

House Study Bill 595 - Introduced

HOUSE FILE _____

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

A BILL FOR

1 An Act establishing a rural Iowa primary care grant and
2 forgivable loan program to be administered by the college
3 student aid commission, a rural Iowa primary care trust
4 fund, and making appropriations.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.115 Rural Iowa primary care
2 grant and forgivable loan program — fund — appropriations.

3 1. *Program established.* A rural Iowa primary care grant and
4 forgivable loan program is established to be administered by
5 the college student aid commission for purposes of providing
6 grants and forgivable loans to medical students who agree to
7 practice as physicians in service commitment areas for two
8 years.

9 2. *Eligibility.* An individual is eligible to apply to enter
10 into a program agreement with the commission if the individual
11 is enrolled in the state university of Iowa college of medicine
12 or Des Moines university — osteopathic medical center in a
13 curriculum leading to a doctor of medicine degree or a doctor
14 of osteopathy degree.

15 3. *Program agreements.* A program agreement shall be
16 entered into by an eligible student and the commission when
17 the eligible student begins the curriculum leading to a doctor
18 of medicine or osteopathy degree. Under the agreement, the
19 eligible student shall receive a grant award and forgivable
20 loan in accordance with subsection 5, and the eligible student
21 shall agree to meet all of the following requirements:

22 a. Receive a doctor of medicine or osteopathy degree from
23 an eligible university and apply for, enter, and complete a
24 residency program approved by the commission.

25 b. Apply for and obtain a license to practice medicine and
26 surgery or osteopathic medicine and surgery in this state.

27 c. Within nine months of receiving a license in accordance
28 with paragraph "b", engage in the full-time practice of medicine
29 and surgery or osteopathic medicine and surgery specializing in
30 family medicine, pediatrics, psychiatry, internal medicine, or
31 general surgery for a period of forty-eight consecutive months
32 in the service commitment area specified under subsection
33 6, unless the grant recipient receives a waiver from the
34 commission to complete the months of practice required under
35 the agreement in another service commitment area pursuant to

1 subsection 6.

2 4. *Priority to Iowa residents.* In awarding grants, the
3 commission shall give priority to eligible students who are
4 residents of Iowa upon enrolling in the university.

5 5. *Grant awards and forgivable loan amounts.*

6 a. The amount of a program grant to a full-time student
7 who enters into an agreement pursuant to subsection 3 shall
8 be not more than thirty thousand dollars annually for tuition
9 and mandatory fees. The amount of a forgivable loan shall be
10 not more than twenty thousand dollars annually for the living
11 expenses of the grant recipient.

12 b. The commission shall not enter into more than twenty
13 program agreements annually, and the aggregate total of grants
14 awarded shall not exceed eighty in a fiscal year. Fifty
15 percent of the grants shall be awarded to students attending
16 each university described in subsection 2. However, if
17 there are fewer than ten eligible student applicants at one
18 university, eligible student applicants enrolled in the other
19 university may be awarded the remaining grants.

20 6. *Selection of service commitment area.* A grant recipient
21 shall notify the commission of the recipient's service
22 commitment area prior to beginning practice in the area in
23 accordance with subsection 3, paragraph "c". The commission
24 may waive the requirement that the grant recipient practice in
25 the same service commitment area for all forty-eight months.

26 7. *Failure to satisfy agreement — repayment provisions.*

27 a. Except as otherwise provided in this subsection, a
28 person who entered into an agreement pursuant to subsection 3
29 and fails to meet the requirements of the agreement shall be
30 subject to the following:

31 (1) Except as provided in subsection 8, a person who fails
32 to engage in the full-time practice of medicine and surgery or
33 osteopathic medicine and surgery within a service commitment
34 area for the required period of time shall repay the commission
35 an amount equal to the total of the amount of grant and

1 forgivable loan moneys received by the person pursuant to the
2 agreement or the amount of money determined under rules adopted
3 by the commission, plus annual interest at the rate of ten
4 percent per annum from the date such money was received.

5 (2) A person who fails to apply for and enter residency
6 in accordance with the agreement shall be required to repay
7 the commission, upon graduation from the eligible university
8 or upon termination or completion of a residency that does
9 not comply with the provisions of the agreement, whichever is
10 later, an amount equal to the total of the amount of grant and
11 forgivable loan moneys received by the person pursuant to the
12 agreement or the amount of money determined under rules adopted
13 by the commission, plus annual interest at the rate of fifteen
14 percent per annum.

15 b. Repayment of an amount determined pursuant to paragraph
16 "a" shall be made in not more than ten equal annual installment
17 payments. Repayment shall commence six months after the
18 date on which the commission determined that the person was
19 noncompliant with the agreement pursuant to paragraph "a".
20 If an installment payment is more than ninety days overdue,
21 the entire repayment amount, including interest, shall become
22 immediately due and payable. The total repayment obligation
23 imposed on a person pursuant to this subsection may be
24 satisfied by the person at any time prior to graduation from
25 an eligible university if the person makes a single lump-sum
26 payment equal to the total of the entire amount received, plus
27 all amounts of interest accrued as determined by the commission
28 under the terms of the agreement.

29 c. If at any time a person who is making repayments pursuant
30 to paragraph "a", subparagraph (1), takes actions which
31 secure compliance with the agreement entered into pursuant
32 to subsection 3, the commission shall waive the balance of
33 the repayment amount, including any interest accrued on the
34 balance of the repayment amount, from the time the commission
35 determines that the person secured compliance with the

1 agreement until the person's obligation is satisfied, or until
2 such time as the person again becomes subject to repayments for
3 noncompliance. Any repayment amount due prior to the time the
4 commission determines that the person secured compliance with
5 the agreement shall continue to be payable as determined by the
6 commission pursuant to this subsection.

7 8. *Part-time practice — agreement amended.* A person who
8 entered an agreement pursuant to subsection 3 may apply to the
9 commission to amend the agreement to allow the person to engage
10 in less than the full-time practice specified in the agreement
11 and under subsection 3, paragraph "c". If the commission
12 determines exceptional circumstances exist, the commission and
13 the person may consent to amend the agreement under which the
14 person shall engage in less than full-time practice of medicine
15 and surgery or osteopathic medicine and surgery specializing in
16 family medicine, pediatrics, psychiatry, internal medicine, or
17 general surgery in a service commitment area for an extended
18 period of part-time practice determined by the commission to
19 be proportional to the amount of full-time practice remaining
20 under the original agreement.

21 9. *Postponement and satisfaction of service obligation.*

22 a. The obligation to engage in practice in accordance with
23 subsection 3 shall be postponed for the following purposes:

24 (1) Active duty status in the armed forces, the armed forces
25 military reserve, or the national guard.

26 (2) Service in volunteers in service to America.

27 (3) Service in the federal peace corps.

28 (4) A period of service commitment to the United States
29 public health service commissioned corps.

30 (5) A period of religious missionary work conducted by an
31 organization exempt from federal income taxation pursuant to
32 section 501(c)(3) of the Internal Revenue Code.

33 (6) Any period of temporary medical incapacity during which
34 the person obligated is unable, due to a medical condition, to
35 engage in full-time practice as required under subsection 3,

1 paragraph "c".

2 **b.** Except for a postponement under paragraph "a",
3 subparagraph (6), an obligation to engage in practice under an
4 agreement pursuant to subsection 3, shall not be postponed for
5 more than two years from the time the full-time practice was to
6 have commenced under the agreement.

7 **c.** An obligation to engage in full-time practice under
8 an agreement entered into pursuant to subsection 3 shall be
9 considered satisfied when any of the following conditions are
10 met:

11 (1) The terms of the agreement are completed.

12 (2) The person who entered into the agreement dies.

13 (3) The person who entered into the agreement, due to
14 a permanent disability, is unable to practice medicine and
15 surgery or osteopathic medicine and surgery.

16 10. *Trust fund established.*

17 **a.** A rural Iowa primary care trust fund is created in the
18 state treasury as a separate fund under the control of the
19 commission. The commission shall remit all repayments made
20 pursuant to this section to the rural Iowa primary care trust
21 fund. All moneys deposited or paid into the trust fund are
22 appropriated and made available to the commission to be used
23 for meeting the requirements of this section. Notwithstanding
24 section 8.33, any balance in the fund on June 30 of each fiscal
25 year shall not revert to the general fund of the state, but
26 shall be available for purposes of this section in subsequent
27 fiscal years.

28 **b.** There is appropriated from the general fund of the
29 state to the rural Iowa primary care trust fund, the following
30 amounts for the following designated fiscal years for purposes
31 of the rural Iowa primary care grant program:

32 (1) For the fiscal year beginning July 1, 2012, and ending
33 June 30, 2013, the sum of one million dollars.

34 (2) For the fiscal year beginning July 1, 2013, and ending
35 June 30, 2014, the sum of two million dollars.

1 (3) For the fiscal year beginning July 1, 2014, and ending
2 June 30, 2015, the sum of three million dollars.

3 (4) For the fiscal year beginning July 1, 2015, and each
4 fiscal year thereafter, the sum of four million dollars.

5 11. *Definitions.* For purposes of this section:

6 a. "*Eligible university*" means either the state university
7 of Iowa college of medicine or Des Moines university —
8 osteopathic medical center.

9 b. "*Service commitment area*" means a city in Iowa with a
10 population of less than twenty thousand that is located more
11 than twenty miles from a city with a population of fifty
12 thousand or more.

13 EXPLANATION

14 This bill establishes a rural Iowa primary care grant and
15 forgivable loan program to be administered by the college
16 student aid commission for purposes of providing grants and
17 forgivable loans to medical students who agree to practice
18 as physicians in service commitment areas for four years,
19 establishes a rural Iowa primary care trust fund, and
20 appropriates moneys to the fund from the general fund of the
21 state in escalating amounts of \$1 million, \$2 million, \$3
22 million, and \$4 million for each fiscal year in the fiscal
23 period beginning in FY 2012-2013 and ending in FY 2015-2016,
24 and appropriating \$4 million to the fund for each fiscal year
25 thereafter.

26 An individual is eligible to apply to the commission to
27 enter into a program agreement with the commission if the
28 individual is enrolled in the university of Iowa college of
29 medicine or Des Moines university — osteopathic medical center
30 in a curriculum leading to a doctor of medicine or osteopathy
31 degree.

32 Under the agreement, the eligible student receives an annual
33 grant award of up to \$30,000 for tuition and mandatory fees
34 and an annual forgivable loan amount of up to \$20,000 for
35 living expenses, and the eligible student agrees to receive a

1 doctor of medicine or osteopathy degree; apply for, enter, and
2 complete a residency program approved by the commission; apply
3 for and obtain a license to practice medicine and surgery or
4 osteopathic medicine and surgery in this state; and, within
5 nine months of receiving a license, engage in the full-time
6 practice of medicine and surgery, specializing in family
7 medicine, pediatrics, psychiatry, internal medicine, or general
8 surgery for 48 consecutive months in the service commitment
9 area, unless the grant recipient receives a waiver from the
10 commission to complete the months of practice required under
11 the agreement in another service commitment area. A service
12 commitment area is defined to mean a city in Iowa with a
13 population of less than 20,000 that is located more than 20
14 miles from a city with a population of 50,000 or more.

15 In awarding grants, the commission shall give priority to
16 eligible students who are residents of Iowa upon enrolling in
17 the university.

18 Not more than 20 program agreements may be entered into
19 annually, and the aggregate total of grants awarded shall not
20 exceed 80 in a fiscal year. Fifty percent of the grants shall
21 be awarded to students attending each university, though if
22 there are fewer than 10 eligible student applicants at one
23 university, eligible student applicants enrolled in the other
24 university may be awarded the remaining grants.

25 A person who fails to meet the requirements of the program
26 agreement shall be subject to repayment. If the person fails
27 to engage in the full-time practice of medicine and surgery
28 within a service commitment area for the required period of
29 time, the person must repay the commission the total amount
30 of the grant and forgivable loan moneys received plus annual
31 interest at the rate of 10 percent per annum from the date such
32 money was received. A person who fails to apply for and enter
33 residency shall be required to repay, upon graduation or upon
34 termination or completion of a residency that does not comply
35 with the provisions of the agreement, whichever is later, an

1 amount equal to the total of the amount of grant and forgivable
2 loan moneys received, plus annual interest at the rate of 15
3 percent per annum.

4 Repayment shall be made in not more than 10 equal annual
5 installment payments, and shall commence six months after
6 the date on which the commission determined that the person
7 was noncompliant. If an installment payment is more than 90
8 days overdue, the entire repayment amount including interest
9 shall become immediately due and payable. The total repayment
10 obligation may be satisfied at any time prior to graduation if
11 the person makes a single lump-sum payment equal to the total
12 amount received plus all amounts of interest accrued.

13 The commission is authorized to waive future repayments
14 for a person who is making repayments but who takes action to
15 secure compliance with the agreement. Any repayment amount due
16 prior to the time the commission determines that the person
17 secured compliance with the agreement shall continue to be
18 payable as determined by the commission.

19 A person may apply to the commission to amend the agreement
20 to allow the person to engage in less than full-time practice.
21 If the commission determines exceptional circumstances
22 exist, the commission and the person may consent to amend
23 the agreement to provide for an extended period of part-time
24 practice determined by the commission to be proportional to
25 the amount of full-time practice remaining under the original
26 agreement.

27 The obligation to engage in practice may be postponed
28 for active duty status in the armed forces, the armed forces
29 military reserve, or the national guard; service in volunteers
30 in service to America; service in the federal peace corps; a
31 period of service commitment to the U.S. public health service
32 commissioned corps; a period of religious missionary work; or
33 any period of temporary medical incapacity. However, except
34 for periods of medical incapacity, a postponement cannot last
35 more than two years.

H.F. _____

1 The obligation shall be considered satisfied when the terms
2 of the agreement are completed, the person dies, or the person,
3 due to a permanent disability, is unable to practice medicine
4 and surgery.