

1 HB186  
2 173630-1  
3 By Representatives Lee, Chesteen and Clouse  
4 RFD: Ways and Means Education  
5 First Read: 11-FEB-16

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8 SYNOPSIS: This bill would create the Alabama  
9 Physician's Assistants Service Program, to be  
10 administered by the Board of Medical Scholarship  
11 Awards, and would provide for the funding of the  
12 Program by the Education Trust Fund. This bill  
13 would also provide a state income tax credit for  
14 participants in the Program.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 To create the Alabama Physician's Assistants Service  
21 Program; to establish and describe the program, to be  
22 administered by the Board of Medical Scholarship Awards; to  
23 provide that the program will be funded by direct  
24 appropriation from the Education Trust Fund; to provide  
25 definitions; to outline the procedure for the Board to award  
26 loans and require loan repayment through work in medically  
27 underserved areas, called areas of critical need; to define

1 areas of critical need; to establish provisions for default or  
2 other failure to honor loan-repayment contracts between  
3 participants and the Board; to provide a state income-tax  
4 credit for participants; and to further provide requirements  
5 and powers of the Board for operating the program.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. For the purposes of this act, the  
8 following words shall have the following meanings, unless the  
9 context clearly indicates otherwise:

10 (1) AREA OF CRITICAL NEED. An area with a critical  
11 need for more physician's assistants, as determined by the  
12 Board, where participants may work to repay loans received  
13 under the Program.

14 (2) BOARD. The Alabama Board of Medical Scholarship  
15 Awards created in Section 16-47-121, Code of Alabama 1975.

16 (3) PARTICIPANT. Any person awarded a loan under  
17 the Program.

18 (4) PROGRAM. The Alabama Physician's Assistants  
19 Service Program.

20 Section 2. There is hereby created and established  
21 the Alabama Physician's Assistant Service Program. The program  
22 shall be administered by the Board of Medical Scholarship  
23 Awards created in Section 16-47-121, Code of Alabama 1975. The  
24 Program shall be funded by direct appropriation from the  
25 Education Trust Fund.

26 Section 3. (a) The Board shall establish and award,  
27 according to the judgment of the Board, loans to provide for

1 the training of qualified applicants for admission or students  
2 in any accredited master's degree program for physician  
3 assistant studies at a medical school or college. The Board  
4 may permit eligible people to apply for a loan under the  
5 Alabama Physician's Assistants Service Program in any  
6 scholastic year and for any previously completed scholastic  
7 year. The Board's awarding of loans shall be done after  
8 consultation with the physician's assistant advisory committee  
9 of the Alabama Board of Medical Examiners.

10 (b) The Board may award to an eligible person a loan  
11 or loans totaling in value as much as the average in-state  
12 tuition and required fees charged at public institutions in  
13 Alabama for completing on time a master's degree program for  
14 physician assistant studies. But a loan or loans may be  
15 awarded only to people who have signed contracts with the  
16 Board to work following graduation in full-time clinical  
17 practice for three years as licensed physician's assistants in  
18 areas of critical need.

19 (c) Each participant's loan or loans shall be repaid  
20 by the participant fulfilling the terms of the contract he or  
21 she signed with the Board for work in an area of critical need  
22 for three years.

23 (d) The Board shall make a careful and thorough  
24 investigation of the ability, character and qualifications of  
25 each applicant, and award a loan or loans according to the  
26 judgment of the board and the requirements of this act.

1 (e) A participant, subject to approval by the Board,  
2 may change the area of critical need where he or she will work  
3 to repay loans under this Program, but in no case shall the  
4 participant work in full-time practice for less than three  
5 years in a new area of critical need.

6 Section 4. An area of critical need shall be in  
7 Alabama and shall be a medically underserved area as defined  
8 by the Board. The Board shall give preference in awarding  
9 loans to applicants who agree to repay their loans by working  
10 in an area of critical need that is within a primary-care  
11 health professional shortage area (HPSA) for a geographic  
12 area, recognized by the Health Resources and Services  
13 Administration, or its successor organization, and by the  
14 Alabama Office of Primary Care and Rural Health, or its  
15 successor organization.

16 Section 5. (a) If a participant defaults on or  
17 otherwise fails to honor a loan-repayment contract with the  
18 Board, the individual shall be liable for immediate repayment  
19 of the total principal loan amount plus interest at the rate  
20 of 8 percent, or the prime lending rate, whichever is greater,  
21 accruing from the date of default or other failure to honor  
22 the contract. In addition, the participant shall pay an  
23 additional penalty as specified:

24 (1) For default or other failure to honor a contract  
25 before graduation with a master's degree in physician  
26 assistant studies, a penalty equal to 30 percent of the total

1 principal amount of the loan or loans received by the  
2 participant.

3 (2) For default or other failure to honor a contract  
4 after graduation with a master's degree in physician assistant  
5 studies but prior to completion of the repayment obligation  
6 set forth in Section 3, a penalty equal to 100 percent of the  
7 total principal amount of all loans received by the  
8 participant from the Program.

9 (b) The failure of a participant to honor his or her  
10 contract with the Board or to pay the amount he or she is  
11 liable for under this section shall constitute a ground for  
12 the revocation of his or her license to work as a physician's  
13 assistant in Alabama.

14 (c) The Board may excuse repayment of a loan, in  
15 whole or in part, upon the death of a participant, or upon the  
16 participant becoming disabled to the extent that he or she is  
17 no longer able to work as a physician's assistant, or upon  
18 some other extreme hardship not the fault of the participant.

19 Section 6. (a) The Board annually shall report on  
20 the condition and accomplishments of the Program to the  
21 Governor, lieutenant governor, speaker of the House, president  
22 pro-tem of the Senate and the chairs of the House and Senate  
23 health committees. The report shall include for the reporting  
24 year the locations where participants agreed to serve or where  
25 they were serving to repay loans. The report also shall  
26 outline the finances of the program.

1 (b) The Board shall make reasonable rules and  
2 regulations to implement and administer the Program.

3 (c) The Board shall use any monies it receives from  
4 or for the operation of the Program, including repayments,  
5 interest and penalties paid because of default or other  
6 failure to honor a contract, to fund loans.

7 Section 7. A participant working in full-time  
8 clinical practice in an area of critical need to repay a loan  
9 or loans from the Program shall be allowed a credit against  
10 the tax imposed by Section 40-18-2 in the sum of \$5,000 per  
11 tax year. After a participant has repaid his or her loan  
12 through work in an area of critical need, he or she may  
13 continue to claim the tax credit as long as he or she  
14 continues to work in full-time clinical practice in the same  
15 area of critical need, except that the tax credit may not be  
16 used in more than 10 total tax years. The Department of  
17 Revenue shall promulgate any rules and regulations necessary  
18 to implement and administer the provisions of this section.

19 Section 8. This act shall become effective  
20 immediately following its passage and approval by the  
21 Governor, or its otherwise becoming law.