

Amend CSSB 31 (Senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Chapter 487, Government Code, is amended by adding Subchapter P to read as follows:

SUBCHAPTER P. RURAL PHYSICIAN AND DENTIST

LOAN REPAYMENT PROGRAM

Sec. 487.701. DEFINITION. In this subchapter, "rural medically or dentally underserved area" means a predominantly rural geographic area in this state that the office by rule designates as being underserved with respect to available medical or dental care.

Sec. 487.702. LOAN REPAYMENT PROGRAM. In accordance with this subchapter and rules adopted by the executive committee, the office shall establish and administer a program to provide loan repayment assistance to physicians and dentists who agree to:

(1) practice medicine or dentistry, as applicable, in a rural medically or dentally underserved area; and

(2) provide medical or dental services, as applicable, in that area to children who are recipients under the medical assistance program operated under Chapter 32, Human Resources Code.

Sec. 487.703. ELIGIBILITY. To be eligible to receive loan repayment assistance under this subchapter, a physician or dentist must:

(1) apply to the office;

(2) be licensed to practice medicine or dentistry, as applicable, in this state; and

(3) enter into an agreement with the office as provided by Section 487.705.

Sec. 487.704. ELIGIBLE LOANS. (a) The office may provide repayment assistance for the repayment of any education loan received by the physician or dentist through any lender for education at any medical or dental school authorized by the Texas Higher Education Coordinating Board to award a degree that satisfies the medical or dental study requirements for licensure as a physician or dentist in this state.

(b) The office may not provide repayment assistance for an education loan that is in default at the time of the physician's or dentist's application.

Sec. 487.705. AGREEMENT REQUIREMENTS. (a) To qualify for loan repayment assistance under this section, a person must enter into a written agreement with the office as provided by this section. The agreement must:

(1) specify the conditions the person must satisfy to receive repayment assistance;

(2) require the person to practice medicine or dentistry for at least three years in a rural medically or dentally underserved area and to provide medical or dental services, as applicable, in that area during that period to children who are recipients under the medical assistance program operated under Chapter 32, Human Resources Code;

(3) provide that any repayment assistance the person receives under this subchapter constitutes a loan until the person completes the three years of practice and satisfies other applicable conditions of the agreement; and

(4) require the person to sign a promissory note acknowledging the conditional nature of the repayment assistance received and promising to repay the amount of that assistance plus applicable interest and reasonable collection costs if the person does not satisfy the applicable conditions.

(b) The office shall determine the terms of the promissory note required by Subsection (a)(4). To the extent practicable, the terms must be the same as those applicable to state or federally guaranteed student loans made at the same time.

(c) The Health and Human Services Commission shall provide any information requested by the office necessary for the office to confirm a physician's or dentist's compliance with the requirement under Subsection (a)(2) that the physician or dentist provide services to children who are recipients of the medical assistance program operated under Chapter 32, Human Resources Code.

Sec. 487.706. REPAYMENT. (a) The office shall deliver any repayment assistance made under this subchapter in a lump sum payable to the lender and the physician or dentist, as applicable, and in accordance with any applicable federal law.

(b) Loan repayment assistance received under this subchapter may be applied to the principal amount of the loan and to

interest that accrues.

Sec. 487.707. GRANTS, GIFTS, AND DONATIONS. In addition to funds appropriated by the legislature, the office may solicit and accept grants, gifts, and donations from any public or private source for the purposes of this subchapter.

Sec. 487.708. RULES. (a) The executive committee shall adopt rules necessary to administer this subchapter.

(b) The office shall distribute to each medical or dental school of a public or private institution of higher education in this state a copy of the rules adopted under this section.

SECTION 2. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02114 to read as follows:

Sec. 531.02114. ENHANCED REIMBURSEMENT RATES FOR CERTAIN MEDICAL ASSISTANCE PROVIDERS. (a) In this section, "rural medically or dentally underserved area" means an area so designated by the Office of Rural Community Affairs for purposes of Subchapter P, Chapter 487.

(b) In adopting rates for medical assistance payments under Chapter 32, Human Resources Code, as required by Section 531.021(b)(2), the executive commissioner shall establish a program under which a physician or dentist who, for at least three consecutive years, has provided medical assistance services in a rural medically or dentally underserved area to children who are recipients under the medical assistance program is paid an enhanced reimbursement rate for medical assistance services the physician or dentist provides in that area to medical assistance recipients who are children. The enhanced reimbursement rate must be a rate that is 10 percent higher than the reimbursement rate the physician or dentist would otherwise receive for providing the services if the physician or dentist did not qualify for the enhanced reimbursement rate under this section.

SECTION 3. It is the intent of the legislature that a portion of the amounts appropriated in the General Appropriations Act for the state fiscal biennium beginning September 1, 2007, to implement specialized targeted initiatives and any other requirements specified in the final settlement agreement in the case styled Frew, on behalf of her daughter, Frew, et al. v.

Hawkins, Commissioner, Texas Health and Human Services Commission, et al., approved by the United States District Court, Eastern District of Texas, shall be used to implement the rural physician and dentist loan repayment program under Subchapter P, Chapter 487, Government Code, as added by this Act.

SECTION 4. The executive committee of the Office of Rural Community Affairs shall adopt rules for the rural physician and dentist loan repayment program under Subchapter P, Chapter 487, Government Code, as added by this Act, not later than December 31, 2007.

SECTION 5. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 6. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

(b) Section 2 of this Act takes effect December 31, 2007.