

HOUSE BILL No. 2236

By Committee on Vision 2020

2-6

1 AN ACT concerning pharmacy students; establishing the pharmacy
2 student loan act; relating to loan forgiveness.

3

4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. The provisions of sections 1 through 9, and amendments
6 thereto, shall be known and may be cited as the pharmacy student loan act.

7 Sec. 2. As used in sections 1 through 9, and amendments thereto:

8 (a) "Act" means the pharmacy student loan act;

9 (b) "approved postgraduate residency training program" means a
10 residency training program in general pediatrics, general internal
11 medicine, family medicine, family practice, emergency medicine or
12 fellowship training in geriatric medicine;

13 (c) "service commitment area" means: (1) Any community within any
14 county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or
15 Wyandotte county; (2) any state pharmacy; (3) the full-time faculty of the
16 university of Kansas school of pharmacy; or (4) any community within
17 Wyandotte county for purposes of any practice obligation under an
18 agreement entered into by a person who is enrolled for the first time after
19 July 1, 2013, in a course of study leading to a pharmacy degree.

20 Sec. 3. The university of Kansas school of pharmacy shall review and
21 evaluate the criteria used in the determination of pharmacologically
22 underserved areas of the state for the purpose of the pharmacy student loan
23 act. On or before January 14, 2014, the university of Kansas school of
24 pharmacy shall submit a report to the legislature relating to such review
25 and evaluation and any other information deemed necessary by the school
26 of pharmacy.

27 Sec. 4. (a) There is hereby established the pharmacy student loan
28 program at the university of Kansas school of pharmacy.

29 (b) Subject to the provisions of appropriation acts, the university of
30 Kansas school of pharmacy may make pharmacy student loans in
31 accordance with the provisions of this act to undergraduate students
32 enrolled in or admitted to the university of Kansas school of pharmacy in a
33 course of instruction leading to the degree of doctor of pharmacy who
34 enter into a written pharmacy student loan agreement with the university
35 of Kansas school of pharmacy in accordance with section 5, and
36 amendments thereto.

1 (c) Each pharmacy student loan agreement under this act shall
2 provide to the person receiving the loan the payment of all tuition and a
3 stipend for living expenses in an amount of up to \$2,000 per month for
4 each month enrolled in such school during a year. Subject to the maximum
5 amount, the amount of the monthly stipend shall be determined on an
6 annual basis by the student receiving the loan.

7 (d) Subject to the provisions of appropriation acts, pharmacy student
8 loan agreements under this act may be entered into on an annual basis and
9 shall provide the payment of the amounts specified under subsection (c)
10 for one year unless otherwise terminated before such period of time.
11 Subject to the provisions of appropriation acts, an undergraduate student
12 enrolled in or admitted to the university of Kansas school of pharmacy in a
13 course of instruction leading to the degree of doctor of pharmacy may
14 receive a separate loan under this act for each separate year the student
15 enters into a written pharmacy student loan agreement with the university
16 of Kansas school of pharmacy in accordance with section 5, and
17 amendments thereto. Loans may be awarded retroactively for any
18 academic year that a student has completed successfully at the university
19 of Kansas school of pharmacy, but for which a loan had not previously
20 been awarded. Retroactive loans shall be in an amount equal to the amount
21 of tuition paid by the student, plus a stipend in an amount not to exceed the
22 maximum amount of the stipend for such academic year multiplied by the
23 number of months for which the student was enrolled at the school of
24 pharmacy during such year. For each separate year a student receives a
25 loan under this act, the student shall engage in the full-time practice of
26 pharmacy in an appropriate service commitment area for a period of 12
27 months unless such obligation is otherwise satisfied as provided in section
28 8, and amendments thereto.

29 (e) Pharmacy student loans shall be awarded on a priority basis as
30 follows: First to qualified applicants who are Kansas residents at the time
31 of entry into the university of Kansas school of pharmacy; and second, to
32 qualified applicants who are not Kansas residents at the time of entry into
33 the university of Kansas school of pharmacy. As used in this subsection,
34 "Kansas residents" means persons who meet the residence requirements
35 established in K.S.A. 76-729, and amendments thereto.

36 Sec. 5. A pharmacy student loan agreement entered into by the
37 university of Kansas school of pharmacy and an undergraduate student
38 enrolled in or admitted to the university of Kansas school of pharmacy in a
39 course of instruction leading to the degree of doctor of pharmacy for the
40 purpose of receiving a pharmacy student loan under this act shall require
41 that the person receiving the loan:

42 (a) Complete the required course of instruction and receive the degree
43 of doctor of pharmacy;

1 (b) apply for and obtain a license to practice pharmacy in Kansas;

2 (c) engage in the full-time practice of pharmacy and surgery for a
3 period of 12 months within a service commitment area, except as
4 otherwise provided in subsection (c) of section 6, and amendments thereto,
5 for service as a full-time faculty member of the university of Kansas
6 school of pharmacy;

7 (d) commence such full-time practice of pharmacy within nine
8 months after completion of an approved postgraduate residency training
9 program and licensure in a service commitment area and continue such
10 full-time practice in such service commitment area for a consecutive
11 period of months equal to the total number of months required under the
12 agreement;

13 (e) agree that the service commitment for each agreement entered into
14 under this act is in addition to the service commitment contained in any
15 other agreement which has been or may be entered into under this act for
16 the purpose of obtaining a pharmacy student loan or under other
17 agreements for the purpose of obtaining scholarship aid;

18 (f) maintain records and make reports to the university of Kansas
19 school of pharmacy to document the satisfaction of the obligation under
20 such agreement to engage in the full-time practice of pharmacy within a
21 service commitment area and to continue such full-time practice in such
22 service commitment area for a consecutive period of months equal to the
23 total number of months required under the agreement; and

24 (g) upon failure to satisfy an agreement to engage in the full-time
25 practice of pharmacy within a service commitment area for the required
26 period of time under any such agreement, the person receiving a pharmacy
27 student loan under this act shall repay amounts to the university of Kansas
28 school of pharmacy as provided in section 7, and amendments thereto.

29 Sec. 6. (a) Upon the selection of a service commitment area for the
30 purposes of satisfying a service obligation under a pharmacy student loan
31 agreement entered into under this act, the person so selecting shall inform
32 the university of Kansas school of pharmacy of the service commitment
33 area selected.

34 (b) A person serving in a service commitment area pursuant to any
35 agreement under this act may serve all or part of any commitment in the
36 service commitment area initially selected by such person. If such person
37 moves from one service commitment area to another service commitment
38 area, such person shall notify the university of Kansas school of pharmacy
39 of such person's change of service commitment area. Service in any such
40 service commitment area shall be deemed to be continuous for the purpose
41 of satisfying any agreement entered into under this act.

42 (c) A person receiving a pharmacy student loan under this act, may
43 satisfy the obligation to engage in the full-time practice of pharmacy in a

1 service commitment area if the person serves as a full-time faculty
2 member of the university of Kansas school of pharmacy and serves two
3 years for each one year of such obligation, or the equivalent thereof on a
4 two-for-one basis, except that, at the time any person commences
5 satisfying such service obligation as a full-time faculty member pursuant
6 to this subsection, the number of persons satisfying service commitments
7 or service obligations, pursuant to agreements under the pharmacy student
8 loan act, as full-time faculty members pursuant to this subsection shall not
9 exceed the number equal to 25% of the total number of full-time faculty
10 members of the university of Kansas school of pharmacy.

11 Sec. 7. (a) (1) Except as otherwise provided in paragraphs (2), (3), (4)
12 and (5) of this subsection (a) or in section 8, and amendments thereto,
13 upon the failure of any person to satisfy the obligation to engage in the
14 full-time practice of pharmacy within a service commitment area of this
15 state for the required period of time under any pharmacy student loan
16 agreement entered into under this act, such person shall repay to the
17 university of Kansas school of pharmacy in accordance with subsection (b)
18 an amount equal to the total of (A) the amount of money received by such
19 person pursuant to such agreement, or the amount of money determined
20 under rules and regulations of the university of Kansas plus (B) annual
21 interest at a rate of 15% from the date such money was received.

22 (2) If at any time a person is failing to satisfy an obligation to engage
23 in the full-time practice of pharmacy in Kansas for the required period of
24 time under an agreement entered into under this act because such person is
25 engaged in the full-time practice of pharmacy in a state other than Kansas,
26 or within Kansas in an area that is not a service commitment area or in the
27 practice of pharmacy which does not otherwise comply with the agreement
28 entered into under this act, and if such person is subject to or currently
29 making repayments under this section and if such person subsequently
30 commences the practice of pharmacy in this state which is in a service
31 commitment area or which otherwise complies with the agreement entered
32 into under this act, the balance of the repayment amount, including interest
33 thereon, from the time of such commencement of practice until the
34 obligation of such person is satisfied, or until the time such person again
35 becomes subject to repayments, shall be waived. All repayment amounts
36 due prior to such commencement of practice, including interest thereon,
37 shall continue to be payable as provided in this section. If subsequent to
38 such commencement of practice, the person fails to satisfy such obligation,
39 the person again shall be subject to repayments, including interest thereon,
40 as otherwise provided in this section.

41 (3) If, during the time a person is satisfying the service requirement
42 of an agreement entered into under this act, such person desires to engage
43 in less than the full-time practice of pharmacy within a service

1 commitment area of the state and remain in satisfaction of such service
2 requirement, such person may make application to the chancellor of the
3 university of Kansas or the designee of the chancellor for permission to
4 engage in less than such full-time practice of pharmacy. Upon a finding of
5 exceptional circumstances made by the chancellor of the university of
6 Kansas, or the designee of the chancellor, such person may be authorized
7 to engage in less than the full-time practice of pharmacy within a service
8 commitment area of the state for the remaining required period of time
9 under such agreement and for an additional period of time which shall be
10 equal to the length of the originally required period of time multiplied by
11 the decimal fraction which is equal to the reduction of the full-time
12 practice of pharmacy to be authorized hereunder, multiplied by two. In any
13 such determination of the period required to be engaged in the less than
14 full-time practice of pharmacy, the decimal fraction utilized shall not
15 exceed 0.5 and any person granted permission to engage in less than the
16 full-time practice of pharmacy in accordance with the provisions of this
17 paragraph (4) shall be required to engage in at least the half-time practice
18 of pharmacy.

19 (b) For any repayment requirement under this section, the person
20 shall repay an amount totaling the entire amount to be repaid under all
21 such agreements for which such obligations are not satisfied, including all
22 amounts of interest at the rate prescribed. The repayment shall be made in
23 not more than 10 equal annual installment payments.

24 (c) All installment payments under this section shall commence six
25 months after the date of the action or circumstance that causes the failure
26 of the person to satisfy the obligations of such agreements, as determined
27 by the university of Kansas school of pharmacy based upon the
28 circumstances of each individual case. In all cases, if an installment
29 payment becomes 91 days overdue, the entire amount outstanding shall
30 become immediately due and payable, including all amounts of interest at
31 the rate prescribed.

32 (d) The total repayment obligation imposed under all agreements
33 entered into under this act may be satisfied by the person who entered into
34 the agreements at any time prior to graduation from the university of
35 Kansas school of pharmacy by making a single lump-sum payment equal
36 to the total of (1) the entire amount to be repaid under all such agreements
37 upon failure to satisfy the obligations under such agreements to practice in
38 Kansas, plus (2) all amounts of interest thereon at the rate prescribed to the
39 date of payment.

40 (e) The university of Kansas school of pharmacy shall remit all
41 moneys received under this section to the state treasurer in accordance
42 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
43 receipt of each such remittance, the state treasurer shall deposit the entire

1 amount in the state treasury to the credit of the pharmacy loan repayment
2 fund.

3 (f) There is hereby created in the state treasury the pharmacy loan
4 repayment fund. All expenditures from the pharmacy loan repayment fund
5 shall be for pharmacy student loans under the pharmacy student loan act
6 and for the expenses of administration of the pharmacy student loan act
7 and shall be made in accordance with appropriation acts upon warrants of
8 the director of accounts and reports issued pursuant to vouchers approved
9 by the chancellor of the university of Kansas or by a person designated by
10 the chancellor.

11 Sec. 8. (a) An obligation to engage in the practice of pharmacy in
12 accordance with an agreement under this act shall be postponed: (1)
13 During any required period of active military service; (2) during any
14 period of service as a part of volunteers in service to America (VISTA); (3)
15 during any period of service in the peace corps; (4) during any period of
16 service commitment to the United States public health service; (5) during
17 any period of religious missionary work conducted by an organization
18 exempt from tax under subsection (c) of section 501 of the federal internal
19 revenue code of 1986; or (6) during any period of temporary medical
20 disability during which the person obligated is unable because of such
21 medical disability to practice pharmacy. Except for clause (6) of this
22 subsection (a), an obligation to engage in the practice of pharmacy in
23 accordance with an agreement under this act shall not be postponed more
24 than five years from the time the practice of pharmacy was to have been
25 commenced under any such agreement. An obligation to engage in the
26 practice of pharmacy in accordance with an agreement under this act shall
27 be postponed under clause (6) of this subsection (a) during the period of
28 time the medical disability exists.

29 (b) An obligation to engage in the practice of pharmacy in accordance
30 with an agreement under this act shall be satisfied: (1) If the obligation to
31 engage in the practice of pharmacy in accordance with an agreement under
32 this act has been completed; (2) if the person obligated dies; or (3) if,
33 because of permanent physical disability, the person obligated is unable to
34 practice pharmacy.

35 Sec. 9. Each loan agreement entered into under the pharmacy student
36 loan act after the effective date of this act and prior to June 30, 2013, for
37 the 2012-2013 academic year, shall be given retroactive effect so that each
38 pharmacy student entering into such a loan agreement receives payments
39 for all tuition for the entire 2012-2013 academic year and a stipend for
40 living expenses for each month enrolled in the university of Kansas school
41 of pharmacy during the 2012-2013 academic year, all in accordance with
42 the loan agreement, as though the loan agreement had been entered into at
43 the beginning of the 2012-2013 academic year.

1 Sec. 10. This act shall take effect and be in force from and after its
2 publication in the statute book.