

By: Zaffirini

S.B. No. 2243

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the repayment of certain education loans for licensed
3 physicians and dentists and to requirements for family practice
4 residency programs.

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

6 SECTION 1. Section 61.531, Education Code, is amended by
7 adding Subsection (a-1) to read as follows:

8 (a-1) Preference shall be given under the program to:

9 (1) primary care physicians; and

10 (2) pediatric or geriatric subspecialists.

11 SECTION 2. Section 61.532, Education Code, is amended to
12 read as follows:

13 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive
14 repayment assistance, a physician must:

15 (1) apply to the coordinating board [~~and have~~
16 ~~completed at least one year of medical practice:~~

17 ~~[(1) in private practice in an economically depressed~~
18 ~~or rural medically underserved area of the state];~~

19 (2) at the time of application, have:

20 (A) an unrestricted license to practice medicine
21 under Subtitle B, Title 3, Occupations Code;

22 (B) for a service obligation described by
23 Subdivision (3)(B)(i) or (ii) or as otherwise required by the
24 physician's practice, an authorization number that allows the

1 physician to provide services to recipients under the medical
2 assistance program authorized by Chapter 32, Human Resources Code;
3 and

4 (C) if the physician is a subspecialist, be
5 certified or eligible for certification by the appropriate
6 subspecialty board approved by the American Board of Medical
7 Specialties or the American Osteopathic Association or approved by
8 the Texas Medical Board by rule [~~for one of the following state~~
9 ~~agencies:~~

10 [~~(A) Texas Department of Health;~~

11 [~~(B) Texas Department of Mental Health and Mental~~
12 ~~Retardation;~~

13 [~~(C) Texas Department of Corrections; or~~

14 [~~(D) Texas Youth Commission]; and~~ [~~or~~]

15 (3) enter into a written contract with the state
16 indicating the physician's commitment to:

17 (A) fulfill a four-year continuous service
18 obligation; and

19 (B) during each year of the service obligation:

20 (i) provide to recipients under the medical
21 assistance program authorized by Chapter 32, Human Resources Code,
22 a targeted amount of services as established jointly under
23 Subsection (b) by the board and the Health and Human Services
24 Commission;

25 (ii) practice in an underserved area, as
26 defined by rule by the Health and Human Services Commission, and
27 maintain a policy of providing the targeted amount of services to

1 recipients under the medical assistance program as provided by
2 Subparagraph (i);

3 (iii) practice in primary care or in a
4 medical specialty of acute physician shortage, as determined by the
5 coordinating board in consultation with the Department of State
6 Health Services, and in:

7 (a) a hospital or clinic with a
8 patient population of whom at least 50 percent are uninsured or are
9 recipients under the medical assistance program authorized by
10 Chapter 32, Human Resources Code; or

11 (b) a public hospital, as defined by
12 Section 61.002, Health and Safety Code; or

13 (iv) practice in a county that has a
14 population of 50,000 or less and that has been designated under
15 federal law as a health professional shortage area ~~[for an approved~~
16 ~~family practice residency training program established under~~
17 ~~Subchapter I as a clinical faculty member and have completed~~
18 ~~training in an approved family practice residency training program~~
19 ~~on or after July 1, 1994].~~

20 (b) The board and the Health and Human Services Commission
21 jointly shall establish, for purposes of the service obligations
22 described by Subsection (a)(3)(B)(i) or (ii), target amounts for
23 the provision of medical services to recipients under the medical
24 assistance program authorized by Chapter 32, Human Resources Code.
25 The board and commission shall establish specified target amounts
26 for services provided to children and to adults ~~[coordinating board~~
27 ~~may by rule provide for repayment assistance on a pro rata basis for~~

1 ~~physicians practicing part-time for an approved family practice~~
2 ~~residency training program established under Subchapter I of this~~
3 ~~chapter or a state agency specified in Subsection (a) of this~~
4 ~~section].~~

5 SECTION 3. Section 61.533, Education Code, is amended to
6 read as follows:

7 Sec. 61.533. LIMITATION. A physician may receive repayment
8 assistance grants for ~~[each of]~~ not more than four ~~[five]~~ years.

9 SECTION 4. Subsections (a) and (b), Section 61.534,
10 Education Code, are amended to read as follows:

11 (a) The coordinating board may provide repayment assistance
12 for the repayment of any student loan for education at a public or
13 accredited private ~~[an]~~ institution of higher education in the
14 United States, including loans for undergraduate, graduate, and
15 medical education, received by a physician through any lender.

16 (b) The coordinating board may not provide repayment
17 assistance for a student loan that is:

18 (1) in default at the time of the physician's
19 application;

20 (2) consolidated with noneducation loans or with loans
21 held by an entity other than the lender;

22 (3) subject to an existing service obligation or
23 subject to any other state or federal student loan repayment or
24 forgiveness program; or

25 (4) obtained by the physician during the physician's
26 residency period, through the physician's insurance policy or
27 pension plan, or from a person related to the physician within the

1 third degree by consanguinity or the second degree by affinity, as
2 determined under Subchapter B, Chapter 573, Government Code.

3 SECTION 5. Subsection (a), Section 61.535, Education Code,
4 is amended to read as follows:

5 (a) After each year of the physician's applicable service,
6 the [The] coordinating board shall deliver any repayment made under
7 this subchapter in a lump sum payable:

8 (1) to both the [lender and the] physician and the
9 lender or other holder of the affected loan; or

10 (2) directly to the lender or other holder of the loan
11 on the physician's behalf[, in accordance with federal law].

12 SECTION 6. Section 61.536, Education Code, is amended to
13 read as follows:

14 Sec. 61.536. ADVISORY COMMITTEES. The coordinating board
15 may[+]

16 [~~(1)~~] appoint advisory committees from outside the
17 board's membership to assist the board in performing its duties
18 under this subchapter[+, and

19 [~~(2)~~ request the assistance of the Family Practice
20 Residency Advisory Committee in performing those duties].

21 SECTION 7. Section 61.537, Education Code, is amended to
22 read as follows:

23 Sec. 61.537. RULES. (a) The coordinating board shall
24 adopt rules necessary for the administration of this subchapter,
25 including a rule that sets a maximum amount of repayment assistance
26 that may be received by a physician in one year [~~and a rule that~~
27 ~~authorizes the Family Practice Residency Advisory Committee to~~

1 ~~establish priorities among eligible physicians for repayment~~
2 ~~assistance, by taking into account the degree of physician~~
3 ~~shortage, geographic locations, whether the physician is or will be~~
4 ~~providing service in a medically underserved area, and other~~
5 ~~criteria the committee considers appropriate].~~

6 (b) The coordinating board shall distribute to each medical
7 unit [~~and appropriate state agency~~] and professional association
8 copies of the rules adopted under this section and pertinent
9 information in this subchapter.

10 SECTION 8. Section 61.538, Education Code, is amended to
11 read as follows:

12 Sec. 61.538. TOTAL AMOUNT OF REPAYMENT ASSISTANCE.

13 (a) The total amount of repayment assistance distributed by the
14 board may not exceed the total amount of gifts and grants accepted
15 by the board for repayment assistance, medical school tuition set
16 aside under Section 61.539 of this code, and legislative
17 appropriations for repayment assistance.

18 (b) The total amount of repayment assistance made under this
19 subchapter to an individual physician may not exceed \$140,000
20 during the four-year service period.

21 SECTION 9. Subsection (b), Section 61.539, Education Code,
22 is amended to read as follows:

23 (b) The amount set aside shall be transferred to the
24 comptroller of public accounts to be maintained in the state
25 treasury for the sole purpose of repayment of student loans of a
26 physician who satisfies the eligibility requirements provided by
27 this subchapter [~~serving in a designated state agency or in an area~~

1 ~~of this state that is economically depressed or that is a medically~~
2 ~~underserved area or health professional shortage area, as~~
3 ~~designated by the United States Department of Health and Human~~
4 ~~Services, that has a current shortage of physicians].~~ Section
5 403.095, Government Code, does not apply to the amount set aside by
6 this section.

7 SECTION 10. Section 61.902, Education Code, is amended to
8 read as follows:

9 Sec. 61.902. ELIGIBILITY. (a) To be eligible to receive
10 repayment assistance, a dentist must:

- 11 (1) apply to the board;
- 12 (2) at the time of application, have:

13 (A) an unrestricted license to practice
14 dentistry under Subtitle D, Title 3, Occupations Code;

15 (B) an authorization number that allows the
16 dentist to provide services to recipients under the medical
17 assistance program authorized by Chapter 32, Human Resources Code;
18 and

19 (C) if the dentist is a subspecialist, be
20 certified or eligible for certification by the appropriate
21 subspecialty board approved by the American Dental Association or
22 approved by the State Board of Dental Examiners by rule; and

- 23 (3) enter into a written contract with the state
24 indicating the dentist's commitment to:

25 (A) fulfill a four-year continuous service
26 obligation; and

27 (B) during each year of the service obligation:

1 (i) provide to recipients under the medical
2 assistance program authorized by Chapter 32, Human Resources Code,
3 a targeted amount of services as established jointly under
4 Subsection (b) by the board and the Health and Human Services
5 Commission; or

6 (ii) practice in an underserved area, as
7 defined by rule by the Health and Human Services Commission, and
8 maintain a policy of providing the targeted amount of services to
9 recipients under the medical assistance program as provided by
10 Subparagraph (i) [~~and have completed at least one year of dental~~
11 ~~practice in an area of the state that is underserved with respect to~~
12 ~~dental care].~~

13 (b) The board and the Health and Human Services Commission
14 jointly shall establish for purposes of this subchapter target
15 amounts for the provision of dental services to recipients under
16 the medical assistance program authorized by Chapter 32, Human
17 Resources Code. The board and commission shall establish specified
18 target amounts for services provided to children and to adults [~~by~~
19 ~~rule may provide for repayment assistance on a pro rata basis for~~
20 ~~dentists in part-time practice described by Subsection (a)].~~

21 SECTION 11. Subchapter V, Chapter 61, Education Code, is
22 amended by adding Section 61.9035 to read as follows:

23 Sec. 61.9035. LIMITATION. A dentist may receive repayment
24 assistance grants for not more than four years.

25 SECTION 12. Subsections (a) and (b), Section 61.904,
26 Education Code, are amended to read as follows:

27 (a) The board may provide repayment assistance for the

1 repayment of any student loan for education at a public or
2 accredited private institution of higher education in the United
3 States, including loans for undergraduate, graduate, and
4 professional dental education, received by a dentist through any
5 lender.

6 (b) The board may not provide [~~withhold~~] repayment
7 assistance for a student loan that is:

8 (1) in default at the time of the dentist's
9 application;

10 (2) consolidated with noneducation loans or with loans
11 held by an entity other than the lender;

12 (3) subject to an existing service obligation or
13 subject to any other state or federal student loan repayment or
14 forgiveness program; or

15 (4) obtained by the dentist during the dentist's
16 residency period, through the dentist's insurance policy or pension
17 plan, or from a person related to the dentist within the third
18 degree by consanguinity or the second degree by affinity, as
19 determined under Subchapter B, Chapter 573, Government Code.

20 SECTION 13. Subsection (a), Section 61.905, Education Code,
21 is amended to read as follows:

22 (a) After each year of the dentist's applicable service, the
23 [~~The~~] coordinating board shall deliver any repayment made under
24 this subchapter in a lump sum payable:

25 (1) to both the [~~lender and the~~] dentist and the lender
26 or other holder of the affected loan; or

27 (2) directly to the lender or other holder of the loan

1 on behalf of the dentist~~[, in accordance with any applicable~~
2 ~~federal law]~~.

3 SECTION 14. Section 61.906, Education Code, is amended to
4 read as follows:

5 Sec. 61.906. ADVISORY COMMITTEES. The board may~~+~~

6 [~~(1)~~] appoint advisory committees from outside the
7 board's membership to assist the board in performing its duties
8 under this subchapter~~+, and~~

9 [~~(2)~~ request the assistance of the Oral Health
10 Services Advisory Committee in performing those duties].

11 SECTION 15. Section 61.908, Education Code, is amended to
12 read as follows:

13 Sec. 61.908. RULES. (a) The board shall adopt rules
14 necessary for the administration of this subchapter, including a
15 rule that sets a maximum amount of repayment assistance that may be
16 received by a dentist in one year. [~~The board may consult with the~~
17 ~~Oral Health Services Advisory Committee to assist the board in~~
18 ~~establishing priorities among eligible dentists for repayment~~
19 ~~assistance, taking into account the degree of an area's shortage of~~
20 ~~dental services, geographic locations, whether the dentist is or~~
21 ~~will be providing service in an underserved area with respect to~~
22 ~~dental services, and other criteria the board considers~~
23 ~~appropriate.]~~

24 (b) The coordinating board shall distribute to each dental
25 school in this state [~~and to appropriate state agencies]~~ and
26 professional associations copies of the rules adopted under this
27 section and other pertinent information relating to this

1 subchapter.

2 SECTION 16. Section 61.909, Education Code, is amended to
3 read as follows:

4 Sec. 61.909. TOTAL AMOUNT OF REPAYMENT ASSISTANCE.

5 (a) The total amount of repayment assistance distributed by the
6 board under this subchapter may not exceed the total amount of gifts
7 and grants accepted by the board for repayment assistance, dental
8 school tuition set aside under Section 61.910, legislative
9 appropriations for repayment assistance, and other funds available
10 to the board for purposes of this subchapter.

11 (b) The total amount of repayment assistance made under this
12 subchapter to an individual dentist may not exceed \$140,000 during
13 the four-year service period.

14 SECTION 17. Subsection (b), Section 51.918, Education Code,
15 is amended to read as follows:

16 (b) The Texas Higher Education Coordinating Board shall:

17 (1) encourage and coordinate the creation or expansion
18 of a rural preceptor program among medical schools, teaching
19 hospitals, nursing schools, and schools of allied health sciences;
20 and

21 (2) require family practice residency programs to
22 provide an opportunity for residents to have a one-month rotation
23 through:

24 (A) a rural setting; ~~and~~

25 (B) a public health setting; and

26 (C) an oncology setting.

27 SECTION 18. Subsections (b) and (c), Section 61.531,

1 Education Code, are repealed.

2 SECTION 19. As soon as practicable after the effective date
3 of this Act, the Texas Higher Education Coordinating Board shall
4 adopt rules necessary to administer Subchapters J and V, Chapter
5 61, Education Code, as amended by this Act.

6 SECTION 20. This Act does not make an appropriation. A
7 provision in this Act that creates a new governmental program,
8 creates a new entitlement, or imposes a new duty on a governmental
9 entity is not mandatory during a fiscal period for which the
10 legislature has not made a specific appropriation to implement the
11 provision.

12 SECTION 21. This Act takes effect immediately if it
13 receives a vote of two-thirds of all the members elected to each
14 house, as provided by Section 39, Article III, Texas Constitution.
15 If this Act does not receive the vote necessary for immediate
16 effect, this Act takes effect September 1, 2009.