

HOUSE BILL NO. 1773

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FREDERICK.

5640L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 173, RSMo, by adding thereto one new section relating to the board of medical scholarship awards.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 173, RSMo, is amended by adding thereto one new section, to be known as section 173.228, to read as follows:

173.228. 1. There is hereby created within the department of higher education the "Board of Medical Scholarship Awards", which shall establish scholarships and loans to provide for the medical training of qualified applicants for admission, or students in the University of Missouri School of Medicine or any other accredited or provisionally accredited school of medicine in this state. The recipients of loan awards shall enter into a valid agreement with the board to practice the profession of medicine in those areas and localities of Missouri as may be determined by the board for a number of years to be stipulated in the agreement. The board shall collaborate with the Lester R. Bryant Pre-Admissions Program established within the University of Missouri School of Medicine to participate in the scholarships and loans provided under this section, including the flexibility to provide financial incentives, such as forgiveness or repayment of all or a portion of educational loans.

2. The board of medical scholarship awards shall be composed of:

(1) Two members of the board of directors of the Missouri State Medical Association, appointed by the president of the Missouri State Medical Association;

(2) One member of the board of trustees for the Missouri Association of Osteopathic Physicians and Surgeons, appointed by the president of the board;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (3) The dean of each school of osteopathic or allopathic medicine in this state, or
19 the dean's designee;

20 (4) The chair of the admissions committee of each school of osteopathic or
21 allopathic medicine in this state; and

22 (5) One member of the senate appointed by the president pro tem of the senate; and

23 (6) One member of the house of representatives appointed by the speaker of the
24 house.

25 3. (1) The members of the Missouri State Medical Association and the Missouri
26 Association of Osteopathic Physicians and Surgeons shall serve four-year terms. The terms
27 of the legislative members shall be four years for the senate member and two years for the
28 house member, concurrent with their legislative terms. All appointed members of the
29 board may be reappointed.

30 (2) The chair of the board shall be selected from the members appointed from the
31 Missouri Medical Association and the Missouri Association of Osteopathic Physicians and
32 Surgeons.

33 4. (1) The board shall make a careful and thorough investigation of the ability,
34 character, and qualifications of each applicant, and award scholarships and loans
35 according to the judgment of the board. Preference in granting loans shall be given to
36 applicants who sign agreements to practice in those areas in greatest need of medical
37 service for periods of time stipulated by the board.

38 (2) The board shall make reasonable rules for implementing and administering the
39 provisions of this section. Any rule or portion of a rule, as that term is defined in section
40 536.010, that is created under the authority delegated in this section shall become effective
41 only if it complies with and is subject to all of the provisions of chapter 536 and, if
42 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
43 the powers vested with the general assembly pursuant to chapter 536 to review, to delay
44 the effective date, or to disapprove and annul a rule are subsequently held
45 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
46 after August 28, 2014, shall be invalid and void.

47 5. The board shall make two types of awards as follows:

48 (1) Loans. A number of loans equal in number to twenty percent of the student
49 body of the medical schools in the state of Missouri, each in an amount of up to the average
50 cost of tuition, fees, and living expenses, as set forth in the current catalogs of the
51 University of Missouri School of Medicine or other school of medicine in this state, for the
52 year of each enrollment. Such loans shall be available to any resident of Missouri of good
53 character who has been accepted for matriculation by one of the medical schools in

54 Missouri, with preference given to those applicants who can demonstrate an economic need
55 and who commit in writing to practice in a rural area of generalists specialty as determined
56 by the board. The board may, in its discretion, permit students to apply for a loan under
57 this subdivision in any scholastic year and for any previously completed scholastic year of
58 medical education. Such loans shall be repaid following graduation, under the terms of a
59 contract to practice clinical medicine in an area of Missouri identified by the board as
60 medically underserved for a term of years, as hereinafter set forth;

61 (2) Merit scholarships. A number of merit scholarships equal in number to five
62 percent of the student body of the medical schools in the state of Missouri, each in an
63 amount not to exceed five thousand dollars per annum or twenty thousand dollars over a
64 four-year period shall be granted to students with high scholastic achievement and
65 excellent character who will attend one of the medical schools in the state of Missouri. The
66 students to whom merit scholarships are granted shall not be obligated to repay the
67 amount of the scholarship award.

68 6. Any recipient who fails for any reason to continue his or her medical education
69 may, at the discretion of the board, be required to repay all loan amounts immediately with
70 simple interest of eight percent annually from the date of his or her departure or removal
71 from medical school.

72 7. The loan or any portion thereof shall be repaid by engaging in full-time clinical
73 practice, as defined in rule of the board, in one of the following ways, in accordance with
74 a contract approved by the board:

75 (1) Practice for a period equal to one year of practice for each year the individual
76 received a loan in a community of less than five thousand population which is in an area
77 within Missouri identified by the board as medically underserved;

78 (2) Practice for a period equal to one and one-quarter years of practice for each
79 year the individual received a loan in a community of between five thousand and fifteen
80 thousand population which is in an area within Missouri identified by the board as
81 medically underserved;

82 (3) Practice for a period equal to one and one-half years of practice for each year
83 the individual received a loan in a community of between fifteen thousand and fifty
84 thousand population which is in an area of Missouri identified by the board as medically
85 underserved.

86 8. (1) Each recipient of a loan under this section shall enter into an agreement with
87 the board whereby the recipient agrees to practice in an area described in subsection 6 of
88 this section. In the event of a default or other breach of contract by the recipient of loans
89 provided under this section, or other termination of contract prior to the completion of the

90 period of medical education and training, the individual shall be liable for immediate
91 repayment of the total principal loan amount plus interest at the rate of eight percent
92 accruing from the date of default or termination and an additional penalty as specified:

93 (a) For default or termination of a loan for one scholastic year, a penalty equal to
94 twenty percent of the total principal amount of the loan;

95 (b) For default or termination of a loan for two scholastic years, a penalty equal to
96 thirty percent of the total principal amount of the loan;

97 (c) For default or termination of a loan for three scholastic years, a penalty equal
98 to forty percent of the total principal amount of the loan;

99 (d) For default or termination of a loan for four scholastic years, a penalty equal
100 to fifty percent of the total principal amount of the loan;

101 (e) If default or termination occurs after the fourth year but prior to the completion
102 of an accredited residency training program in a generalists specialty as determined by the
103 board, a penalty equal to one hundred percent of the total principal amount of the loan;
104 and

105 (f) If default or termination occurs after completion of an accredited residency
106 training program but prior to completion of the repayment obligation under subsection 7
107 of this section, a penalty equal to two hundred percent of the total principal amount of the
108 loan.

109 (2) The attorney general, upon request of the board, shall institute proceedings in
110 the name of the state for the purpose of recovering any amount due the state under this
111 section. Any moneys recovered under this section from loan recipients or paid by
112 recipients to the board shall be retained by the board for funding of future scholarships.

113 (3) In the event of death of a recipient or upon the recipient's becoming
114 permanently disabled to an extent that he or she is no longer able to engage in the practice
115 of medicine, repayment of the loan may be excused by the board.

116 9. The failure of a recipient of a loan to perform his or her agreement with the
117 board or to pay the amount he or she is liable for under this section shall constitute a
118 ground for the revocation of his or her license to practice medicine.

119 10. Any incorporated or unincorporated municipality or locality in this state having
120 a population of less than fifteen thousand inhabitants, desiring additional physicians and
121 wishing to be designated as a locality needing additional physicians, may apply to the
122 board to be placed on a list of localities in need of additional physicians, which shall be
123 maintained by the board. Such applications may be made either by the governing body of
124 the municipality or by a petition signed by at least one twentieth of the qualified voters of
125 the municipality or locality. If the board determines that such locality is in need of

126 **physicians, the board shall place such locality on the list of localities in need of physicians**
127 **from which recipients of scholarships may, after graduation, select an area in which to**
128 **practice. In compiling and maintaining the list, the board may place any locality thereon**
129 **which, in its opinion, needs additional physicians.**

130 **11. (1) There is hereby created in the state treasury the "Board of Medical**
131 **Scholarship Awards Fund", which shall consist of money collected under this section, any**
132 **state appropriations, and all gifts, bequests, grants, or donations from any source**
133 **whatsoever, including but not limited to grants from the Missouri Foundation for Health.**
134 **The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and**
135 **30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund**
136 **and, upon appropriation, money in the fund shall be used solely for the administration of**
137 **this section.**

138 **(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
139 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
140 **general revenue fund.**

141 **(3) The state treasurer shall invest moneys in the fund in the same manner as other**
142 **funds are invested. Any interest and moneys earned on such investments shall be credited**
143 **to the fund.**

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