceeds from the sale  
14 of allopathic physician loans into the allopathic physician  
15 recruitment revolving fund. Moneys credited to the fund  
16 shall be used to supplement moneys appropriated for the  
17 allopathic physician recruitment program and to pay for loan or  
18 interest repayment defaults by program assistance recipients.  
19 Notwithstanding section 8.33, any balance in the fund on June  
20 30 of any fiscal year shall not revert to the general fund of  
21 the state.

22 Sec. 2. COLLEGE STUDENT AID COMMISSION. There is  
23 appropriated from the general fund of the state to the college  
24 student aid commission for the fiscal year beginning July 1,  
25 2012, and ending June 30, 2013, the following amount, or so  
26 much thereof as is necessary, to be used for the purposes  
27 designated:

28 For purposes of the allopathic physician recruitment program  
29 established pursuant to section 261.21:  
30 ..... \$ 400,000

31 EXPLANATION

32 This bill establishes an allopathic physician recruitment  
33 program to be administered by the college student aid  
34 commission for, and in conjunction with, the state university  
35 of Iowa college of medicine. The bill also establishes a

1 revolving fund for the program in the state treasury under  
2 the control of the commission. The allopathic physician  
3 recruitment program consists of a forgivable loan program and  
4 a tuition scholarship program for students enrolled at the  
5 university's college of medicine in a program leading to a  
6 doctor of medicine degree, and a loan repayment program for  
7 physicians who graduated from the university's college of  
8 medicine. The maximum amount of program assistance a person  
9 may qualify to receive is \$100,000. The bill appropriates  
10 \$400,000 from the general fund of the state to the commission  
11 for the 2012-2013 fiscal year for the program.

12 To receive any kind of assistance under the program each  
13 student or physician must agree to practice general internal  
14 medicine, general surgery, family medicine, obstetrics and  
15 gynecology, pediatrics, or psychiatry in an eligible community  
16 for a period of four years.

17 Forgivable loans to students, who must be residents, do  
18 not become due until after the student completes a residency  
19 program. Interest on the loans shall begin to accrue the day  
20 following the student's graduation date. The individual's  
21 total loan amount, including principal and interest, shall be  
22 reduced by 25 percent for each year in which the individual  
23 remains an Iowa resident and practices as agreed. The  
24 individual shall repay the loan amount, including remaining  
25 principal and interest, for any year in the four-year period  
26 in which the individual fails to practice as required. If the  
27 commission determines that the individual who entered into the  
28 forgivable loan agreement with the commission does not meet the  
29 criteria for loan forgiveness, the commission shall establish a  
30 plan for repayment of the principal and interest over a 10-year  
31 period. If the individual required to make repayment does not  
32 make the required payments, the commission shall provide for  
33 payment collection.

34 The tuition scholarship shall be for an amount not to exceed  
35 the annual tuition for the university's college of medicine. A

1 student who receives a tuition scholarship may also be eligible  
2 for the loan repayment program. The student shall repay the  
3 scholarship to the commission if the student fails to practice  
4 as agreed to in an eligible community for the required period  
5 of time.

6 To be eligible for the physician loan repayment program,  
7 a physician must graduate from the university's college of  
8 medicine by December 31, 2016. The university's college of  
9 medicine must assist eligible communities to identify and  
10 recruit physicians eligible for the program. The contract for  
11 loan repayment shall stipulate that the physician repay any  
12 funds paid on the physician's loan by the commission if the  
13 physician fails to practice in an eligible community for the  
14 required period of time.

15 "Eligible community" is defined as any area in this state  
16 that is not located within 20 miles of the boundary of a city  
17 having a population of 20,000 or more. The physician shall  
18 choose the practice location and the eligible community may  
19 offer additional benefits to the physician.

20 Moneys in the allopathic physician recruitment revolving  
21 fund shall be used to supplement moneys appropriated for the  
22 program and to pay for loan or interest repayment defaults by  
23 program assistance recipients. Any balance in the fund on June  
24 30 of any fiscal year shall not revert to the general fund of  
25 the state.