

Sec. 118. Section 554.9206, subsection 1, Code 1993, is amended to read as follows:

1. Subject to any statute or decision which establishes a different rule for buyers or lessees of consumer goods, an agreement by a buyer or lessee that the buyer or lessee will not assert against an assignee any claim or defense which the buyer or lessee may have against the seller or lessor is enforceable by an assignee who takes that assignee's assignment for value, in good faith and without notice of a claim or defense, except as to defenses of a type which may be asserted against a holder in due course of a negotiable instrument under the Article on Commercial Paper Negotiable Instruments (Article 3). A buyer who as part of one transaction signs both a negotiable instrument and a security agreement makes such an agreement.

Sec. 119. NEW SECTION. 668.16 APPLICABILITY OF THIS CHAPTER.

This chapter does not apply to Article 3 or 4 of chapter 554.

Sec. 120. DIRECTION TO CODE EDITOR.

The Code editor, in cooperation with the legislative service bureau and in conformity with the policies of the legislative council, is directed to renumber sections in this Act in conformance with the numbering system included in the model Act as recommended by the American law institute and national conference of commissioners on uniform state laws, and to correct internal references as necessary.

Sec. 121. REPEALS.

1. Sections 554.3101 through 554.3806, Code 1993, are repealed.
2. Section 554.4109, Code 1993, is repealed.

Sec. 122. EFFECTIVE DATE. This Act takes effect July 1, 1995.

Approved May 10, 1994

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## CHAPTER 1168

### HEALTH CARE PROVIDERS — RURAL HEALTH AND PRIMARY CARE

*H.F. 2422*

**AN ACT** relating to health care providers and to the establishment of a primary care provider recruitment and retention endeavor and providing an appropriation.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. LEGISLATIVE FINDINGS. The general assembly finds that a significant number of rural Iowans face increasing difficulty accessing necessary primary care health services. The inequities of the current medical services reimbursement system, the closure of rural hospitals and clinics, the inability of small communities to attract new primary care providers, and the professional isolation that current primary care providers face in their practices contribute to the access problems experienced by Iowa's rural residents. Health care reform will significantly change the environment in which primary care is provided in Iowa. Rural communities must be supported in their strategies to ensure access to the benefits of affordable, accessible, and quality health care. New and innovative programs to assist these rural communities with this task must be promoted.

It is therefore the intent of the general assembly to create a comprehensive primary health care initiative to respond to these health needs. The purposes of the primary care provider recruitment and retention endeavor shall be the following:

1. To establish a student loan repayment program for health professionals who choose to establish practices in provider-shortage areas.

2. To establish a community scholarship program to provide students with assistance with their professional education in exchange for a commitment to return to the community and provide primary health care.

3. To initiate a collaborative effort to establish area health education centers.

4. To enable the center for rural health and primary care to help local communities identify current and evolving health care needs as well as innovative and collaborative options using local, state, and federal resources to help resolve those needs.

5. To provide for an appropriation by the general assembly that, when matched with federal, local, and other private funds, make possible the implementation of a comprehensive primary health care initiative as set out in this Act.

Sec. 2. Section 135.13, Code 1993, is amended to read as follows:

135.13 OFFICE OF CENTER FOR RURAL HEALTH AND PRIMARY CARE ESTABLISHED – DUTIES.

1. ~~The office of center for rural health and primary care is established within the department. There is established an advisory committee to the office of center for rural health and primary care consisting of one representative, approved by the respective agency, of each of the following agencies: the department of human services, the department of agriculture and land stewardship, the Iowa department of public health, the department of inspections and appeals, the national institute for rural health policy, the rural health resource center, the institute of agricultural medicine and occupational health, and the Iowa state association of counties; and the health policy corporation of Iowa. The governor shall appoint two representatives of consumer groups active in rural health issues and a representative of each of two farm organizations active within the state, a representative of an agricultural business in the state, a practicing rural family physician, a practicing rural physician assistant, a practicing rural advanced registered nurse practitioner, and a rural health practitioner who is not a physician, physician assistant, or advanced registered nurse practitioner, as members of the advisory committee. Two state senators appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and two state representatives appointed by the speaker of the house of representatives shall also be members of the advisory committee. Of the members appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and the speaker of the house of representatives, not more than one from each house shall be a member of the same political party. The advisory committee shall also include as members two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.~~

The advisory committee shall regularly meet with the administrative head of the office center as well as the director of the center for agricultural health and safety established under section 262.78. The head of the office and the director of the center shall consult with the advisory committee and provide the committee with relevant information regarding their agencies.

2. ~~The office of center for rural health and primary care shall do all of the following:~~

a. ~~Provide technical planning assistance grants to rural communities and counties exploring alternative innovative means of delivering rural health services through community health services assessment, planning, and implementation, including but not limited to hospital conversions, cooperative agreements among hospitals, physician and health practitioner support, recruitment and retention of primary health care providers, public health services, emergency medical services, medical assistance facilities, rural health care clinics, and alternative means which may be included in the long-term community health services assessment and developmental plan developed under this paragraph or in a long term plan developed through the rural health transition grant program pursuant to the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203, § 4005(e). The office of center for rural health and primary care shall encourage collaborative efforts of the local boards of health, and hospital governing boards,~~

and other public and private entities located in rural communities to adopt a long-term community health services assessment and developmental plan as provided in section 135B.33 pursuant to rules adopted by the department and perform the duties required of the Iowa department of public health in section 135B.33.

b. Provide competitive research grants, to be awarded by the advisory committee, to conduct economic analyses of the effects of health care restructuring models on rural communities, including but not limited to the employment effects on the community of redirecting funds to new areas of service, the overall effects of redirection of the funds on the number of health care dollars expended within the rural community, and the benefit to the health of patients of redirecting the funds.

e. The office of rural health shall make a report to the general assembly regarding the impact of the current compensation structure under medicare on rural hospitals and other health care providers, shall provide information regarding the current compensation system to Iowa's congressional delegation, and shall make recommendations to the general assembly regarding recommendations to be made to Iowa's congressional delegation to improve the compensation structure.

d. For the purposes of this section, "medicare" means the program of health insurance established under Title XVIII of the federal Social Security Act.

e b. Provide technical assistance to assist rural communities in improving medicare reimbursements through the establishment of rural health clinics, defined pursuant to 42 U.S.C. § 1395(x), and distinct part skilled nursing facility beds.

f c. Coordinate services to provide research for the following items:

(1) Examination of the prevalence of rural occupational health injuries in the state.

(2) Assessment of training and continuing education available through local hospitals and others relating to diagnosis and treatment of diseases associated with rural occupational health hazards.

(3) Determination of continuing education support necessary for rural health practitioners to diagnose and treat illnesses caused by exposure to rural occupational health hazards.

(4) Determination of the types of actions that can help prevent agricultural accidents.

(5) Surveillance and reporting of disabilities suffered by persons engaged in agriculture resulting from diseases or injuries, including identifying the amount and severity of agricultural-related injuries and diseases in the state, identifying causal factors associated with agricultural-related injuries and diseases, and indicating the effectiveness of intervention programs designed to reduce injuries and diseases.

g d. Cooperate with the center for agricultural health and safety established under section 262.78, the center for health effects of environmental contamination established under section 263.17, and the department of agriculture and land stewardship. The agencies shall coordinate programs to the extent practicable.

e. Administer grants for farm safety education efforts directed to rural families for the purpose of preventing farm-related injuries to children.

3. The center for rural health and primary care shall establish a primary care provider recruitment and retention endeavor, to be known as PRIMECARRE. The endeavor shall include a community grant program, a primary care provider loan repayment program, a primary care provider community scholarship program, and the establishment of area health education centers. The endeavor shall be developed and implemented in a manner to promote and accommodate local creativity in efforts to recruit and retain health care professionals to provide services in the locality. The focus of the endeavor shall be to promote and assist local efforts in developing health care provider recruitment and retention programs. Eligibility under any of the programs established under the primary care provider recruitment and retention endeavor shall be based upon a community health services assessment completed under subsection 2, paragraph "a". A community or region, as applicable, shall submit a letter of intent to conduct a community health services assessment and to apply for assistance under this subsection. The letter shall be in a form and contain information as determined by the center. A

letter of intent shall be submitted to the center by January 1 preceding the fiscal year for which an application for assistance is to be made. Assistance under this subsection shall not be granted until such time as the community or region making application has completed the community health services assessment and adopted a long-term community health services assessment and developmental plan. In addition to any other requirements, a developmental plan shall include a clear commitment to informing high school students of the health care opportunities which may be available to such students.

The center for rural health and primary care shall seek additional assistance and resources from other state departments and agencies, federal agencies and grant programs, private organizations, and any other person, as appropriate. The center is authorized and directed to accept on behalf of the state any grant or contribution, federal or otherwise, made to assist in meeting the cost of carrying out the purpose of this subsection. All federal grants to and the federal receipts of the center are appropriated for the purpose set forth in such federal grants or receipts. Funds appropriated by the general assembly to the center for implementation of this subsection shall first be used for securing any available federal funds requiring a state match, with remaining funds being used for the community grant program.

The center for rural health and primary care may, to further the purposes of this subsection, provide financial assistance in the form of grants to support the effort of a community which is clearly part of the community's long-term community health services assessment and developmental plan. Efforts for which such grants may be awarded include, but are not limited to, the procurement of clinical equipment, clinical facilities, and telecommunications facilities, and the support of locum tenens arrangements and primary care provider mentor programs.

a. **COMMUNITY GRANT PROGRAM.** The center for rural health and primary care shall adopt rules establishing an application process to be used by the center to establish a grant assistance program as provided in this paragraph, and establishing the criteria to be used in evaluating the applications. Selection criteria shall include a method for prioritizing grant applications based on illustrated efforts to meet the health care provider needs of the locality and surrounding area. Such assistance may be in the form of a forgivable loan, grant, or other non-financial assistance as deemed appropriate by the center. An application submitted shall contain a commitment of at least a dollar-for-dollar match of the grant assistance. Application may be made for assistance by a single community or group of communities.

Grants awarded under the program shall be subject to the following limitations:

(1) Ten thousand dollars for a single community or region with a population of ten thousand or less. An award shall not be made under this program to a community with a population of more than ten thousand.

(2) An amount not to exceed one dollar per capita for a region in which the population exceeds ten thousand. For purposes of determining the amount of a grant for a region, the population of the region shall not include the population of any community with a population of more than ten thousand located in the region.

b. **PRIMARY CARE PROVIDER LOAN REPAYMENT PROGRAM.**

(1) A primary care provider loan repayment program is established to increase the number of health professionals practicing primary care in federally designated health professional shortage areas of the state. Under the program, loan repayment may be made to a recipient for educational expenses incurred while completing an accredited health education program directly related to obtaining credentials necessary to practice the recipient's health profession.

(2) The center for rural health and primary care shall adopt rules relating to the establishment and administration of the primary care provider loan repayment program. Rules adopted pursuant to this paragraph shall provide, at a minimum, for all of the following:

(a) Determination of eligibility requirements and qualifications of an applicant to receive loan repayment under the program, including but not limited to years of obligated service which shall be for a minimum of ten years unless federal requirements for the program require differently, clinical practice requirements, and residency requirements. Loan repayment under the program shall not be approved for a health provider whose license or certification is restricted by a medical regulatory authority of any jurisdiction of the United States, other nations, or territories.

(b) Identification of federally designated health professional shortage areas of the state and prioritization of such areas according to need.

(c) Determination of the amount and duration of the loan repayment an applicant may receive, giving consideration to the availability of funds under the program, and the applicant's outstanding educational loans and professional credentials.

(d) Determination of the conditions of loan repayment applicable to an applicant.

(e) Enforcement of the state's rights under a loan repayment program contract, including the commencement of any court action.

(f) Cancellation of a loan repayment program contract for reasonable cause.

(g) Participation in federal programs supporting repayment of loans of health care providers and acceptance of gifts, grants, and other aid or amounts from any person, association, foundation, trust, corporation, governmental agency, or other entity for the purposes of the program.

(h) Upon availability of state funds, determine eligibility criteria and qualifications for participating communities and applicants not located in federally designated shortage areas.

(i) Other rules as necessary.

(3) The center for rural health and primary care may enter into an agreement under chapter 28E with the college student aid commission for the administration of this program.

#### c. PRIMARY CARE PROVIDER COMMUNITY SCHOLARSHIP PROGRAM.

(1) A primary care provider community scholarship program is established to recruit and to provide scholarships to train primary health care practitioners in federally designated health professional shortage areas of the state. Under the program, scholarships may be awarded to a recipient for educational expenses incurred while completing an accredited health education program directly related to obtaining the credentials necessary to practice the recipient's health profession.

(2) The department shall adopt rules relating to the establishment and administration of the primary care provider community scholarship program. Rules adopted pursuant to this paragraph shall provide, at a minimum, for all of the following:

(a) Determination of eligibility requirements and qualifications of an applicant to receive scholarships under the program, including but not limited to years of obligated service which shall be for a minimum of ten years unless federal requirements for the program require differently, clinical practice requirements, and residency requirements.

(b) Identification of federally designated health professional shortage areas of the state and prioritization of such areas according to need.

(c) Determination of the amount of the scholarship an applicant may receive.

(d) Determination of the conditions of scholarship to be awarded to an applicant.

(e) Enforcement of the state's rights under a scholarship contract, including the commencement of any court action.

(f) Cancellation of a scholarship contract for reasonable cause.

(g) Participation in federal programs supporting scholarships for health care providers and acceptance of gifts, grants, and other aid or amounts from any person, association, foundation, trust, corporation, governmental agency, or other entity for the purposes of the program.

(h) Upon availability of state funds, determination of eligibility criteria and qualifications for participating communities and applicants not located in federally designated shortage areas.

(i) Other rules as necessary.

(3) The center for rural health and primary care may enter into an agreement under chapter 28E with the college student aid commission for the administration of this program.

#### d. AREA HEALTH EDUCATION CENTERS.

(1) The Iowa department of public health, in cooperation with a primary care collaborative effort including the university of Iowa college of medicine, the university of osteopathic medicine and health sciences, and other primary care professional educational institutions in Iowa, shall develop and establish area health education centers. The effort shall involve making application for a federal grant under 42 U.S.C. § 293j, as prescribed by that section.

(2) Area health education centers shall, at a minimum, do all of the following:

(a) Provide initial and continuing education opportunities to primary care providers.

(b) Allow health professionals to consult with specialists, scholars, peers, and other health care professionals.

(c) Enable health professionals to access medical libraries and other research resources.

(d) Provide for enhanced opportunities for professional student programs, internships and residencies in primary care in rural areas.

(3) Points of access to area health education centers shall be geographically distributed across the state to improve services to all rural primary health care providers. Area health education centers shall utilize, to the extent feasible, current university residency programs, existing health care facilities, existing educational institutions, the Iowa communications network, and other appropriate resources to ensure access.

(4) Implementation of this lettered paragraph is contingent upon the receipt of federal funding awarded specifically for the implementation of area health education centers.

4. The director of public health shall establish a primary care collaborative work group to coordinate all statewide recruitment and retention activities established pursuant to this section and to make recommendations to the department and the center for rural health and primary care relating to the implementation of subsection 3. Membership of the work group shall consist, at a minimum, of representatives from the university of Iowa college of medicine, university of osteopathic medicine and health sciences, university of Iowa physician assistant school, university of Iowa nurse practitioner school, university of osteopathic medicine and health sciences physician assistant program, Iowa-Nebraska primary care association, Iowa medical society, Iowa osteopathic medical association, Iowa chapter of American college of osteopathic family physicians, Iowa academy of family physicians, nurse practitioner association, Iowa nurses association, Iowa hospital association, and Iowa physicians assistants association.

5. The department and the center for rural health and primary care shall submit a written report annually to the general assembly on or before February 1 concerning the implementation and coordination of all efforts of the primary care provider recruitment and retention endeavor established in subsection 3.

Sec. 3. CENTER FOR RURAL HEALTH AND PRIMARY CARE. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the primary care provider recruitment and retention endeavor established in section 135.13, subsection 3:

..... \$ 235,000

Funds appropriated under this section shall first be used to secure any available federal funds requiring a state match, with remaining funds being used for the community grant program established pursuant to section 135.13, subsection 3.

Approved May 10, 1994