

1-1 By: Zaffirini S.B. No. 2243
1-2 (In the Senate - Filed March 13, 2009; March 31, 2009, read
1-3 first time and referred to Committee on Higher Education;
1-4 April 20, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 20, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 2243 By: West
1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the repayment of certain education loans for licensed
1-11 physicians and dentists.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 61.531, Education Code, is amended by
1-14 adding Subsection (a-1) to read as follows:

1-15 (a-1) Preference shall be given under the program to:

1-16 (1) primary care physicians; and

1-17 (2) pediatric or geriatric subspecialists.

1-18 SECTION 2. Section 61.532, Education Code, is amended to
1-19 read as follows:

1-20 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive
1-21 repayment assistance, a physician must:

1-22 (1) apply to the coordinating board [and have
1-23 completed at least one year of medical practice;

1-24 [(1) in private practice in an economically depressed
1-25 or rural medically underserved area of the state];

1-26 (2) at the time of application, have:

1-27 (A) an unrestricted license to practice medicine
1-28 under Subtitle B, Title 3, Occupations Code;

1-29 (B) an authorization number that allows the
1-30 physician to provide services to recipients under the medical
1-31 assistance program authorized by Chapter 32, Human Resources Code;
1-32 and

1-33 (C) if the physician is a subspecialist, be
1-34 certified or eligible for certification by the appropriate
1-35 subspecialty board approved by the American Board of Medical
1-36 Specialties or the American Osteopathic Association or approved by
1-37 the Texas Medical Board by rule [for one of the following state
1-38 agencies:

1-39 [(A) Texas Department of Health;

1-40 [(B) Texas Department of Mental Health and Mental
1-41 Retardation;

1-42 [(C) Texas Department of Corrections; or

1-43 [(D) Texas Youth Commission]; and [or]

1-44 (3) enter into a written contract with the state
1-45 indicating the physician's commitment to:

1-46 (A) fulfill a four-year continuous service
1-47 obligation; and

1-48 (B) during each year of the service obligation:

1-49 (i) provide to recipients under the medical
1-50 assistance program authorized by Chapter 32, Human Resources Code,
1-51 a targeted amount of services as established jointly under
1-52 Subsection (b) by the board and the Health and Human Services
1-53 Commission; or

1-54 (ii) practice in an underserved area, as
1-55 defined by rule by the Health and Human Services Commission, and
1-56 maintain a policy of providing the targeted amount of services to
1-57 recipients under the medical assistance program as provided by
1-58 Subparagraph (i) [for an approved family practice residency
1-59 training program established under Subchapter I as a clinical
1-60 faculty member and have completed training in an approved family
1-61 practice residency training program on or after July 1, 1994].

1-62 (b) The board and the Health and Human Services Commission
1-63 jointly shall establish for purposes of this subchapter target

2-1 amounts for the provision of medical services to recipients under
2-2 the medical assistance program authorized by Chapter 32, Human
2-3 Resources Code. The board and commission shall establish specified
2-4 target amounts for services provided to children and to adults
2-5 [~~coordinating board may by rule provide for repayment assistance on~~
2-6 ~~a pro rata basis for physicians practicing part-time for an~~
2-7 ~~approved family practice residency training program established~~
2-8 ~~under Subchapter I of this chapter or a state agency specified in~~
2-9 ~~Subsection (a) of this section].~~

2-10 SECTION 3. Section 61.533, Education Code, is amended to
2-11 read as follows:

2-12 Sec. 61.533. LIMITATION. A physician may receive repayment
2-13 assistance grants for [~~each of~~] not more than four [~~five~~] years.

2-14 SECTION 4. Subsections (a) and (b), Section 61.534,
2-15 Education Code, are amended to read as follows:

2-16 (a) The coordinating board may provide repayment assistance
2-17 for the repayment of any student loan for education at a public or
2-18 accredited private [~~an~~] institution of higher education in the
2-19 United States, including loans for undergraduate, graduate, and
2-20 medical education, received by a physician through any lender.

2-21 (b) The coordinating board may not provide repayment
2-22 assistance for a student loan that is:

2-23 (1) in default at the time of the physician's
2-24 application;

2-25 (2) consolidated with noneducation loans or with loans
2-26 held by an entity other than the lender;

2-27 (3) subject to an existing service obligation or
2-28 subject to any other state or federal student loan repayment or
2-29 forgiveness program; or

2-30 (4) obtained by the physician during the physician's
2-31 residency period, through the physician's insurance policy or
2-32 pension plan, or from a person related to the physician within the
2-33 third degree by consanguinity or the second degree by affinity, as
2-34 determined under Subchapter B, Chapter 573, Government Code.

2-35 SECTION 5. Subsection (a), Section 61.535, Education Code,
2-36 is amended to read as follows:

2-37 (a) After each year of the physician's applicable service,
2-38 the [~~The~~] coordinating board shall deliver any repayment made under
2-39 this subchapter in a lump sum payable:

2-40 (1) to both the [~~lender and the~~] physician and the
2-41 lender or other holder of the affected loan; or

2-42 (2) directly to the lender or other holder of the loan
2-43 on the physician's behalf [~~, in accordance with federal law~~].

2-44 SECTION 6. Section 61.536, Education Code, is amended to
2-45 read as follows:

2-46 Sec. 61.536. ADVISORY COMMITTEES. The coordinating board
2-47 may [~~+~~

2-48 [~~(1)~~] appoint advisory committees from outside the
2-49 board's membership to assist the board in performing its duties
2-50 under this subchapter [~~, and~~

2-51 [~~(2)~~ request the assistance of the Family Practice
2-52 Residency Advisory Committee in performing those duties].

2-53 SECTION 7. Section 61.537, Education Code, is amended to
2-54 read as follows:

2-55 Sec. 61.537. RULES. (a) The coordinating board shall
2-56 adopt rules necessary for the administration of this subchapter,
2-57 including a rule that sets a maximum amount of repayment assistance
2-58 that may be received by a physician in one year [~~and a rule that~~
2-59 ~~authorizes the Family Practice Residency Advisory Committee to~~
2-60 ~~establish priorities among eligible physicians for repayment~~
2-61 ~~assistance, by taking into account the degree of physician~~
2-62 ~~shortage, geographic locations, whether the physician is or will be~~
2-63 ~~providing service in a medically underserved area, and other~~
2-64 ~~criteria the committee considers appropriate].~~

2-65 (b) The coordinating board shall distribute to each medical
2-66 unit [~~and appropriate state agency~~] and professional association
2-67 copies of the rules adopted under this section and pertinent
2-68 information in this subchapter.

2-69 SECTION 8. Section 61.538, Education Code, is amended to

3-1 read as follows:

3-2 Sec. 61.538. TOTAL AMOUNT OF REPAYMENT ASSISTANCE.
 3-3 (a) The total amount of repayment assistance distributed by the
 3-4 board may not exceed the total amount of gifts and grants accepted
 3-5 by the board for repayment assistance, medical school tuition set
 3-6 aside under Section 61.539 of this code, and legislative
 3-7 appropriations for repayment assistance.

3-8 (b) The total amount of repayment assistance made under this
 3-9 subchapter to an individual physician may not exceed \$140,000
 3-10 during the four-year service period.

3-11 SECTION 9. Subsection (b), Section 61.539, Education Code,
 3-12 is amended to read as follows:

3-13 (b) The amount set aside shall be transferred to the
 3-14 comptroller of public accounts to be maintained in the state
 3-15 treasury for the sole purpose of repayment of student loans of a
 3-16 physician who satisfies the eligibility requirements provided by
 3-17 this subchapter [serving in a designated state agency or in an area
 3-18 of this state that is economically depressed or that is a medically
 3-19 underserved area or health professional shortage area, as
 3-20 designated by the United States Department of Health and Human
 3-21 Services, that has a current shortage of physicians]. Section
 3-22 403.095, Government Code, does not apply to the amount set aside by
 3-23 this section.

3-24 SECTION 10. Section 61.902, Education Code, is amended to
 3-25 read as follows:

3-26 Sec. 61.902. ELIGIBILITY. (a) To be eligible to receive
 3-27 repayment assistance, a dentist must:

3-28 (1) apply to the board;

3-29 (2) at the time of application, have:

3-30 (A) an unrestricted license to practice
 3-31 dentistry under Subtitle D, Title 3, Occupations Code;

3-32 (B) an authorization number that allows the
 3-33 dentist to provide services to recipients under the medical
 3-34 assistance program authorized by Chapter 32, Human Resources Code;
 3-35 and

3-36 (C) if the dentist is a subspecialist, be
 3-37 certified or eligible for certification by the appropriate
 3-38 subspecialty board approved by the American Dental Association or
 3-39 approved by the State Board of Dental Examiners by rule; and

3-40 (3) enter into a written contract with the state
 3-41 indicating the dentist's commitment to:

3-42 (A) fulfill a four-year continuous service
 3-43 obligation; and

3-44 (B) during each year of the service obligation:

3-45 (i) provide to recipients under the medical
 3-46 assistance program authorized by Chapter 32, Human Resources Code,
 3-47 a targeted amount of services as established jointly under
 3-48 Subsection (b) by the board and the Health and Human Services
 3-49 Commission; or

3-50 (ii) practice in an underserved area, as
 3-51 defined by rule by the Health and Human Services Commission, and
 3-52 maintain a policy of providing the targeted amount of services to
 3-53 recipients under the medical assistance program as provided by
 3-54 Subparagraph (i) [and have completed at least one year of dental
 3-55 practice in an area of the state that is underserved with respect to
 3-56 dental care].

3-57 (b) The board and the Health and Human Services Commission
 3-58 jointly shall establish for purposes of this subchapter target
 3-59 amounts for the provision of dental services to recipients under
 3-60 the medical assistance program authorized by Chapter 32, Human
 3-61 Resources Code. The board and commission shall establish specified
 3-62 target amounts for services provided to children and to adults [by
 3-63 rule may provide for repayment assistance on a pro rata basis for
 3-64 dentists in part-time practice described by Subsection (a)].

3-65 SECTION 11. Subchapter V, Chapter 61, Education Code, is
 3-66 amended by adding Section 61.9035 to read as follows:

3-67 Sec. 61.9035. LIMITATION. A dentist may receive repayment
 3-68 assistance grants for not more than four years.

3-69 SECTION 12. Subsections (a) and (b), Section 61.904,

4-1 Education Code, are amended to read as follows:

4-2 (a) The board may provide repayment assistance for the
4-3 repayment of any student loan for education at a public or
4-4 accredited private institution of higher education in the United
4-5 States, including loans for undergraduate, graduate, and
4-6 professional dental education, received by a dentist through any
4-7 lender.

4-8 (b) The board may not provide [~~withhold~~] repayment
4-9 assistance for a student loan that is:

4-10 (1) in default at the time of the dentist's
4-11 application;

4-12 (2) consolidated with noneducation loans or with loans
4-13 held by an entity other than the lender;

4-14 (3) subject to an existing service obligation or
4-15 subject to any other state or federal student loan repayment or
4-16 forgiveness program; or

4-17 (4) obtained by the dentist during the dentist's
4-18 residency period, through the dentist's insurance policy or pension
4-19 plan, or from a person related to the dentist within the third
4-20 degree by consanguinity or the second degree by affinity, as
4-21 determined under Subchapter B, Chapter 573, Government Code.

4-22 SECTION 13. Subsection (a), Section 61.905, Education Code,
4-23 is amended to read as follows:

4-24 (a) After each year of the dentist's applicable service, the
4-25 [The] coordinating board shall deliver any repayment made under
4-26 this subchapter in a lump sum payable:

4-27 (1) to both the [lender and the] dentist and the lender
4-28 or other holder of the affected loan; or

4-29 (2) directly to the lender or other holder of the loan
4-30 on behalf of the dentist[, in accordance with any applicable
4-31 federal law].

4-32 SECTION 14. Section 61.906, Education Code, is amended to
4-33 read as follows:

4-34 Sec. 61.906. ADVISORY COMMITTEES. The board may [~~+~~
4-35 [~~(1)~~] appoint advisory committees from outside the
4-36 board's membership to assist the board in performing its duties
4-37 under this subchapter [~~, and~~

4-38 [~~(2) request the assistance of the Oral Health~~
4-39 ~~Services Advisory Committee in performing those duties].~~

4-40 SECTION 15. Section 61.908, Education Code, is amended to
4-41 read as follows:

4-42 Sec. 61.908. RULES. (a) The board shall adopt rules
4-43 necessary for the administration of this subchapter, including a
4-44 rule that sets a maximum amount of repayment assistance that may be
4-45 received by a dentist in one year. [~~The board may consult with the~~
4-46 ~~Oral Health Services Advisory Committee to assist the board in~~
4-47 ~~establishing priorities among eligible dentists for repayment~~
4-48 ~~assistance, taking into account the degree of an area's shortage of~~
4-49 ~~dental services, geographic locations, whether the dentist is or~~
4-50 ~~will be providing service in an underserved area with respect to~~
4-51 ~~dental services, and other criteria the board considers~~
4-52 ~~appropriate.]~~

4-53 (b) The coordinating board shall distribute to each dental
4-54 school in this state [~~and to appropriate state agencies] and~~
4-55 professional associations copies of the rules adopted under this
4-56 section and other pertinent information relating to this
4-57 subchapter.

4-58 SECTION 16. Section 61.909, Education Code, is amended to
4-59 read as follows:

4-60 Sec. 61.909. TOTAL AMOUNT OF REPAYMENT ASSISTANCE.
4-61 (a) The total amount of repayment assistance distributed by the
4-62 board under this subchapter may not exceed the total amount of gifts
4-63 and grants accepted by the board for repayment assistance, dental
4-64 school tuition set aside under Section 61.910, legislative
4-65 appropriations for repayment assistance, and other funds available
4-66 to the board for purposes of this subchapter.

4-67 (b) The total amount of repayment assistance made under this
4-68 subchapter to an individual dentist may not exceed \$140,000 during
4-69 the four-year service period.

5-1 SECTION 17. Subsections (b) and (c), Section 61.531,
5-2 Education Code, are repealed.

5-3 SECTION 18. As soon as practicable after the effective date
5-4 of this Act, the Texas Higher Education Coordinating Board shall
5-5 adopt rules necessary to administer Subchapters J and V, Chapter
5-6 61, Education Code, as amended by this Act.

5-7 SECTION 19. This Act does not make an appropriation. This
5-8 Act takes effect only if a specific appropriation for the
5-9 implementation of the Act is provided in a general appropriations
5-10 act of the 81st Legislature.

5-11 SECTION 20. This Act takes effect immediately if it
5-12 receives a vote of two-thirds of all the members elected to each
5-13 house, as provided by Section 39, Article III, Texas Constitution.
5-14 If this Act does not receive the vote necessary for immediate
5-15 effect, this Act takes effect September 1, 2009.

5-16

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