

1 ENGROSSED HOUSE AMENDMENT

TO

2 ENGROSSED SENATE BILL NO. 1526

By: Yen of the Senate

3 and

4 Cox of the House

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7 [Physician Manpower Training Commission - funding -
8 Oklahoma Rural Medical Education Loan and Scholarship
9 Fund - revolving fund - Community Physician Education
10 Scholarship Program Fund - eligibility - internships
11 and residency trainings - Nursing Student Assistance
12 Program - Omnibus Budget Reconciliation Act Program -
13 Osteopathic Internship and Residency Program -
14 Physician Assistant Scholarship Program - repealer -
15 codification - ~~effective date~~ -
16 ~~emergency~~]

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14 AMENDMENT NO. 1. Strike the stricken title, enacting clause and
15 entire bill and insert

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17 "An Act relating to the Physician Manpower Training
18 Commission; amending 63 O.S. 2011, Sections 1-2721
19 and 1-2723, which relate to the Oklahoma Medical
20 Loan Repayment Program; modifying period for
21 participating physician performance review;
22 modifying conditions requiring loan repayment;
23 clarifying references; limiting utilization of
24 certain funds related to certain programs; amending
70 O.S. 2011, Sections 625.3, 625.4, 625.4a, as
amended by Section 614, Chapter 304, O.S.L. 2012,
625.5, 625.6, 625.9 and 625.13 (70 O.S. Supp. 2015,
Section 625.4a), which relate to the Oklahoma Rural
Medical Education Loan and Scholarship Fund;
modifying terms and conditions governing certain
scholarships; clarifying references; limiting

1 reception of funds by the Physician Manpower
2 Training Commission Revolving Fund; requiring
3 certain signature on certain contract; amending 70
4 O.S. 2011, Section 697.2, Sections 697.10, 697.11,
5 697.17 and 697.21, as amended by Sections 617, 618,
6 619 and 622, Chapter 304, O.S.L. 2012 and Section
7 697.20 (70 O.S. Supp. 2015, Sections 697.10, 697.11,
8 697.17 and 697.21), which relate to the Physician
9 Manpower Training Commission administration and
10 programs; clarifying references; modifying repayment
11 terms for noncompliant recipient of Nursing Student
12 Assistance Program funds; and declaring an
13 emergency.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-2721, is
16 amended to read as follows:

17 Section 1-2721. A. 1. The Physician Manpower Training
18 Commission shall administer the Oklahoma Medical Loan Repayment
19 Program.

20 2. For the purposes of this section, "primary care physicians"
21 shall mean physicians practicing in family medicine, geriatrics,
22 general internal medicine, general pediatrics,
23 obstetrics/gynecology, or emergency medicine.

24 3. The Program, depending upon and limited to available
funding, shall provide educational loan repayment assistance to
Oklahoma licensed primary care physicians who agree to establish a
practice in a community located in Oklahoma approved by the
Commission.

1 4. Each award shall be for a contracted period and shall be
2 distributed to the participant by drafts made payable to the
3 participant at the end of each contract year with disbursements not
4 to exceed an amount to be established annually by the Commission.
5 Prior to any disbursement, the Commission shall certify and properly
6 review reports submitted by the participating physician detailing
7 performance of activities in accordance with the Program.

8 5. ~~At the conclusion of an initial two-year period, the~~ The
9 Commission shall review the performance in the Program of the
10 participating physician and determine whether an award may be
11 granted for additional years pursuant to rules promulgated by the
12 Commission.

13 B. The physicians entering the Program each year shall agree to
14 provide medical care and services in areas designated by the
15 Commission to provide medical care and services to Medicaid
16 recipients as authorized by the Oklahoma Health Care Authority.

17 C. A physician shall be eligible to participate in the loan
18 repayment program if the physician:

- 19 1. Is licensed to practice medicine in Oklahoma;
- 20 2. Is a new primary care residency graduate. Preference will
21 be given to graduates of the primary care residency programs
22 affiliated with the Oklahoma State University College of Osteopathic
23 Medicine, the University of Oklahoma College of Medicine and the
24 teaching hospitals affiliated with both schools of medicine; or

1 3. Is a current practicing physician and has met criteria
2 established by the Commission.

3 ~~D. The physician shall agree to practice in the designated need~~
4 ~~areas identified by the Commission for no fewer than two (2)~~
5 ~~consecutive years as a condition of the loan repayment. If the~~
6 ~~physician does not fulfill the service obligation, the Commission~~
7 ~~may collect from the participant the entire amount of loan payments~~
8 ~~made under the Program plus interest.~~

9 ~~E.~~ The Commission shall present a report on the operation of
10 the Program to the Governor, the Speaker of the House of
11 Representatives, and the President Pro Tempore of the Senate within
12 one (1) month of the beginning of each regular session of the
13 Legislature, including but not limited to the progress made in
14 accomplishing the goal of the Program.

15 SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2723, is
16 amended to read as follows:

17 Section 1-2723. A. The Physician Manpower Training Commission
18 shall have the option of utilizing available funding in excess of
19 the amount necessary to fund the Oklahoma Medical Loan Repayment
20 Program described in Section 1-2721 of ~~Title 63 of the Oklahoma~~
21 ~~Statutes~~ this title to fund new or expanded primary care residency
22 programs in rural and underserved areas of the state. Such new or
23 expanded primary care residency program funding shall include but
24 not be limited to:

1 1. Payments to hospitals desiring to establish new primary care
2 residency programs. Such payments shall be made to cover the costs
3 of salaries, benefits and educational costs of residents in training
4 at the facility; or

5 2. Payments to hospitals with existing primary residency
6 programs desiring to expand the number of residents participating in
7 those programs. Such payments shall be made to cover the costs of
8 salaries, benefits and educational costs of residents in training at
9 the facility; ~~or~~

10 ~~3. Payments of stipends to residents of new or existing primary~~
11 ~~care residency programs in exchange for a commitment to serve in a~~
12 ~~rural or underserved area of the state as designated by the~~
13 ~~Commission.~~

14 B. Provisions of this section shall be subject to the
15 promulgated rules of the Commission.

16 SECTION 3. AMENDATORY 70 O.S. 2011, Section 625.3, is
17 amended to read as follows:

18 Section 625.3 A. The terms and conditions governing the
19 scholarships shall be as prescribed and formulated by the Physician
20 Manpower Training Commission, but shall include the condition that
21 each recipient, upon completion of his course of study, shall repay
22 his scholarship by practicing his profession in a rural community in
23 Oklahoma ~~having a population of seven thousand five hundred (7,500)~~
24 ~~persons or less according to the last preceding United States~~

1 ~~Decennial Census~~ and having a need therefor, as determined by the
2 Commission, for one (1) year for each one (1) year the scholarship
3 is financed; provided, however, that the recipient will be given no
4 credit for payment and reduction of said obligation by serving in
5 the defined rural communities for a period less than two (2) years.

6 ~~B. The terms of this subsection shall apply to recipients who
7 accept assistance before July 1, 1993. The contract shall provide
8 that in the event the recipient breaches the terms of the contract
9 by not serving the designated community for the specified period of
10 time he shall pay liquidated damages in an amount agreed upon by the
11 Commission and the recipient and representing a reasonable estimate
12 of the damage or loss to the community or the state. Said damages
13 shall not exceed one hundred percent (100%) of the principal. After
14 payment of the liquidated damages, repayment of the principal may be
15 made in cash with interest at the rate of twelve percent (12%) per
16 annum, said interest to accrue from the date each payment is made
17 pursuant to the scholarship. No interest however shall accrue
18 during any one period of time that the recipient thereof is required
19 to serve in the Armed Forces of the United States or during any
20 period of internship.~~

21 ~~C.~~ The terms of this subsection shall apply to recipients who
22 accept assistance on or after July 1, 1993. The contract shall
23 provide that in the event the recipient breaches the terms of the
24 contract by not serving the designated community for the specified

1 period of time, the Commission shall be entitled to recover an
2 amount equal to three (3) times the principal disbursed, pursuant to
3 the contract, plus interest. Interest on all amounts paid to or on
4 behalf of the participant shall be computed at the current prime
5 rate plus one percent (1%) with said interest to accrue from the
6 date each payment is made, pursuant to the contract. The amount the
7 Commission is entitled to recover shall be paid within ninety (90)
8 days of the date the recipient becomes liable as determined by the
9 Commission.

10 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.4, is
11 amended to read as follows:

12 Section 625.4 The Physician Manpower Training Commission shall
13 promulgate and adopt such rules and regulations as may be necessary
14 to carry out the provisions of this act. The Commission shall
15 prescribe the form and regulate the submission of applications for
16 scholarship; conduct conferences and interviews with applicants;
17 determine the eligibility of applicants; allow or disallow all
18 applications for scholarships or renewal of scholarships; contract,
19 increase, decrease, terminate and otherwise regulate all grants for
20 scholarships and their repayment in cash or services; and manage,
21 operate and control all funds and property appropriated or otherwise
22 contributed for this purpose. The Commission may acquire property
23 or money by the acceptance of gifts, grants, bequests or devise, and
24 may contract with the federal government in order to secure the

1 benefit of any federal program consistent with the provisions of
2 this act. Monies received by the Commission in repayment of
3 scholarships granted from appropriated funds shall be deposited with
4 the State Treasurer who shall place the same to the credit of the
5 Commission in depository funds to be known as the "Rural Medical
6 Education Scholarship Fund" and the "Community Physician Education
7 Scholarship Fund" depending on the program in which the recipient
8 participated, under and subject exclusively to the control of the
9 Commission for the purpose of fulfilling and accomplishing the
10 conditions and purposes of the ~~Physician Manpower Training~~
11 Commission. All monies so collected and deposited in the State
12 Treasury as aforesaid shall constitute a continuing fund, shall not
13 be subject to fiscal limitations, and the unexpended balance shall
14 at all times be available for expenditures for the purposes and in
15 the manner and form provided by this act. All funds and property,
16 and income therefrom, received by the Commission through the
17 acceptance of gifts, grants, bequests or devise shall be held by the
18 Commission in trust, and may be sold, transferred, invested and
19 reinvested by the Commission in accordance with the provisions of
20 the Oklahoma Trust Act, and all such funds and property, and income
21 therefrom, shall be used by the Commission in fulfilling and
22 accomplishing the conditions and purposes of the ~~Physician Manpower~~
23 ~~Training~~ Commission.

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1 SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.4a, as
2 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2015, Section 625.4a), is amended to read as follows:

4 Section 625.4a There is hereby created in the State Treasury a
5 revolving fund for the Physician Manpower Training Commission to be
6 designated the "Physician Manpower Training Commission Revolving
7 Fund". The fund shall be a continuing fund, not subject to fiscal
8 year limitations and shall consist of all payments received by the
9 Commission pursuant to ~~Sections~~ Section 625.3 and ~~625.10a~~ of this
10 ~~title and all payments received by the Commission pursuant to the~~
11 ~~Allied Health Placement Program and the Nursing Home Demonstration~~
12 ~~Program~~ of this title. All monies accruing to the credit of the
13 fund are hereby appropriated and may be budgeted and expended by the
14 ~~Physician Manpower Training~~ Commission for any expenses incurred in
15 the implementation of its duties. Expenditures from the fund shall
16 be made upon warrants issued by the State Treasurer against claims
17 filed as prescribed by law with the Director of the Office of
18 Management and Enterprise Services for approval and payment.

19 SECTION 6. AMENDATORY 70 O.S. 2011, Section 625.5, is
20 amended to read as follows:

21 Section 625.5 A. An applicant may be eligible for the award of
22 a scholarship upon demonstration that the applicant:

23 1. Desires a scholarship to any accredited school of medicine
24 or school of osteopathic medicine in the United States of America;

1 2. Is a bona fide resident of Oklahoma;

2 3. Has personal financial resources such that, in the absence
3 of scholarship aid, will be unable to pursue the program of study
4 desired;

5 4. Is a person of good moral character;

6 5. Has successfully completed the program of instruction
7 prerequisite for admission to the program of study provided for in
8 Section 625.1 et seq. of this title and has applied for admission to
9 a medical school;

10 6. Has capacity to profit by the course of study for which the
11 applicant seeks aid;

12 7. Desires to practice medicine in a rural community in
13 Oklahoma; and

14 8. Submits proof that the applicant has not accepted or will
15 not accept any other scholarship assistance which has a conflicting
16 service obligation requirement.

17 In determining an applicant's capacity to profit by the course
18 of study desired, the Physician Manpower Training Commission shall
19 consider the applicant's previous scholastic record, the results of
20 examinations conducted under the provisions of Section 625.1 et seq.
21 of this title, and the results of interviews and such other tests or
22 examinations which the Commission may deem advisable. In
23 establishing an applicant's financial need, the Commission shall

1 conduct a thorough and complete investigation of the financial
2 resources of the applicant and family.

3 B. The amount of each scholarship grant shall not exceed
4 Fifteen Thousand Dollars (\$15,000.00) per academic year for students
5 engaged in their first, second, third or fourth year of study, or
6 equivalent number of terms completed in an education program in a
7 given period of months.

8 C. The method of payment of funds to each recipient of a
9 scholarship grant shall be in accordance with rules formulated by
10 the Commission governing the grants for each type of scholarship.

11 D. Each scholarship is renewable annually for the number of
12 years required to complete the course of study in which the
13 recipient is engaged. The Commission shall grant such an annual
14 renewal only upon the recipient's application and upon the
15 Commission's finding that the recipient:

16 1. Has completed successfully the work of the preceding year
17 and presented evidence that the recipient is a student in good
18 standing;

19 2. Remains a resident of Oklahoma; and

20 3. Is in a financial situation that warrants the award of a
21 scholarship under the standards set forth in Section 625.1 et seq.
22 of this title.

23 E. The Commission shall make an annual report to the Governor
24 and Legislature on the activities of the Commission. This report

1 shall include the names of the recipients of the scholarships, the
2 amount of the scholarship awards, an accounting of the funds
3 expended on scholarships and on the administration of the program
4 and a budget requesting the funds necessary for the operation of the
5 Commission. The report shall also include an accounting of
6 repayments of scholarships, whether by services or in cash including
7 interest.

8 SECTION 7. AMENDATORY 70 O.S. 2011, Section 625.6, is
9 amended to read as follows:

10 Section 625.6 Each applicant, before being granted a
11 scholarship, shall enter into a contract with the Physician Manpower
12 Training Commission agreeing to the terms and conditions upon which
13 the scholarship shall be granted to ~~him~~ the applicant. Said
14 contract shall include such terms and provisions as will carry out
15 the full purpose and intent of this act and the form thereof shall
16 be prepared and approved by the Attorney General. ~~Said contracts~~
17 The contract shall be signed by the ~~Secretary~~ Director on behalf of
18 the Commission and by the applicant. The Commission is hereby
19 vested with full and complete authority and power to sue in its own
20 name any applicant for any balance due the Commission on any
21 contract. The Commission shall have authority to cancel any
22 contract made between it and any recipient of a scholarship upon
23 cause deemed sufficient by the Commission.

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1 SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.9, is
2 amended to read as follows:

3 Section 625.9 The administration of the Oklahoma Rural Medical
4 Education Loan and Scholarship Fund is hereby transferred to the
5 Physician Manpower Training Commission as established by law. All
6 the powers, duties, responsibilities, rules and regulations and
7 functions of the Board of Trustees of the Oklahoma Rural Medical
8 Education Scholarship Fund are hereby transferred to the ~~Physician~~
9 ~~Manpower Training~~ Commission and the Board of Trustees of the
10 Oklahoma Rural Medical Education Scholarship Fund is hereby
11 abolished and terminated.

12 SECTION 9. AMENDATORY 70 O.S. 2011, Section 625.13, is
13 amended to read as follows:

14 Section 625.13 A. There is hereby created the "Community Match
15 Rural Scholarship Incentive Program" which shall be conducted and
16 administered by the Physician Manpower Training Commission. The
17 purpose of this program is to provide for the fair and necessary
18 distribution of funds allocated to it by the Legislature to provide
19 monies to the following programs under the ~~Physician Manpower~~
20 ~~Training~~ Commission:

- 21 1. The Community Matching Intern/Resident Program;
- 22 2. The Oklahoma Rural Medical Education Loan Scholarship
23 Program;

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1 3. The Family/General Practice Resident Rural Scholarship Loan
2 Program, created pursuant to this section; and

3 4. The Family/General Practice Residency Grant Program, created
4 pursuant to this section.

5 The ~~Physician Manpower Training~~ Commission is hereby authorized
6 to distribute such monies to the funds specified in Sections 625.1,
7 625.4a and 697.18 of this title necessary to fund the programs
8 specified in this section.

9 B. The ~~Physician Manpower Training~~ Commission shall establish
10 and administer a Family/General Practice Resident Rural Scholarship
11 Loan Program for the purpose of assisting Oklahoma's rural
12 communities by providing financial assistance through a scholarship
13 loan forgiveness program to residents enrolled in an accredited
14 Family Practice or General Practice residency program. The
15 Commission shall establish the eligibility standards, the amount of
16 the loan not to exceed One Thousand Dollars (\$1,000.00) per month,
17 the service obligation of the recipient of the loan, and any
18 penalties related to the breach of the service contract or failure
19 to repay such loan plus interest and penalty.

20 C. The ~~Physician Manpower Training~~ Commission shall establish
21 and administer a Family/General Practice Residency Grant Program for
22 the purpose of assisting Oklahoma's rural communities by providing
23 financial assistance through a grant program to residents enrolled
24 in an accredited Family Practice or General Practice residency

1 program. The Commission shall establish the eligibility standards,
2 the amount of the grant not to exceed Five Thousand Dollars
3 (\$5,000.00) per year, up to three (3) years, the program obligations
4 of the recipient of the grant, and any penalties related to the
5 breach of the grant obligations or failure to repay the grant plus
6 interest.

7 SECTION 10. AMENDATORY 70 O.S. 2011, Section 697.2, is
8 amended to read as follows:

9 Section 697.2 ~~There is hereby re-created the~~ The Physician
10 Manpower Training Commission, ~~hereafter referred to as the~~
11 ~~Commission,~~ is authorized to establish and administer cost-sharing
12 programs for internship and residency physician training, which
13 Commission shall provide for state assistance by sharing the cost on
14 a percentage basis, as may be prescribed by law or as determined by
15 the Commission, of the salary, fringe benefits, training and program
16 administration of the interns and residents as may be arranged by
17 contract for reimbursement with an accredited and approved hospital
18 and accredited clinical programs throughout the state in cooperation
19 with the Oklahoma State University College of Osteopathic Medicine,
20 which physician training institutions in the state shall serve as
21 the administrative agent for internship and residency programs which
22 are located in hospitals and clinical training programs throughout
23 the state, which programs are affiliated with said institutions and
24 approved for funding by the Commission. The Commission shall

1 | conduct the planning, coordination and selection of said training
2 | programs to assure the effective and efficient operation of these
3 | programs. Not less than fifty percent (50%) of the subsidy for
4 | these programs shall be used in the training of primary health care
5 | and family/general practice physicians for the rural and medically
6 | underserved areas of the state. Provided that such subsidy may be
7 | used for the primary purpose of increasing the total number of
8 | residencies funded by the State of Oklahoma, wherever located within
9 | the state, during that period in which residency programs are being
10 | established in rural areas; provided further, that as said residency
11 | programs are established and accredited in rural hospitals,
12 | residency positions in such programs shall be first provided for by
13 | the Commission. The Commission shall present a report to the
14 | Governor, the Speaker of the House of Representatives and the
15 | President Pro Tempore of the Senate within one (1) month of the
16 | beginning of each regular legislative session on the operation of
17 | the programs including the progress made in accomplishing the goals
18 | of physician training as to type of specialties and manpower
19 | placement of the kind necessary to provide adequate health care to
20 | the people throughout the State of Oklahoma. The subsidy to the
21 | participating hospital, clinical situation or training institution
22 | per resident or intern shall not exceed any maximum or minimum
23 | amount as may be prescribed by law or as determined by the
24 | Commission. The actual amount of subsidy for physician training

1 program situations shall be based upon a determination by the
2 Commission of:

3 1. The type of primary care residency and internship programs
4 involved and being conducted;

5 2. The extent of reimbursement available through third-party
6 payers and all other sources; and

7 3. The program and salary costs incurred in the given training
8 situation.

9 SECTION 11. AMENDATORY 70 O.S. 2011, Section 697.10, as
10 amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
11 2015, Section 697.10), is amended to read as follows:

12 Section 697.10 A. The Physician Manpower Training Commission
13 is authorized to enter into contractual arrangements with individual
14 hospitals and clinical programs for the reimbursement of intern or
15 resident salary cost not to exceed the limits established by Section
16 697.2 of this title. Provided, that residency and internship
17 positions created prior to the spring semester 1975 shall be
18 eligible for participation in the cost-sharing program for
19 internship and residency training as established by Sections 697.1
20 through 697.8 of this title, only if partial funding of said
21 positions will allow the creation of additional positions in whole
22 or in part at the participating hospital or clinical situation. The
23 participating hospital or clinical situation shall document in a
24 manner specified by the Commission the extent to which funding of a

1 previously created and established position contributes directly to
2 the creation of additional positions at the participating hospital
3 or clinical situation.

4 B. The Commission is authorized, in cooperation with the
5 Oklahoma Health Care Authority, to enter into contractual
6 arrangements with the University of Oklahoma College of Medicine and
7 the Oklahoma State University College of Osteopathic Medicine for
8 the reimbursement of intern and resident professional liability
9 insurance cost which shall not be subject to the limits established
10 in Section 697.2 of this title. Any and all intern and resident
11 positions are eligible for reimbursement of intern and resident
12 professional liability insurance cost.

13 C. There is hereby created in the State Treasury a revolving
14 fund for the ~~Physician Manpower Training~~ Commission to be designated
15 the "Intern and Residents Professional Liability Insurance Fund".
16 The fund shall be a continuing fund, not subject to fiscal year
17 limitations, and shall consist of all monies received by the
18 ~~Physician Manpower Training~~ Commission for reimbursement of intern
19 and residency professional liability insurance costs. All monies
20 accruing to the credit of the fund are hereby appropriated and may
21 be budgeted and expended by the ~~Physician Manpower Training~~
22 Commission for such costs. Expenditures from the fund shall be made
23 upon warrants issued by the State Treasurer against claims filed as
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1 prescribed by law with the Director of the Office of Management and
2 Enterprise Services for approval and payment.

3 SECTION 12. AMENDATORY 70 O.S. 2011, Section 697.11, as
4 amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
5 2015, Section 697.11), is amended to read as follows:

6 Section 697.11 A. In addition to internship and residency
7 programs previously established and funded, it is the intent of the
8 Legislature that the Physician Manpower Training Commission, in
9 cooperation with the Oklahoma Health Care Authority, establish a
10 Critical Need Internship and Residency Program. The purpose of the
11 Program is to fund internship and residency programs across the
12 state in areas of critical need. The determination of areas of
13 critical need shall be made through a cooperative effort between the
14 University of Oklahoma College of Medicine and the Oklahoma State
15 University College of Osteopathic Medicine. The findings shall be
16 reported to the Commission by July 1, 2006, and every three (3)
17 years thereafter.

18 B. The University of Oklahoma College of Medicine and the
19 Oklahoma State University College of Osteopathic Medicine shall
20 annually provide to the Commission a report outlining the areas of
21 physician shortages in each specialty area. The report shall be the
22 basis for the cooperative funding of critical need physician
23 specialties for the current fiscal year.

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1 C. There is hereby created in the State Treasury a revolving
2 fund for the ~~Physician Manpower Training~~ Commission to be designated
3 the "Critical Need Internship and Residency Fund". The fund shall
4 be a continuing fund, not subject to fiscal year limitations, and
5 shall consist of all monies received by the ~~Physician Manpower~~
6 ~~Training~~ Commission for funding internship and residency programs in
7 areas of critical need. All monies accruing to the credit of the
8 fund are hereby appropriated and may be budgeted and expended by the
9 ~~Physician Manpower Training~~ Commission for such costs. Expenditures
10 from the fund shall be made upon warrants issued by the State
11 Treasurer against claims filed as prescribed by law with the
12 Director of the Office of Management and Enterprise Services for
13 approval and payment.

14 SECTION 13. AMENDATORY 70 O.S. 2011, Section 697.17, as
15 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
16 2015, Section 697.17), is amended to read as follows:

17 Section 697.17 A. There is hereby established the Nursing
18 Student Assistance Program which shall be administered by the
19 Physician Manpower Training Commission. The purpose of the program
20 shall be to encourage persons to enter nursing education programs
21 and to practice in areas of this state in which there is an urgent
22 need for nursing services or in institutions or agencies of this
23 state which provide funds on a matching basis with the ~~Physician~~
24 ~~Manpower Training~~ Commission for the support of nursing students.

1 The Nursing Student Assistance Program shall be administered by
2 rules adopted by the ~~Physician Manpower Training~~ Commission.

3 B. Only students who are residents of this state shall be
4 eligible to participate in the Nursing Student Assistance Program.

5 C. If a person receiving Nursing Student Assistance Program
6 funds fails to fully comply with the provisions of the contract for
7 said funds, the person shall refund to the ~~Physician Manpower~~
8 ~~Training~~ Commission all monies received by the person pursuant to
9 the provisions of the contract plus ~~interest at the rate of twelve~~
10 ~~percent (12%) from the date of disbursement of said funds and shall~~
11 ~~be liable for any other liquidated damages as specified in the~~
12 ~~contract~~ a one-time liquidated damages assessment of five percent
13 (5%) of the total amount disbursed to said recipient in lieu of
14 interest. If the obligation was partially fulfilled, the Commission
15 shall prorate the amount to be repaid.

16 D. There is hereby created in the State Treasury a revolving
17 fund for the ~~Physician Manpower Training~~ Commission to be designated
18 the "Nursing Student Assistance Fund". The fund shall be a
19 continuing fund, not subject to fiscal year limitations, and shall
20 consist of all nonappropriated monies, including community match
21 money of appropriated funds, grants, gifts, and repayment of
22 scholarships received by the ~~Physician Manpower Training~~ Commission.
23 All monies accruing to the credit of said fund are hereby
24 appropriated and may be budgeted and expended by the ~~Physician~~

1 ~~Manpower Training~~ Commission for such scholarships as may be
2 provided for pursuant to the Nursing Student Assistance Program.
3 Expenditures from said fund shall be made upon warrants issued by
4 the State Treasurer against claims filed as prescribed by law with
5 the Director of the Office of Management and Enterprise Services for
6 approval and payment.

7 SECTION 14. AMENDATORY 70 O.S. 2011, Section 697.20, is
8 amended to read as follows:

9 Section 697.20 A. There is hereby created the "Osteopathic
10 Internship and Residency Program" which shall be conducted and
11 administered by the Physician Manpower Training Commission. The
12 purpose of this program is to provide for the fair and necessary
13 distribution of funds allocated to it by the Legislature to provide
14 monies to the following programs under the Physician Manpower
15 Training Program:

- 16 1. The Doctor of Osteopathy Residency Program (OSU/COM);
- 17 2. The Osteopathic General Practice Residency Program
18 (OSU/COM); and
- 19 3. The Osteopathic Internship Program (OSU/COM).

20 B. The ~~Physician Manpower Training~~ Commission is hereby
21 authorized to distribute such monies to the funds specified in
22 Sections 697.2 and 697.6 of this title necessary to fund the
23 programs specified in this section.

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1 SECTION 15. AMENDATORY 70 O.S. 2011, Section 697.21, as
2 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2015, Section 697.21), is amended to read as follows:

4 Section 697.21 A. There is hereby established the Physician
5 Assistant Scholarship Program. The purpose of the program is to
6 encourage persons to enter physician assistant education programs
7 and to practice in rural and medically underserved areas of this
8 state. The Physician Assistant Scholarship Program shall be
9 administered by the Physician Manpower Training Commission pursuant
10 to rules promulgated by the Commission and shall be funded based on
11 an annual estimate of need as determined by the Commission. Awards
12 made pursuant to this Program shall be subject to the availability
13 of funds. The number of and amount of each award shall be
14 determined by the Commission based on the availability of funds.

15 B. Only students who are residents of this state and who have
16 been admitted as a student in an accredited physician assistant
17 program shall be eligible to participate in the Physician Assistant
18 Scholarship Program.

19 C. If a person receiving Physician Assistant Scholarship
20 Program monies fails to fully comply with the provisions of the
21 contract for the monies, the person shall refund to the ~~Physician~~
22 ~~Manpower Training~~ Commission all monies received by the person
23 pursuant to the provisions of the contract plus interest at a rate
24 that equals the prime interest rate plus one percent (1%) from the

1 date of disbursement of the funds and shall be liable for any other
2 liquidated damages as specified in the contract.

3 D. There is hereby created in the State Treasury a revolving
4 fund for the ~~Physician Manpower Training~~ Commission to be designated
5 the "Physician Assistant Scholarship Fund". The fund shall be a
6 continuing fund, not subject to fiscal year limitations, and shall
7 consist of all monies received by the ~~Physician Manpower Training~~
8 Commission for implementation of the Physician Assistant Scholarship
9 Program. All monies accruing to the credit of the fund are hereby
10 appropriated and may be budgeted and expended by the ~~Physician~~
11 ~~Manpower Training~~ Commission for such scholarships as may be
12 provided for pursuant to the Physician Assistant Scholarship
13 Program. Expenditures from the fund shall be made upon warrants
14 issued by the State Treasurer against claims filed as prescribed by
15 law with the Director of the Office of Management and Enterprise
16 Services for approval and payment.

17 SECTION 16. It being immediately necessary for the preservation
18 of the public peace, health and safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval."
21
22
23
24

1 ENGROSSED SENATE
2 BILL NO. 1526

By: Yen of the Senate

and

Cox of the House

3
4
5
6 [Physician Manpower Training Commission - funding -
7 Oklahoma Rural Medical Education Loan and Scholarship
8 Fund - revolving fund - Community Physician Education
9 Scholarship Program Fund - eligibility - internships
10 and residency trainings - Nursing Student Assistance
11 Program - Omnibus Budget Reconciliation Act Program -
12 Osteopathic Internship and Residency Program -
13 Physician Assistant Scholarship Program - repealer -
14 codification - ~~effective date~~ -
15 ~~emergency~~]

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 17. AMENDATORY 63 O.S. 2011, Section 1-2721, is
18 amended to read as follows:

19 Section 1-2721. A. 1. The ~~Physician Manpower Training~~
20 ~~Commission~~ Oklahoma Department of Commerce shall administer the
21 Oklahoma Medical Loan Repayment Program.

22 2. For the purposes of this section, "primary care physicians"
23 shall mean physicians practicing in family medicine, geriatrics,
24 general internal medicine, general pediatrics,
25 obstetrics/gynecology, or emergency medicine.

26 3. The Program, depending upon and limited to available
27 funding, shall provide educational loan repayment assistance to

1 Oklahoma licensed primary care physicians who agree to establish a
2 practice in a community located in Oklahoma approved by the
3 ~~Commission~~ Department.

4 4. Each award shall be for a contracted period and shall be
5 distributed to the participant by drafts made payable to the
6 participant at the end of each contract year with disbursements not
7 to exceed an amount to be established annually by the ~~Commission~~
8 Department. Prior to any disbursement, the ~~Commission~~ Department
9 shall certify and properly review reports submitted by the
10 participating physician detailing performance of activities in
11 accordance with the Program.

12 5. At the conclusion of an initial two-year period, the
13 ~~Commission~~ Department shall review the performance in the Program of
14 the participating physician and determine whether an award may be
15 granted for additional years pursuant to rules promulgated by the
16 ~~Commission~~ Department.

17 B. The physicians entering the Program each year shall agree to
18 provide medical care and services in areas designated by the
19 ~~Commission~~ Department to provide medical care and services to
20 Medicaid recipients as authorized by the Oklahoma Health Care
21 Authority.

22 C. A physician shall be eligible to participate in the loan
23 repayment program if the physician:

24 1. Is licensed to practice medicine in Oklahoma;

1 2. Is a new primary care residency graduate. Preference will
2 be given to graduates of the primary care residency programs
3 affiliated with the Oklahoma State University College of Osteopathic
4 Medicine, the University of Oklahoma College of Medicine and the
5 teaching hospitals affiliated with both schools of medicine; or

6 3. Is a current practicing physician and has met criteria
7 established by the ~~Commission~~ Department.

8 D. The physician shall agree to practice in the designated need
9 areas identified by the ~~Commission~~ Department for no fewer than two
10 (2) consecutive years as a condition of the loan repayment. If the
11 physician does not fulfill the service obligation, the ~~Commission~~
12 Department may collect from the participant the entire amount of
13 loan payments made under the Program plus interest.

14 E. The ~~Commission~~ Department shall present a report on the
15 operation of the Program to the Governor, the Speaker of the House
16 of Representatives, and the President Pro Tempore of the Senate
17 within one (1) month of the beginning of each regular session of the
18 Legislature, including but not limited to the progress made in
19 accomplishing the goal of the Program.

20 SECTION 18. AMENDATORY 63 O.S. 2011, Section 1-2722, is
21 amended to read as follows:

22 Section 1-2722. The amount of the award of educational loan
23 repayment assistance shall not exceed any maximum or minimum amount
24 as promulgated by rules of the ~~Physician Manpower Training~~

1 ~~Commission~~ Oklahoma Department of Commerce pursuant to the Oklahoma
2 Medical Loan Repayment Program. The actual amount of the award
3 shall be based upon a determination of:

- 4 1. Actual funds available to the Program for expenditure; and
- 5 2. The existing student loan indebtedness of the participating
6 physician.

7 SECTION 19. AMENDATORY 63 O.S. 2011, Section 1-2723, is
8 amended to read as follows:

9 Section 1-2723. A. ~~The Physician Manpower Training Commission~~
10 Oklahoma Department of Commerce shall have the option of utilizing
11 available funding in excess of the amount necessary to fund the
12 Oklahoma Medical Loan Repayment Program described in Section 1-2721
13 of ~~Title 63 of the Oklahoma Statutes~~ this title to fund new or
14 expanded primary care residency programs in rural and underserved
15 areas of the state. Such new or expanded primary care residency
16 program funding shall include but not be limited to:

- 17 1. Payments to hospitals desiring to establish new primary care
18 residency programs. Such payments shall be made to cover the costs
19 of salaries, benefits and educational costs of residents in training
20 at the facility;

- 21 2. Payments to hospitals with existing primary residency
22 programs desiring to expand the number of residents participating in
23 those programs. Such payments shall be made to cover the costs of
24

1 salaries, benefits and educational costs of residents in training at
2 the facility; or

3 3. Payments of stipends to residents of new or existing primary
4 care residency programs in exchange for a commitment to serve in a
5 rural or underserved area of the state as designated by the
6 ~~Commission~~ Department.

7 B. Provisions of this section shall be subject to the
8 promulgated rules of the ~~Commission~~ Department.

9 SECTION 20. AMENDATORY 70 O.S. 2011, Section 625.1, is
10 amended to read as follows:

11 Section 625.1. There is hereby established the Oklahoma Rural
12 Medical Education Loan and Scholarship Fund. The fund shall be
13 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
14 Department of Commerce under the provisions of Section 625.9 of this
15 title.

16 SECTION 21. AMENDATORY 70 O.S. 2011, Section 625.2, is
17 amended to read as follows:

18 Section 625.2. The ~~Physician Manpower Training Commission~~
19 Oklahoma Department of Commerce shall be authorized and empowered to
20 grant scholarships to qualified students who are bona fide residents
21 of the State of Oklahoma and who would not otherwise have funds
22 necessary to finance the cost of a program of study leading to the
23 Degree of Doctor of Medicine, or to the Degree of Doctor of
24

1 Osteopathic Medicine, to be granted by an accredited and recognized
2 college of medicine or college of osteopathic medicine.

3 SECTION 22. AMENDATORY 70 O.S. 2011, Section 625.3, is
4 amended to read as follows:

5 Section 625.3. A. The terms and conditions governing the
6 scholarships shall be as prescribed and formulated by the ~~Physician~~
7 ~~Manpower Training Commission~~ Oklahoma Department of Commerce, but
8 shall include the condition that each recipient, upon completion of
9 his course of study, shall repay his scholarship by practicing his
10 profession in a rural community in Oklahoma having a population of
11 seven thousand five hundred (7,500) persons or less according to the
12 last preceding United States Decennial Census and having a need
13 therefor, as determined by the ~~Commission~~ Department, for one (1)
14 year for each one (1) year the scholarship is financed; provided,
15 however, that the recipient will be given no credit for payment and
16 reduction of said obligation by serving in the defined rural
17 communities for a period less than two (2) years.

18 B. The terms of this subsection shall apply to recipients who
19 accept assistance before July 1, 1993. The contract shall provide
20 that in the event the recipient breaches the terms of the contract
21 by not serving the designated community for the specified period of
22 time he shall pay liquidated damages in an amount agreed upon by the
23 ~~Commission~~ Department and the recipient and representing a
24 reasonable estimate of the damage or loss to the community or the

1 state. Said damages shall not exceed one hundred percent (100%) of
2 the principal. After payment of the liquidated damages, repayment
3 of the principal may be made in cash with interest at the rate of
4 twelve percent (12%) per annum, said interest to accrue from the
5 date each payment is made pursuant to the scholarship. No interest
6 however shall accrue during any one period of time that the
7 recipient thereof is required to serve in the Armed Forces of the
8 United States or during any period of internship.

9 C. The terms of this subsection shall apply to recipients who
10 accept assistance on or after July 1, 1993. The contract shall
11 provide that in the event the recipient breaches the terms of the
12 contract by not serving the designated community for the specified
13 period of time, the ~~Commission~~ Department shall be entitled to
14 recover an amount equal to three times the principal disbursed,
15 pursuant to the contract, plus interest. Interest on all amounts
16 paid to or on behalf of the participant shall be computed at the
17 current prime rate plus one percent (1%) with said interest to
18 accrue from the date each payment is made, pursuant to the contract.
19 The amount the ~~Commission~~ Department is entitled to recover shall be
20 paid within ninety (90) days of the date the recipient becomes
21 liable as determined by the ~~Commission~~ Department.

22 SECTION 23. AMENDATORY 70 O.S. 2011, Section 625.4, is
23 amended to read as follows:

24

1 Section 625.4. The ~~Commission~~ Oklahoma Department of Commerce
2 shall promulgate and adopt such rules and regulations as may be
3 necessary to carry out the provisions of this act. The ~~Commission~~
4 Department shall prescribe the form and regulate the submission of
5 applications for scholarship; conduct conferences and interviews
6 with applicants; determine the eligibility of applicants; allow or
7 disallow all applications for scholarships or renewal of
8 scholarships; contract, increase, decrease, terminate and otherwise
9 regulate all grants for scholarships and their repayment in cash or
10 services; and manage, operate and control all funds and property
11 appropriated or otherwise contributed for this purpose. The
12 ~~Commission~~ Department may acquire property or money by the
13 acceptance of gifts, grants, bequests or devise, and may contract
14 with the federal government in order to secure the benefit of any
15 federal program consistent with the provisions of this act. Monies
16 received by the ~~Commission~~ Department in repayment of scholarships
17 granted from appropriated funds shall be deposited with the State
18 Treasurer who shall place the same to the credit of the ~~Commission~~
19 Department in depository funds to be known as the "Rural Medical
20 Education Scholarship Fund" and the "Community Physician Education
21 Scholarship Fund" depending on the program in which the recipient
22 participated, under and subject exclusively to the control of the
23 ~~Commission~~ Department for the purpose of fulfilling and
24 accomplishing the conditions and purposes of the ~~Physician Manpower~~

1 ~~Training Commission~~ Department. All monies so collected and
2 deposited in the State Treasury as aforesaid shall constitute a
3 continuing fund, shall not be subject to fiscal limitations, and the
4 unexpended balance shall at all times be available for expenditures
5 for the purposes and in the manner and form provided by this act.
6 All funds and property, and income therefrom, received by the
7 ~~Commission~~ Department through the acceptance of gifts, grants,
8 bequests or devise shall be held by the ~~Commission~~ Department in
9 trust, and may be sold, transferred, invested and reinvested by the
10 ~~Commission~~ Department in accordance with the provisions of the
11 Oklahoma Trust Act, and all such funds and property, and income
12 therefrom, shall be used by the ~~Commission~~ Department in fulfilling
13 and accomplishing the conditions and purposes of the ~~Physician~~
14 ~~Manpower Training Commission~~ Department.

15 SECTION 24. AMENDATORY 70 O.S. 2011, Section 625.4a, as
16 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
17 2015, Section 625.4a), is amended to read as follows:

18 Section 625.4a. There is hereby created in the State Treasury a
19 revolving fund for the ~~Physician Manpower Training Commission~~
20 Oklahoma Department of Commerce to be designated the "Physician
21 Manpower Training ~~Commission~~ Revolving Fund". The fund shall be a
22 continuing fund, not subject to fiscal year limitations and shall
23 consist of all payments received by the ~~Commission~~ Department
24 pursuant to Sections 625.3 and 625.10a of this title and all

1 payments received by the ~~Commission~~ Department pursuant to the
2 Allied Health Placement Program and the Nursing Home Demonstration
3 Program. All monies accruing to the credit of the fund are hereby
4 appropriated and may be budgeted and expended by the ~~Physician~~
5 ~~Manpower Training Commission~~ Department for any expenses incurred in
6 the implementation of its duties. Expenditures from the fund shall
7 be made upon warrants issued by the State Treasurer against claims
8 filed as prescribed by law with the Director of the Office of
9 Management and Enterprise Services for approval and payment.

10 SECTION 25. AMENDATORY 70 O.S. 2011, Section 625.5, is
11 amended to read as follows:

12 Section 625.5. A. An applicant may be eligible for the award
13 of a scholarship upon demonstration that the applicant:

14 1. Desires a scholarship to any accredited school of medicine
15 or school of osteopathic medicine in the United States of America;

16 2. Is a bona fide resident of Oklahoma;

17 3. Has personal financial resources such that, in the absence
18 of scholarship aid, will be unable to pursue the program of study
19 desired;

20 4. Is a person of good moral character;

21 5. Has successfully completed the program of instruction
22 prerequisite for admission to the program of study provided for in
23 Section 625.1 et seq. of this title and has applied for admission to
24 a medical school;

1 6. Has capacity to profit by the course of study for which the
2 applicant seeks aid;

3 7. Desires to practice medicine in a rural community in
4 Oklahoma; and

5 8. Submits proof that the applicant has not accepted or will
6 not accept any other scholarship assistance which has a conflicting
7 service obligation requirement.

8 In determining an applicant's capacity to profit by the course
9 of study desired, the ~~Commission~~ Oklahoma Department of Commerce
10 shall consider the applicant's previous scholastic record, the
11 results of examinations conducted under the provisions of Section
12 625.1 et seq. of this title, and the results of interviews and such
13 other tests or examinations which the ~~Commission~~ Department may deem
14 advisable. In establishing an applicant's financial need, the
15 ~~Commission~~ Department shall conduct a thorough and complete
16 investigation of the financial resources of the applicant and
17 family.

18 B. The amount of each scholarship grant shall not exceed
19 Fifteen Thousand Dollars (\$15,000.00) per academic year for students
20 engaged in their first, second, third or fourth year of study, or
21 equivalent number of terms completed in an education program in a
22 given period of months.

23 C. The method of payment of funds to each recipient of a
24 scholarship grant shall be in accordance with rules formulated by

1 the ~~Commission~~ Department governing the grants for each type of
2 scholarship.

3 D. Each scholarship is renewable annually for the number of
4 years required to complete the course of study in which the
5 recipient is engaged. The ~~Commission~~ Department shall grant such an
6 annual renewal only upon the recipient's application and upon the
7 ~~Commission's~~ Department's finding that the recipient:

8 1. Has completed successfully the work of the preceding year
9 and presented evidence that the recipient is a student in good
10 standing;

11 2. Remains a resident of Oklahoma; and

12 3. Is in a financial situation that warrants the award of a
13 scholarship under the standards set forth in Section 625.1 et seq.
14 of this title.

15 E. The ~~Commission~~ Department shall make an annual report to the
16 Governor and Legislature on the activities of the ~~Commission~~
17 Department. This report shall include the names of the recipients
18 of the scholarships, the amount of the scholarship awards, an
19 accounting of the funds expended on scholarships and on the
20 administration of the program and a budget requesting the funds
21 necessary for the operation of the ~~Commission~~ Department. The
22 report shall also include an accounting of repayments of
23 scholarships, whether by services or in cash including interest.

24

1 SECTION 26. AMENDATORY 70 O.S. 2011, Section 625.6, is
2 amended to read as follows:

3 Section 625.6. Each applicant, before being granted a
4 scholarship, shall enter into a contract with the ~~Commission~~
5 Oklahoma Department of Commerce agreeing to the terms and conditions
6 upon which the scholarship shall be granted to ~~him~~ the applicant.
7 Said contract shall include such terms and provisions as will carry
8 out the full purpose and intent of this act and the form thereof
9 shall be prepared and approved by the Attorney General. ~~Said~~
10 ~~contracts~~ The contract shall be signed by the Secretary of Commerce
11 and Tourism on behalf of the ~~Commission~~ Department and by the
12 applicant. The ~~Commission~~ Department is hereby vested with full and
13 complete authority and power to sue in its own name any applicant
14 for any balance due the ~~Commission~~ Department on any contract. The
15 ~~Commission~~ Department shall have authority to cancel any contract
16 made between it and any recipient of a scholarship upon cause deemed
17 sufficient by the ~~Commission~~ Department.

18 SECTION 27. AMENDATORY 70 O.S. 2011, Section 625.9, is
19 amended to read as follows:

20 Section 625.9. The administration of the Oklahoma Rural Medical
21 Education Loan and Scholarship Fund is hereby transferred to the
22 ~~Physician Manpower Training Commission~~ Oklahoma Department of
23 Commerce as established by law. All the powers, duties,
24 responsibilities, rules and regulations and functions of the Board

1 of Trustees of the Oklahoma Rural Medical Education Scholarship Fund
2 are hereby transferred to the ~~Physician Manpower Training Commission~~
3 Department and The Board of Trustees of the Oklahoma Rural Medical
4 Education Scholarship Fund is hereby abolished and terminated.

5 SECTION 28. AMENDATORY 70 O.S. 2011, Section 625.10a, is
6 amended to read as follows:

7 Section 625.10a. The ~~Physician Manpower Training Commission~~
8 Oklahoma Department of Commerce is hereby authorized and empowered
9 to establish and administer cost-sharing scholarships and loan fund
10 programs which shall provide for state assistance to and
11 participation with community physician education and scholarship
12 trust funds which are selected and approved by the ~~Commission~~
13 Department. ~~Said~~ The state assistance and participation shall be on
14 a state and community matching formula basis for the funding of the
15 educational costs, fees and charges of a selected and qualified
16 student in good standing and who is duly enrolled in an accredited
17 college of medicine or college of osteopathic medicine and pursuing
18 a course of study leading to the degree of Doctor of Medicine or to
19 the degree of Doctor of Osteopathic Medicine. Said student shall be
20 a bona fide resident of the State of Oklahoma who desires and agrees
21 to practice his profession on completion of the course of study and
22 training required for licensure and certification in the community
23 providing the initial funds to be matched by the state funds.
24 Communities shall deposit the initial trust funds with the ~~Physician~~

1 ~~Manpower Training Commission~~ Department to be administered and
2 matched by the ~~Commission~~ Department for the education of selected
3 and qualified students to serve and to practice in the communities
4 with trust funds so established for that purpose with the ~~Commission~~
5 Department. The ~~Commission~~ Department shall aid and advise
6 communities in the selection of qualified students to participate in
7 a given community scholarship program and the ~~Commission~~ Department
8 shall approve the selection of a given student for a particular
9 community physician education scholarship trust fund matching
10 program. The ~~Commission~~ Department shall determine the percentage
11 share for the state in the scholarship matching program with a given
12 community to educate a given and duly selected student on the basis
13 of the extent of need of the community and its surrounding area for
14 the services of a practicing physician, the amount of the initial
15 trust funds the community has raised and deposited in the physician
16 education scholarship trust fund that is duly established and the
17 matching funds schedule developed by the ~~Commission~~ Department and
18 based upon both the population of the community determined by the
19 latest Federal Decennial Census and the estimated median family
20 annual income level as determined on the basis of the estimates of
21 the ~~Oklahoma~~ Department of ~~Commerce~~. The state matching assistance
22 and participation in a given scholarship trust fund program shall
23 not exceed seventy-five percent (75%) of the total amount calculated
24 to be necessary to fund the costs of a course of study for the

1 degree of Doctor of Medicine or the degree of Doctor of Osteopathic
2 Medicine as determined annually by the ~~Commission~~ Department.
3 Repayment of the total amount of the scholarship by the student on
4 completion of his course of study and on the establishment of his
5 practice in the community shall be made to the state fund and to the
6 community trust fund in accordance with the percentage and total
7 amounts contributed by the state and by the community to the
8 matching scholarship trust fund program and in accordance with the
9 provisions of Section 625.5 of this title and contract requirements
10 of Section 625.6 of this title which shall apply in all cases to
11 students participating in said community physician education
12 scholarship trust fund programs administered by the ~~Commission~~
13 Department with the exception of the maximum amount allowable in
14 payment to the student which shall be based on an annual review of
15 the costs, fees and charges of the school of medicine or school of
16 osteopathic medicine in which the student is enrolled and
17 participating which shall be made by the ~~Commission~~ Department.

18 The procedures, terms and conditions governing the scholarships
19 and how they are administered shall be as prescribed and formulated
20 by the ~~Physician Manpower Training Commission~~ Department but shall
21 include the following:

22 1. Communities desiring to participate in a loan and
23 scholarship program shall select a student who meets the
24

1 requirements for participation and give notice to the ~~Commission~~
2 Department.

3 2. The ~~Commission~~ Department shall aid and advise communities
4 in the selection of qualified students to participate in a given
5 community loan and scholarship program.

6 3. The communities shall deposit with the ~~Commission~~ Department
7 the initial year scholarship funds provided by the community which
8 funds shall be a percentage of the total educational and associated
9 costs of the student in the course of study in an accredited college
10 of medicine or college of osteopathic medicine and which funds are
11 to be used in the education of the selected student.

12 4. The ~~Commission~~ Department shall review and approve the
13 selection of a given student and shall then match the initial
14 community funds with state funds from the Oklahoma Community
15 Physician Education Loan and Scholarship Program Fund in the amount
16 needed to meet the total cost for educating the student for one (1)
17 year as agreed by the ~~Commission~~ Department and the community in
18 each particular case.

19 5. The ~~Commission~~ Department shall determine the percentage
20 share for the state in the loan and scholarship program with a given
21 community to educate a selected student on the basis of:

22 a. the extent of need of the community and its
23 surrounding area for the services of a practicing physician;

24

1 b. the amount of the initial trust funds the
2 community has raised and deposited with the ~~Commission~~ Department
3 for the education of a selected student;

4 c. the population of the community which shall be
5 determined on the basis of the current estimates made by the
6 ~~Oklahoma~~ Department ~~of Commerce~~.

7 6. The state matching assistance and participation by the
8 ~~Commission~~ Department in a given loan and scholarship program for a
9 particular student shall not exceed seventy-five percent (75%) of
10 the total amount calculated to be necessary to fund one (1) year of
11 study for the degree of Doctor of Medicine or the degree of Doctor
12 of Osteopathic Medicine as determined annually by the ~~Commission~~
13 Department at the school of medicine or osteopathic medicine in
14 which the selected student is enrolled.

15 7. Each scholarship recipient, upon completion of his course of
16 study, shall repay his loan and scholarship to the state and to the
17 community and receive forgiveness on repayment of the funds from the
18 state and from the community by practicing his profession in the
19 community in Oklahoma providing the initial funds at a minimum for
20 one (1) year for each Five Thousand Dollars (\$5,000.00) the
21 community and the state financed the scholarship program for the
22 student; provided, however, that the recipient will be given no
23 credit for payment, repayment and reduction of said obligation to
24 the community and the state by serving the given community for a

1 period less than two (2) years or, when approved by the ~~Commission~~
2 Department in agreement with the community and terms of the
3 contracts involved, repayment may be made in cash with interest at
4 the rate of twelve percent (12%) per annum, said interest to accrue
5 from the date each payment of funds pursuant to the loan and
6 scholarship program is made. In addition, should a recipient who
7 accepts financial assistance after July 1, 1977, elect not to
8 perform his obligated service in the sponsoring community, the
9 agreed upon sum denoted as liquidated damages in the contract shall
10 be assessed the recipient. No interest shall accrue on the
11 principal during any one period of time that the recipient thereof
12 is required to serve in the Armed Forces of the United States, or
13 during his internship or residency, if in a primary care area and
14 the required service, internship or residency does not exceed four
15 (4) years. Provided, that no interest shall accrue for six (6)
16 months following each of the above exceptions.

17 Each student who applies to participate in a community and state
18 matching loan and scholarship program shall enter into a contract
19 administered by the ~~Commission~~ Department on behalf of the state and
20 a given community which has provided the initial scholarship funds
21 to educate a selected student. The contract shall be between the
22 State of Oklahoma and the selected student by which contract the
23 student agrees to return to the community which provided the initial
24 loan and scholarship funds and to practice his profession, on

1 completion of the course of study and training required for
2 licensure and certification, for the number of years for which the
3 student received assistance from the community and the state and in
4 accordance with the conditions specified in the contract agreed to
5 by the student and the given community which selected the student.
6 Any repayment of the total amount of the scholarship or any portion
7 thereof as provided in this act and in the contract between the
8 state and the student shall be made to the state deposited into the
9 Community Matching Loan and Scholarship Repayment Revolving Fund
10 hereby created in the State Treasury. The community portion of any
11 repayment monies deposited in said fund shall be withdrawn from the
12 revolving fund and returned to the community on request or, if the
13 community so chooses, said repayment monies shall be held available
14 in said fund for reallocation by the community and the state to the
15 Community Physician Education Loan and Scholarship Program Fund to
16 educate another student selected by the community and approved by
17 the ~~Commission~~ Department. The form of the contracts shall be
18 prepared and approved by the Attorney General. The ~~Commission~~
19 Department is hereby vested with full and complete authority and
20 power to sue in its own name any applicant for any balance due the
21 ~~Commission~~ Department for repayment of the scholarship on any
22 contract or for failure by the applicant to fulfill the terms of his
23 contract in any way. Said contracts shall be signed by the ~~Chairman~~
24 ~~of the Commission~~ Executive Director of the Department and by the

1 student for and by a representative of the community which selected
2 the student. The ~~Commission~~ Department shall have authority to
3 cancel the contract it makes between the ~~Commission~~ Department and
4 any recipient of a scholarship upon cause deemed sufficient by the
5 ~~Commission~~ Department.

6 SECTION 29. AMENDATORY 70 O.S. 2011, Section 625.11, is
7 amended to read as follows:

8 Section 625.11. There is hereby created and established the
9 Oklahoma Community Physician Education Scholarship Program Fund
10 which fund shall be administered by the ~~Physician Manpower Training~~
11 ~~Commission~~ Oklahoma Department of Commerce for the purposes of
12 providing the state matching funds assistance for scholarship
13 programs with given communities. The ~~Commission~~ Department shall be
14 empowered to contract for services with any state agencies,
15 institutions or any public or private corporation involved in and
16 conducting programs in physician manpower placement in order that
17 the ~~Commission~~ Department may perform its functions in an efficient
18 and timely fashion.

19 SECTION 30. AMENDATORY 70 O.S. 2011, Section 625.12, is
20 amended to read as follows:

21 Section 625.12. A. A student may be eligible to apply for and
22 be granted a scholarship under the community and state matching
23 program when the following conditions are met:
24

1 1. That the student desires a scholarship to cover the costs
2 and expenses of pursuing the degree of Doctor of Medicine or the
3 degree of Doctor of Osteopathic Medicine at any accredited school of
4 medicine or school of osteopathic medicine in the United States of
5 America;

6 2. That the student is a bona fide resident of the State of
7 Oklahoma;

8 3. That the student desires and agrees to practice his
9 profession in the community in Oklahoma providing the initial funds
10 and subject to the terms and conditions of the contract between the
11 student and the community and the contract between the student and
12 the state;

13 4. That the student is a person of good moral character;

14 5. That the student has a capacity to profit by the course of
15 study for which he seeks aid;

16 6. That the student has successfully completed the program of
17 instruction prerequisite for admission to or continuation in the
18 program of study provided for in this act and has applied and been
19 accepted or is currently a student at an accredited school of
20 medicine or school of osteopathic medicine;

21 7. That the personal financial resources of the student are
22 such that he can demonstrate need for assistance to pursue
23 successfully the course of study in which he is engaged; and
24

1 8. That the student submits proof that he has not accepted or
2 will not accept any other scholarship assistance which has a
3 conflicting service obligation requirement.

4 In determining an applicant student's capacity to profit by the
5 course of study he desires to pursue, the ~~Commission~~ Department
6 shall consider his previous scholastic record, the results of
7 examinations conducted under the provisions of this act, and the
8 results of interviews and such other tests or examinations which the
9 ~~Commission~~ Department may deem advisable.

10 In establishing an applicant student's financial need, the
11 ~~Commission~~ Department shall conduct a thorough and complete
12 investigation of the financial resources of the applicant and his
13 family.

14 B. The method of payment of funds to each student participating
15 in the scholarship program shall be in accordance with rules
16 formulated by the ~~Commission~~ Department governing the grants for
17 each type of scholarship involved.

18 C. Each scholarship shall be renegotiated annually by the
19 ~~Commission~~ Department to determine if a change has occurred in the
20 ability of the community to match funds at the agreed level or if a
21 change has occurred in the student's financial need or desire to
22 practice in the community providing the initial funds. Each
23 scholarship may be renewed annually for the number of years required
24 to complete the course of study in which the recipient is engaged.

1 The ~~Commission~~ Department shall grant such an annual renewal only
2 upon the recipient's application and upon the ~~Commission's~~
3 Department's finding that the student has completed successfully the
4 work of the preceding year and presented evidence that he is a
5 student in good standing, and that he remains a resident of
6 Oklahoma.

7 SECTION 31. AMENDATORY 70 O.S. 2011, Section 625.13, is
8 amended to read as follows:

9 Section 625.13. A. There is hereby created the "Community
10 Match Rural Scholarship Incentive Program" which shall be conducted
11 and administered by the ~~Physician Manpower Training Commission~~
12 Oklahoma Department of Commerce. The purpose of this program is to
13 provide for the fair and necessary distribution of funds allocated
14 to it by the Legislature to provide monies to the following programs
15 under the ~~Physician Manpower Training Commission~~ Department:

- 16 1. The Community Matching Intern/Resident Program;
- 17 2. The Oklahoma Rural Medical Education Loan Scholarship
18 Program;
- 19 3. The Family/General Practice Resident Rural Scholarship Loan
20 Program, created pursuant to this section; and
- 21 4. The Family/General Practice Residency Grant Program, created
22 pursuant to this section.

23 The ~~Physician Manpower Training Commission~~ Department is hereby
24 authorized to distribute such monies to the funds specified in

1 Sections 625.1, 625.4a and 697.18 of this title necessary to fund
2 the programs specified in this section.

3 B. The ~~Physician Manpower Training Commission~~ Department shall
4 establish and administer a Family/General Practice Resident Rural
5 Scholarship Loan Program for the purpose of assisting Oklahoma's
6 rural communities by providing financial assistance through a
7 scholarship loan forgiveness program to residents enrolled in an
8 accredited Family Practice or General Practice residency program.
9 The ~~Commission~~ Department shall establish the eligibility standards,
10 the amount of the loan not to exceed One Thousand Dollars
11 (\$1,000.00) per month, the service obligation of the recipient of
12 the loan, and any penalties related to the breach of the service
13 contract or failure to repay such loan plus interest and penalty.

14 C. The ~~Physician Manpower Training Commission~~ Department shall
15 establish and administer a Family/General Practice Residency Grant
16 Program for the purpose of assisting Oklahoma's rural communities by
17 providing financial assistance through a grant program to residents
18 enrolled in an accredited Family Practice or General Practice
19 residency program. The ~~Commission~~ Department shall establish the
20 eligibility standards, the amount of the grant not to exceed Five
21 Thousand Dollars (\$5,000.00) per year, up to three (3) years, the
22 program obligations of the recipient of the grant, and any penalties
23 related to the breach of the grant obligations or failure to repay
24 the grant plus interest.

1 SECTION 32. AMENDATORY 70 O.S. 2011, Section 625.14, is
2 amended to read as follows:

3 Section 625.14. The ~~Physician Manpower Training Commission~~
4 Oklahoma Department of Commerce shall establish and administer cost-
5 sharing programs for internship and residency physician training,
6 which ~~Commission~~ the Department shall provide for state assistance
7 by sharing the cost on a percentage basis, as may be prescribed by
8 law or as determined by the ~~Commission~~ Department, of the salary,
9 fringe benefits, training and program administration of the interns
10 and residents as may be arranged by contract for reimbursement with
11 an accredited and approved hospital and accredited clinical programs
12 throughout the state in cooperation with the University of Oklahoma
13 College of Medicine and the University of Oklahoma College of
14 Medicine at Tulsa, which physician training institutions in the
15 state shall serve as the administrative agent for internship and
16 residency programs which are located in hospitals and clinical
17 training programs throughout the state, which programs are
18 affiliated with said institutions and approved for funding by the
19 ~~Commission~~ Department. The ~~Commission~~ Department shall conduct the
20 planning, coordination and selection of said training programs to
21 assure the effective and efficient operation of these programs. Not
22 less than fifty percent (50%) of the subsidy for these programs
23 shall be used in the training of primary health care and family
24 practice physicians for the rural and medically underserved areas of

1 the state. Provided that such subsidy may be used for the primary
2 purpose of increasing the total number of residencies funded by the
3 State of Oklahoma, wherever located within the state, during that
4 period in which residency programs are being established in rural
5 areas; provided further, that as said residency programs are
6 established and accredited in rural hospitals, residency positions
7 in such programs shall be first provided for by the ~~Commission~~
8 Department. The ~~Commission~~ Department shall present a report to the
9 Governor, the Speaker of the House of Representatives and the
10 President Pro Tempore of the Senate within one (1) month of the
11 beginning of each regular legislative session on the operation of
12 the programs including the progress made in accomplishing the goals
13 of physician training as to type of specialties and manpower
14 placement of the kind necessary to provide adequate health care to
15 the people throughout the State of Oklahoma. The subsidy to the
16 participating hospital, clinical situation or training institution
17 per resident or intern shall not exceed any maximum or minimum
18 amount as may be prescribed by law or as determined by the
19 ~~Commission~~ Department. The actual amount of subsidy for physician
20 training program situations shall be based upon a determination by
21 the ~~Commission~~ Department of:

- 22 1. The type of primary care residency and internship programs
23 involved and being conducted;

24

1 2. The extent of reimbursement available through third-party
2 payers and all other sources; and

3 3. The program and salary costs incurred in the given training
4 situation.

5 SECTION 33. AMENDATORY 70 O.S. 2011, Section 697.2, is
6 amended to read as follows:

7 Section 697.2. ~~There is hereby re-created the Physician~~
8 ~~Manpower Training Commission, hereafter referred to as the~~
9 ~~Commission,~~ The Oklahoma Department of Commerce is authorized to
10 establish and administer cost-sharing programs for internship and
11 residency physician training, which ~~Commission~~ the Department shall
12 provide for state assistance by sharing the cost on a percentage
13 basis, as may be prescribed by law or as determined by the
14 ~~Commission~~ Department, of the salary, fringe benefits, training and
15 program administration of the interns and residents as may be
16 arranged by contract for reimbursement with an accredited and
17 approved hospital and accredited clinical programs throughout the
18 state in cooperation with the Oklahoma State University College of
19 Osteopathic Medicine, which physician training institutions in the
20 state shall serve as the administrative agent for internship and
21 residency programs which are located in hospitals and clinical
22 training programs throughout the state, which programs are
23 affiliated with said institutions and approved for funding by the
24 ~~Commission~~ Department. ~~The Commission~~ Department shall conduct the

1 planning, coordination and selection of said training programs to
2 assure the effective and efficient operation of these programs. Not
3 less than fifty percent (50%) of the subsidy for these programs
4 shall be used in the training of primary health care and
5 family/general practice physicians for the rural and medically
6 underserved areas of the state. Provided that such subsidy may be
7 used for the primary purpose of increasing the total number of
8 residencies funded by the State of Oklahoma, wherever located within
9 the state, during that period in which residency programs are being
10 established in rural areas; provided further, that as said residency
11 programs are established and accredited in rural hospitals,
12 residency positions in such programs shall be first provided for by
13 the ~~Commission~~ Department. The ~~Commission~~ Department shall present
14 a report to the Governor, the Speaker of the House of
15 Representatives and the President Pro Tempore of the Senate within
16 one (1) month of the beginning of each regular legislative session
17 on the operation of the programs including the progress made in
18 accomplishing the goals of physician training as to type of
19 specialties and manpower placement of the kind necessary to provide
20 adequate health care to the people throughout the State of Oklahoma.
21 The subsidy to the participating hospital, clinical situation or
22 training institution per resident or intern shall not exceed any
23 maximum or minimum amount as may be prescribed by law or as
24 determined by the ~~Commission~~ Department. The actual amount of

1 subsidy for physician training program situations shall be based
2 upon a determination by the ~~Commission~~ Department of:

3 1. The type of primary care residency and internship programs
4 involved and being conducted;

5 2. The extent of reimbursement available through third-party
6 payers and all other sources; and

7 3. The program and salary costs incurred in the given training
8 situation.

9 SECTION 34. AMENDATORY 70 O.S. 2011, Section 697.5, is
10 amended to read as follows:

11 Section 697.5. ~~The Physician Manpower Training Commission~~
12 Oklahoma Department of Commerce, in order to perform its official
13 function in establishing and administering physician training
14 programs, shall have the following specific powers, duties and
15 responsibilities:

16 1. To review all available data on physician manpower in
17 Oklahoma in order to determine the current and projected
18 distribution of physicians by geographic location and by type of
19 practice, and, to accomplish this review, the ~~Commission~~ Department
20 shall obtain information from and work in conjunction with the State
21 Department of Health and all other agencies which gather data and
22 evaluate health manpower needs;

23 2. To review data and information on accredited physician
24 internship and residency programs currently operated by Oklahoma

1 hospitals and other approved clinical situations, in order to
2 ascertain the number and distribution by physician specialty
3 training and by geographic location of available internship and
4 residency positions and to evaluate the impact of internship and
5 residency placement on the establishment of practices by physicians
6 in that geographic area or similar areas within the state where
7 their services are urgently needed;

8 3. To serve as an agent to advise hospitals, clinics, and
9 communities on setting up and planning internship and residency
10 programs which emphasize the provision of additional primary care
11 physicians to service the rural areas of Oklahoma with primary care
12 specialties to be defined to include training in the area of
13 internal medicine, obstetrics and gynecology, pediatrics, emergency
14 trauma, and family practice;

15 4. To provide general counsel and advice in the development,
16 operation and evaluation of physician internship and residency
17 programs throughout the State of Oklahoma in cooperation with the
18 efforts of the Oklahoma State Regents for Higher Education and the
19 state's physician training institutions such as the Oklahoma
20 University College of Medicine, Oklahoma City and Tulsa campuses,
21 and the Oklahoma College of Osteopathic Medicine and Surgery, and
22 subject to accreditation by official and appropriate accrediting
23 agencies;

24

1 5. To develop the criteria for determining the physician
2 training cost component or associated clinical and hospital training
3 costs which are or may be nonreimbursable by third party payers in
4 programs proposed by accredited hospitals, clinical situations, or
5 hospital and clinical programs affiliated with and administered by
6 the College of Medicine, College of Medicine - Tulsa or College of
7 Osteopathic Medicine and Surgery in order to determine the share for
8 the state in supporting the salary, benefits, training and program
9 administration costs incurred by hospitals in supporting of the
10 interns and residents;

11 6. To develop the criteria and procedure by which state
12 matching funds will be awarded to hospitals, accredited clinical
13 situations, in cooperation with the University of Oklahoma College
14 of Medicine, University of Oklahoma College of Medicine - Tulsa, and
15 the Oklahoma College of Osteopathic Medicine and Surgery which shall
16 administer programs in hospital and clinical situations in the state
17 to be used to underwrite the salaries, benefits and associated
18 training and administration costs provided for the physician interns
19 and residents during their period of training in such a way as to
20 create an incentive for the development and establishment of
21 residency and internship positions by hospitals, clinical
22 establishments or by affiliation agreement with the University of
23 Oklahoma College of Medicine, University of Oklahoma College of
24 Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine

1 and Surgery by providing funds to cover and to supplement the
2 nonreimbursable or additional costs incurred in hospitals for
3 training activities or for delivery of service in outreach and
4 ambulatory clinical situations which are outside but associated with
5 the hospitals and clinical establishments participating in the
6 program;

7 7. To review and to approve for inclusion in the programs
8 funded the applications for funds submitted by accredited hospitals
9 and clinical situations participating in physician training programs
10 in cooperation with the University of Oklahoma College of Medicine,
11 University of Oklahoma College of Medicine - Tulsa and the Oklahoma
12 College of Osteopathic Medicine and Surgery for the costs of
13 supplying residents and interns in programs which they administer by
14 affiliation agreements with hospitals and clinical situations
15 throughout the state in which the interns and residents are
16 supervised and funded by the University of Oklahoma College of
17 Medicine, University of Oklahoma College of Medicine - Tulsa and the
18 Oklahoma College of Osteopathic Medicine and Surgery and the
19 hospitals and clinical establishments pay for the patient care
20 services rendered in their institutions by these residents and
21 interns during the period of training;

22 8. To determine the specific level of funding and the
23 priorities used for granting state support to approved hospitals and
24 clinical situations, in cooperation with the University of Oklahoma

1 College of Medicine, University of Oklahoma College of Medicine -
2 Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery
3 for approved hospital physician training programs for interns and
4 residents and to recommend to the Governor and the Oklahoma
5 Legislature the total funds needed to carry out the purpose of this
6 program;

7 9. To employ ~~a director~~ and any staff personnel required to
8 administer the funding of approved physician training programs and
9 to contract with other state agencies and institutions to conduct
10 and to perform specified services, functions and aspects in
11 administering state funds on the specified cost-sharing basis
12 determined by the ~~Commission~~ Department or for developing programs
13 and community and institutional participation in these training
14 programs;

15 10. To ensure that hospitals or clinical situations that can
16 qualify in all sections of Oklahoma be utilized, and to take all
17 steps necessary to assist such hospitals or clinics in obtaining
18 necessary recognition or status, or in meeting standards for
19 accreditation or affiliation so that they may participate in these
20 physician training programs;

21 11. To ensure that in programs administered and operated by the
22 University of Oklahoma College of Medicine, University of Oklahoma
23 College of Medicine - Tulsa and the Oklahoma College of Osteopathic
24 Medicine and Surgery in hospitals and clinical situations throughout

1 the state that funds allocated to the colleges are paid by the
2 hospitals and clinical situations in which the patient care services
3 are rendered, the funds are expended for such purposes in funding
4 residents and interns in the physician training programs that the
5 colleges have established with the approved hospitals and clinical
6 situations which programs are designed to provide primary health
7 care services to the rural and medically underserved parts of the
8 state;

9 12. To conduct and to administer a program of physician and
10 health manpower placement services throughout the State of Oklahoma.
11 Placement services shall be made available to communities,
12 hospitals, health care facilities, physician and health professional
13 training institutions, health professional associations and
14 organizations, individual physicians, health professionals, students
15 in physician and health professional training institutions and
16 schools, and other interested parties in such a way so as to further
17 the purposes of improving the distribution of physicians and health
18 professionals practicing or available for practice in the state and
19 improving in the availability of health care services to the people
20 of the state. Said placement service shall include but not be
21 limited to assisting communities in matching with, contacting and
22 recruiting physicians and health professionals to practice in
23 communities in the state. The ~~Commission~~ Department shall develop
24 criteria and procedures for the conduct and performance of placement

1 services and employ any staff, contract for services with any
2 private agency, nonprofit corporation or institution to facilitate
3 the performance of placement services.

4 SECTION 35. AMENDATORY 70 O.S. 2011, Section 697.6, is
5 amended to read as follows:

6 Section 697.6. Funds appropriated to carry out the provisions
7 of this act shall be allocated so that no less than forty percent
8 (40%) of all participating residents and interns in each school year
9 must participate in a rural program outside the Oklahoma City and
10 Tulsa metropolitan areas. The ~~Physician Manpower Training~~
11 ~~Commission~~ Oklahoma Department of Commerce, in accordance with
12 primary care specialty accreditation standards, shall promulgate and
13 adopt rules designating the time allocation spent by the residents
14 and interns participating in this program outside the Oklahoma City
15 and Tulsa metropolitan areas.

16 SECTION 36. AMENDATORY 70 O.S. 2011, Section 697.7, as
17 amended by Section 615, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
18 2015, Section 697.7), is amended to read as follows:

19 Section 697.7. The ~~Physician Manpower Training Commission~~
20 Oklahoma Department of Commerce is hereby authorized to enter into
21 contractual arrangements with residency training programs at the
22 University of Oklahoma College of Medicine, University of Oklahoma-
23 Tulsa Medical College, or the Oklahoma College of Osteopathic
24 Medicine and Surgery, in order to enhance available funding for the

1 training of primary care residents and to pay the cost of the salary
2 stipend and expenses of the resident physician for the period of
3 time spent in the residency programs. Monies received by the
4 ~~Commission~~ Department from the participating residency training
5 program under the provisions of this section shall be deposited to,
6 and disbursed from, the "Residency Revolving Fund" hereby created in
7 the State Treasury. The fund shall be a continuing fund not subject
8 to legislative appropriation or fiscal year limitations.

9 Expenditures from the fund shall be made on warrants issued by the
10 State Treasurer against claims filed by the ~~Commission~~ Department
11 with the Director of the Office of Management and Enterprise
12 Services for approval and payment.

13 SECTION 37. AMENDATORY 70 O.S. 2011, Section 697.8, as
14 amended by Section 616, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
15 2015, Section 697.8), is amended to read as follows:

16 Section 697.8. A community may enter into a contract with a
17 resident physician in training whereby the resident agrees to
18 establish a practice in the community upon the completion of his
19 residency. The ~~Physician Manpower Training Commission~~ Oklahoma
20 Department of Commerce shall have the authority to receive funds
21 direct from that community for the purpose of paying the resident
22 involved to the extent of the contractual arrangements. Monies
23 received by the ~~Commission~~ Department under the provisions of this
24 section shall be deposited to, and disbursed from, the "Community

1 Residency Revolving Fund" hereby created in the State Treasury. The
2 fund shall be a continuing fund not subject to legislative
3 appropriation or fiscal year limitations. Expenditures from said
4 fund shall be made on warrants issued by the State Treasurer against
5 claims filed by the ~~Commission~~ Department with the Director of the
6 Office of Management and Enterprise Services for approval and
7 payment.

8 SECTION 38. AMENDATORY 70 O.S. 2011, Section 697.9, is
9 amended to read as follows:

10 Section 697.9. There is hereby created and established the
11 Community Preceptor Physician Training and Work Experience
12 Scholarship Fund which fund shall be administered by the ~~Physician~~
13 ~~Manpower Training Commission~~ Oklahoma Department of Commerce for the
14 purpose of providing state matching funds assistance and encouraging
15 the development of a program whereby the state in conjunction with
16 given communities, hospitals or clinical training situations funds
17 the stipends and living expenses for medical students who agree to
18 work in these given communities during the vacation times during the
19 course of their education in the University of Oklahoma College of
20 Medicine or the Oklahoma College of Osteopathic Medicine and
21 Surgery. The ~~Commission~~ Department shall develop procedures for
22 determining the matching funds participation of communities and of
23 the state for a given student and coordinate with the physician
24 training institutions in the state for the selection of students to

1 participate in the program and the selection of physicians who will
2 supervise students and hospitals and clinical situations in which
3 the training and experience occurs in the delivery of primary health
4 care to rural and medically underserved areas with the purpose of
5 providing medical and osteopathic students an opportunity to develop
6 relationships with communities and encourage them to locate their
7 practices in areas of medical need.

8 SECTION 39. AMENDATORY 70 O.S. 2011, Section 697.10, as
9 amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
10 2015, Section 697.10), is amended to read as follows:

11 Section 697.10. A. ~~The Physician Manpower Training Commission~~
12 Oklahoma Department of Commerce is authorized to enter into
13 contractual arrangements with individual hospitals and clinical
14 programs for the reimbursement of intern or resident salary cost not
15 to exceed the limits established by Section 697.2 of this title.
16 Provided, that residency and internship positions created prior to
17 the spring semester 1975 shall be eligible for participation in the
18 cost-sharing program for internship and residency training as
19 established by Sections 697.1 through 697.8 of this title, only if
20 partial funding of said positions will allow the creation of
21 additional positions in whole or in part at the participating
22 hospital or clinical situation. The participating hospital or
23 clinical situation shall document in a manner specified by the
24 ~~Commission~~ Department the extent to which funding of a previously

1 created and established position contributes directly to the
2 creation of additional positions at the participating hospital or
3 clinical situation.

4 B. The ~~Commission~~ Department is authorized, in cooperation with
5 the Oklahoma Health Care Authority, to enter into contractual
6 arrangements with the University of Oklahoma College of Medicine and
7 the Oklahoma State University College of Osteopathic Medicine for
8 the reimbursement of intern and resident professional liability
9 insurance cost which shall not be subject to the limits established
10 in Section 697.2 of this title. Any and all intern and resident
11 positions are eligible for reimbursement of intern and resident
12 professional liability insurance cost.

13 C. There is hereby created in the State Treasury a revolving
14 fund for the ~~Physician Manpower Training Commission~~ Department to be
15 designated the "Intern and Residents Professional Liability
16 Insurance Fund". The fund shall be a continuing fund, not subject
17 to fiscal year limitations, and shall consist of all monies received
18 by the ~~Physician Manpower Training Commission~~ Department for
19 reimbursement of intern and residency professional liability
20 insurance costs. All monies accruing to the credit of the fund are
21 hereby appropriated and may be budgeted and expended by the
22 ~~Physician Manpower Training Commission~~ Department for such costs.
23 Expenditures from the fund shall be made upon warrants issued by the
24 State Treasurer against claims filed as prescribed by law with the

1 Director of the Office of Management and Enterprise Services for
2 approval and payment.

3 SECTION 40. AMENDATORY 70 O.S. 2011, Section 697.11, as
4 amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
5 2015, Section 697.11), is amended to read as follows:

6 Section 697.11. A. In addition to internship and residency
7 programs previously established and funded, it is the intent of the
8 Legislature that the ~~Physician Manpower Training Commission~~ Oklahoma
9 Department of Commerce, in cooperation with the Oklahoma Health Care
10 Authority, establish a Critical Need Internship and Residency
11 Program. The purpose of the Program is to fund internship and
12 residency programs across the state in areas of critical need. The
13 determination of areas of critical need shall be made through a
14 cooperative effort between the University of Oklahoma College of
15 Medicine and the Oklahoma State University College of Osteopathic
16 Medicine. The findings shall be reported to the ~~Commission~~
17 Department by July 1, 2006, and every three (3) years thereafter.

18 B. The University of Oklahoma College of Medicine and the
19 Oklahoma State University College of Osteopathic Medicine shall
20 annually provide to the ~~Commission~~ Department a report outlining the
21 areas of physician shortages in each specialty area. The report
22 shall be the basis for the cooperative funding of critical need
23 physician specialties for the current fiscal year.

24

1 C. There is hereby created in the State Treasury a revolving
2 fund for the ~~Physician Manpower Training Commission~~ Department to be
3 designated the "Critical Need Internship and Residency Fund". The
4 fund shall be a continuing fund, not subject to fiscal year
5 limitations, and shall consist of all monies received by the
6 ~~Physician Manpower Training Commission~~ Department for funding
7 internship and residency programs in areas of critical need. All
8 monies accruing to the credit of the fund are hereby appropriated
9 and may be budgeted and expended by the ~~Physician Manpower Training~~
10 ~~Commission~~ Department for such costs. Expenditures from the fund
11 shall be made upon warrants issued by the State Treasurer against
12 claims filed as prescribed by law with the Director of the Office of
13 Management and Enterprise Services for approval and payment.

14 SECTION 41. AMENDATORY 70 O.S. 2011, Section 697.12, is
15 amended to read as follows:

16 Section 697.12. The ~~Physician Manpower Training Commission~~
17 Oklahoma Department of Commerce shall establish and administer a
18 cost-sharing scholarship program for the provision of physician
19 services at the various correctional facilities under the Department
20 of Corrections and the surrounding or nearby communities. Except as
21 otherwise specified herein, the scholarship program shall be
22 administered pursuant to the requirements prescribed by law for and
23 as part of the Oklahoma Community Education Scholarship Program.
24 Each scholarship available hereunder shall be funded on a percentage

1 cost-sharing basis as follows: One-half (1/2) of the costs to be
2 provided by the ~~Commission~~ Department, one-fourth (1/4) of the costs
3 to be provided by the Department of Corrections and one-fourth (1/4)
4 of the costs to be provided by a community. Each physician, who has
5 participated in the scholarship program hereunder, shall devote one-
6 half (1/2) of his or her professional time to medical care and
7 treatment of inmates at a state correctional facility and one-half
8 (1/2) of his or her professional time to medical services in the
9 community which shared the cost of a scholarship hereunder, for the
10 period of time as required under the Oklahoma Community Education
11 Scholarship Program.

12 SECTION 42. AMENDATORY 70 O.S. 2011, Section 697.15, is
13 amended to read as follows:

14 Section 697.15. In order for any hospital or clinic to be
15 eligible to receive funds through the ~~Physician Manpower Training~~
16 ~~Commission~~ Oklahoma Department of Commerce for residency or
17 internship positions, such hospital or clinic shall affirm that
18 students receiving their medical education in Oklahoma will be given
19 special consideration for all residency and internship positions.

20 SECTION 43. AMENDATORY 70 O.S. 2011, Section 697.17, as
21 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
22 2015, Section 697.17), is amended to read as follows:

23 Section 697.17. A. There is hereby established the Nursing
24 Student Assistance Program which shall be administered by the

1 ~~Physician Manpower Training Commission~~ Oklahoma Department of
2 Commerce. The purpose of the program shall be to encourage persons
3 to enter nursing education programs and to practice in areas of this
4 state in which there is an urgent need for nursing services or in
5 institutions or agencies of this state which provide funds on a
6 matching basis with the ~~Physician Manpower Training Commission~~
7 Department for the support of nursing students. The Nursing Student
8 Assistance Program shall be administered by rules adopted by the
9 ~~Physician Manpower Training Commission~~ Department.

10 B. Only students who are residents of this state shall be
11 eligible to participate in the Nursing Student Assistance Program.

12 C. If a person receiving Nursing Student Assistance Program
13 funds fails to fully comply with the provisions of the contract for
14 said funds, the person shall refund to the ~~Physician Manpower~~
15 ~~Training Commission~~ Department all monies received by the person
16 pursuant to the provisions of the contract plus interest at the rate
17 of twelve percent (12%) from the date of disbursement of said funds
18 and shall be liable for any other liquidated damages as specified in
19 the contract.

20 D. There is hereby created in the State Treasury a revolving
21 fund for the ~~Physician Manpower Training Commission~~ Department to be
22 designated the "Nursing Student Assistance Fund". The fund shall be
23 a continuing fund, not subject to fiscal year limitations, and shall
24 consist of all nonappropriated monies, including community match

1 money of appropriated funds, grants, gifts, and repayment of
2 scholarships received by the ~~Physician Manpower Training Commission~~
3 Department. All monies accruing to the credit of said fund are
4 hereby appropriated and may be budgeted and expended by the
5 ~~Physician Manpower Training Commission~~ Department for such
6 scholarships as may be provided for pursuant to the Nursing Student
7 Assistance Program. Expenditures from said fund shall be made upon
8 warrants issued by the State Treasurer against claims filed as
9 prescribed by law with the Director of the Office of Management and
10 Enterprise Services for approval and payment.

11 SECTION 44. AMENDATORY 70 O.S. 2011, Section 697.18, as
12 amended by Section 620, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
13 2015, Section 697.18), is amended to read as follows:

14 Section 697.18. A community may enter into a contract with a
15 physician who is a graduate from an accredited medical school
16 whereby such physician agrees to establish a practice in that
17 community. The ~~Physician Manpower Training Commission~~ Oklahoma
18 Department of Commerce shall have the authority to receive funds
19 direct from that community for the purpose of paying the physician
20 involved to the extent of the contractual arrangement. Monies
21 received by the ~~Commission~~ Department under the provisions of this
22 section shall be deposited to and disbursed from, the "Community
23 Match Revolving Fund" hereby created in the State Treasury. The
24 fund shall be a continuing fund not subject to legislative

1 appropriation of fiscal year limitations. Expenditures from said
2 fund shall be made on warrants issued by the State Treasurer against
3 claims filed by the ~~Commission~~ Department with the Director of the
4 Office of Management and Enterprise Services for approval and
5 payment.

6 SECTION 45. AMENDATORY 70 O.S. 2011, Section 697.19, as
7 amended by Section 621, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
8 2015, Section 697.19), is amended to read as follows:

9 Section 697.19. A. There is hereby established the Omnibus
10 Budget Reconciliation Act Program (OBRA) which shall be administered
11 by the ~~Physician Manpower Training Commission~~ Oklahoma Department of
12 Commerce. The purpose of the program shall be to encourage persons
13 to enter nursing education programs and to practice in nursing homes
14 of this state in which there is an urgent need for nursing services
15 which provide funds on a matching basis with ~~the Physician Manpower~~
16 ~~Training Commission~~ Department for the support of nursing students.
17 The OBRA Program shall be administered by rules under the Oklahoma
18 Nursing Student Assistance Program adopted by the ~~Physician Manpower~~
19 ~~Training Commission~~ Department.

20 B. Only students who are residents of this state shall be
21 eligible to participate in the OBRA Program.

22 C. If a person receiving OBRA Program funds fails to fully
23 comply with the provisions of the contract for said funds, the
24 person shall refund to the ~~Physician Manpower Training Commission~~

1 Department all monies received by the person pursuant to the
2 provisions of the contract plus interest at the rate of twelve
3 percent (12%) from the date of disbursement of said funds and shall
4 be liable for any other liquidated damages as specified in the
5 contract.

6 D. There is hereby created in the State Treasury a revolving
7 fund for the ~~Physician Manpower Training Commission~~ Department to be
8 designated the "OBRA Fund". The fund shall be a continuing fund,
9 not subject to fiscal year limitations, and shall consist of all
10 nonappropriated monies, including local nursing home association
11 match money of appropriated funds, grants, gifts, and repayment of
12 scholarships received by the ~~Physician Manpower Training Commission~~
13 Department. All monies accruing to the credit of said fund are
14 hereby appropriated and may be budgeted and expended by the
15 ~~Physician Manpower Training Commission~~ Department for such
16 scholarships as may be provided for pursuant to the OBRA Program.
17 Expenditures from said fund shall be made upon warrants issued by
18 the State Treasurer against claims filed as prescribed by law with
19 the Director of the Office of Management and Enterprise Services for
20 approval and payment.

21 SECTION 46. AMENDATORY 70 O.S. 2011, Section 697.20, is
22 amended to read as follows:

23 Section 697.20. A. There is hereby created the "Osteopathic
24 Internship and Residency Program" which shall be conducted and

1 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
2 Department of Commerce. The purpose of this program is to provide
3 for the fair and necessary distribution of funds allocated to it by
4 the Legislature to provide monies to the following programs under
5 the Physician Manpower Training Program:

- 6 1. The Doctor of Osteopathy Residency Program (OSU/COM);
- 7 2. The Osteopathic General Practice Residency Program
8 (OSU/COM); and
- 9 3. The Osteopathic Internship Program (OSU/COM).

10 B. The ~~Physician Manpower Training Commission~~ Department is
11 hereby authorized to distribute such monies to the funds specified
12 in Sections 697.2 and 697.6 of this title necessary to fund the
13 programs specified in this section.

14 SECTION 47. AMENDATORY 70 O.S. 2011, Section 697.21, as
15 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
16 2015, Section 697.21), is amended to read as follows:

17 Section 697.21. A. There is hereby established the Physician
18 Assistant Scholarship Program. The purpose of the program is to
19 encourage persons to enter physician assistant education programs
20 and to practice in rural and medically underserved areas of this
21 state. The Physician Assistant Scholarship Program shall be
22 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
23 Department of Commerce pursuant to rules promulgated by the
24 ~~Commission~~ Department and shall be funded based on an annual

1 estimate of need as determined by the ~~Commission~~ Department. Awards
2 made pursuant to this Program shall be subject to the availability
3 of funds. The number of and amount of each award shall be
4 determined by the ~~Commission~~ Department based on the availability of
5 funds.

6 B. Only students who are residents of this state and who have
7 been admitted as a student in an accredited physician assistant
8 program shall be eligible to participate in the Physician Assistant
9 Scholarship Program.

10 C. If a person receiving Physician Assistant Scholarship
11 Program monies fails to fully comply with the provisions of the
12 contract for the monies, the person shall refund to the ~~Physician~~
13 ~~Manpower Training Commission~~ Department all monies received by the
14 person pursuant to the provisions of the contract plus interest at a
15 rate that equals the prime interest rate plus one percent (1%) from
16 the date of disbursement of the funds and shall be liable for any
17 other liquidated damages as specified in the contract.

18 D. There is hereby created in the State Treasury a revolving
19 fund for the ~~Physician Manpower Training Commission~~ Department to be
20 designated the "Physician Assistant Scholarship Fund". The fund
21 shall be a continuing fund, not subject to fiscal year limitations,
22 and shall consist of all monies received by the ~~Physician Manpower~~
23 ~~Training Commission~~ Department for implementation of the Physician
24 Assistant Scholarship Program. All monies accruing to the credit of

1 the fund are hereby appropriated and may be budgeted and expended by
2 the ~~Physician Manpower Training Commission~~ Department for such
3 scholarships as may be provided for pursuant to the Physician
4 Assistant Scholarship Program. Expenditures from the fund shall be
5 made upon warrants issued by the State Treasurer against claims
6 filed as prescribed by law with the Director of the Office of
7 Management and Enterprise Services for approval and payment.

8 SECTION 48. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 5004.2 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 A. The Physician Manpower Training Commission is hereby
12 abolished. On July 1, 2016, all powers, duties, employees,
13 functions, and responsibilities of the Physician Manpower Training
14 Commission shall be transferred to the Oklahoma Department of
15 Commerce. The transfer shall include all equipment, supplies,
16 records, assets, current and future liabilities, fund balances,
17 encumbrances, obligations and indebtedness associated with the
18 Physician Manpower Training Commission.

19 B. Any monies accruing to or in the name of the Physician
20 Manpower Training Commission on and after the effective date of this
21 act, or any monies that accrue in any funds or accounts or are
22 maintained for the benefit of the Office on and after the effective
23 date of this act shall be transferred to the Oklahoma Department of
24 Commerce.

1 C. The Oklahoma Department of Commerce shall succeed to any
2 contractual rights and responsibilities incurred by the Physician
3 Manpower Training Commission.

4 D. The Director of the Office of Management and Enterprise
5 Services is hereby directed to coordinate the transfer of funds,
6 allotments, purchase orders and outstanding financial obligations or
7 encumbrances as provided for in this section.

8 SECTION 49. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 5004.3 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 Effective July 1, 2016, all administrative rules promulgated by
12 the Physician Manpower Training Commission shall be transferred to
13 and become a part of the administrative rules of the Oklahoma
14 Department of Commerce. The Office of Administrative Rules in the
15 Secretary of State's office shall provide adequate notice in the
16 Oklahoma Register of the transfer of such rules, and shall place the
17 transferred rules under the Administrative Code section of the
18 Oklahoma Department of Commerce. Such rules shall continue in force
19 and effect as rules of the office of the Department from and after
20 July 1, 2016, and any amendment, repeal or addition to the
21 transferred rules shall be under the jurisdiction of the Department.

22 SECTION 50. REPEALER 70 O.S. 2011, Sections 625.7,
23 697.3, 697.4 and 697.16, are hereby repealed.

24 ~~SECTION 51. This act shall become effective July 1, 2016.~~

1 ~~SECTION 52. It being immediately necessary for the preservation~~
2 ~~of the public peace, health and safety, an emergency is hereby~~
3 ~~declared to exist, by reason whereof this act shall take effect and~~
4 ~~be in full force from and after its passage and approval.~~

5 Passed the Senate the 7th day of March, 2016.

6

7

Presiding Officer of the Senate

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9 Passed the House of Representatives the ____ day of _____,
10 2016.

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Presiding Officer of the House
of Representatives

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