

A BILL TO BE ENTITLED

AN ACT

relating to the creation and administration of the rural physician and dentist loan repayment program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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;

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

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

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

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

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

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

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

27 (3) provide that any repayment assistance the person

1 receives under this subchapter constitutes a loan until the person
2 completes the three years of practice and satisfies other
3 applicable conditions of the agreement; and

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

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

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

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

23 (b) Loan repayment assistance received under this
24 subchapter may be applied to the principal amount of the loan and to
25 interest that accrues.

26 Sec. 487.707. GRANTS, GIFTS, AND DONATIONS. In addition to
27 funds appropriated by the legislature, the office may solicit and

1 accept grants, gifts, and donations from any public or private
2 source for the purposes of this subchapter.

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

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

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

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

15 (b) In adopting rates for medical assistance payments under
16 Chapter 32, Human Resources Code, as required by Section
17 531.021(b)(2), the executive commissioner shall establish a
18 program under which a physician or dentist who, for at least three
19 consecutive years, has provided medical assistance services in a
20 rural medically or dentally underserved area to children who are
21 recipients under the medical assistance program is paid an enhanced
22 reimbursement rate for medical assistance services the physician or
23 dentist provides in that area to medical assistance recipients who
24 are children. The enhanced reimbursement rate must be a rate that
25 is 10 percent higher than the reimbursement rate the physician or
26 dentist would otherwise receive for providing the services if the
27 physician or dentist did not qualify for the enhanced reimbursement

1 rate under this section.

2 SECTION 3. It is the intent of the legislature that a
3 portion of the amounts appropriated in the General Appropriations
4 Act for the state fiscal biennium beginning September 1, 2007, to
5 implement specialized targeted initiatives and any other
6 requirements specified in the final settlement agreement in the
7 case styled Frew, on behalf of her daughter, Frew, et al. v.
8 Hawkins, Commissioner, Texas Health and Human Services Commission,
9 et al., approved by the United States District Court, Eastern
10 District of Texas, shall be used to implement the rural physician
11 and dentist loan repayment program under Subchapter P, Chapter 487,
12 Government Code, as added by this Act.

13 SECTION 4. The executive committee of the Office of Rural
14 Community Affairs shall adopt rules for the rural physician and
15 dentist loan repayment program under Subchapter P, Chapter 487,
16 Government Code, as added by this Act, not later than December 31,
17 2007.

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

24 SECTION 6. (a) Except as provided by Subsection (b) of this
25 section, this Act takes effect immediately if it receives a vote of
26 two-thirds of all the members elected to each house, as provided by
27 Section 39, Article III, Texas Constitution. If this Act does not

1 receive the vote necessary for immediate effect, this Act takes
2 effect September 1, 2007.

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