

HB 1773 -- BOARD OF MEDICAL SCHOLARSHIP AWARDS

SPONSOR: Frederick

BOARD OF MEDICAL SCHOLARSHIP AWARDS

This bill creates the Board of Medical Scholarship Awards within the Department of Higher Education to establish scholarships and loans to provide for the medical training of qualified applicants for admission, 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 must 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 and the board must 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 these provisions, including the flexibility to provide financial incentives, such as forgiveness or repayment of all or a portion of educational loans.

BOARD COMPOSITION

The Board of Medical Scholarship Awards must 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;
- (3) The dean of each school of osteopathic or allopathic medicine in this state, or the dean's designee;
- (4) The chair of the admissions committee of each school of osteopathic or allopathic medicine in this state;
- (5) One member of the Senate appointed by the President Pro Tem of the Senate; and
- (6) One member of the House of Representatives appointed by the Speaker of the House.

The members of the Missouri State Medical Association and the Missouri Association of Osteopathic Physicians and Surgeons must serve four-year terms. The terms of the legislative members must

be four years for the Senate member and two years for the House of Representatives member, concurrent with their legislative terms. All appointed members of the board may be reappointed.

The chair of the board must be selected from the members appointed from the Missouri Medical Association and the Missouri Association of Osteopathic Physicians and Surgeons.

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

The board must make reasonable rules for implementing and administering the provisions of this section.

LOANS & SCHOLARSHIPS AVAILABLE

The board must make two types of awards as follows:

(1) Loans: A number of loans equal to 20% of the student body of the medical schools in the State of Missouri, each in an amount of up to the average cost of tuition, fees, and living expenses, as set forth in the current catalogs of the University of Missouri School of Medicine or other school of medicine in this state, for the year of each enrollment. The loans must be available to any resident of Missouri of good character who has been accepted by one of the medical schools in Missouri, with preference given to those applicants who can demonstrate an economic need and who commit in writing to practice in a rural area of generalists specialty as determined by the board. The board may, in its discretion, permit students to apply for a loan under these provisions in any scholastic year and for any previously completed scholastic year of medical education. The loans must be repaid following graduation, under the terms of a contract to practice clinical medicine in an area of Missouri identified by the board as medically underserved for a term of years, as set forth in these provisions; and

(2) Merit scholarships: A number of merit scholarships equal to 5% of the student body of the medical schools in the State of Missouri, each in an amount not to exceed \$5,000 per year or \$20,000 over a four-year period must be granted to students with high scholastic achievement and excellent character who will attend one of the medical schools in the State of Missouri. The students to whom merit scholarships are granted must not be obligated to repay the amount of the scholarship award.

Any recipient of a loan or scholarship who fails for any reason to continue his or her medical education may, at the discretion of the board, be required to repay all loan amounts immediately with simple interest of 8% annually from the date of his or her departure or removal from medical school.

LOAN REPAYMENT

The loan or any portion of the loan must be repaid by engaging in full-time clinical practice, as defined in the rules of the board, in one of the following ways, in accordance with a contract approved by the board:

(1) Practice for a period equal to one year of practice for each year the individual received a loan in a community of less than a population of 5,000 located in an area within Missouri identified by the board as medically underserved;

(2) Practice for a period equal to 1 1/4 years of practice for each year the individual received a loan in a community with a population of between 5,000 and 15,000 located in an area within Missouri identified by the board as medically underserved; or

(3) Practice for a period equal to 1 1/2 years of practice for each year the individual received a loan in a community with a population of between 15,000 and 50,000 located in an area of Missouri identified by the board as medically underserved.

DEFAULT OF A LOAN

Each recipient of a loan under these provisions must enter into an agreement with the board whereby the recipient agrees to practice in an area described in these provisions. In the event of a default or other breach of contract by the recipient of the loans provided under these provisions, or other termination of contract prior to the completion of the period of medical education and training, the individual must be liable for immediate repayment of the total principal loan amount plus interest at the rate of 8% accruing from the date of default or termination and an additional penalty as specified:

(1) For default or termination of a loan for one scholastic year, a penalty equal to 20% of the total principal amount of the loan;

(2) For default or termination of a loan for two scholastic years, a penalty equal to 30% of the total principal amount of the loan;

(3) For default or termination of a loan for three scholastic years, a penalty equal to 40% of the total principal amount of the

loan;

(4) For default or termination of a loan for four scholastic years, a penalty equal to 50% of the total principal amount of the loan;

(5) If default or termination occurs after the fourth year but prior to the completion of an accredited residency training program in a generalists specialty as determined by the board, a penalty equal to 100% of the total principal amount of the loan; and

(6) If default or termination occurs after completion of an accredited residency training program but prior to completion of the repayment obligation under these provisions, a penalty equal to 200% of the total principal amount of the loan.

The attorney general, upon request of the board, must institute proceedings in the name of the state for the purpose of recovering any amount due the state under these provisions. Any moneys recovered from loan recipients or paid by recipients to the board must be retained by the board for funding of future scholarships.

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

The failure of a recipient of a loan to perform his or her agreement with the board or to pay the amount he or she is liable for under these provisions must constitute a ground for the revocation of his or her license to practice medicine.

LOCALITIES IN NEED OF ADDITIONAL PHYSICIANS

Any municipality or locality in this state having a population of less than 15,000 inhabitants, desiring additional physicians and wishing to be designated as a locality needing additional physicians, may apply to the board to be placed on a list of localities in need of additional physicians, which must be maintained by the board. If the board determines that a locality is in need of physicians, the board must place the locality on the list of localities in need of physicians from which recipients of scholarships may, after graduation, select an area in which to practice. In compiling and maintaining the list, the board may place any locality thereon which, in its opinion, needs additional physicians.

BOARD OF MEDICAL SCHOLARSHIP AWARDS FUND

The bill creates in the state treasury the "Board of Medical Scholarship Awards Fund," which must consist of money collected under these provisions, any state appropriations, and all gifts, bequests, grants, or donations from any source whatsoever. Any moneys remaining in the fund at the end of the biennium must not revert to the credit of the General Revenue Fund. The State Treasurer must invest moneys in the fund in the same manner as other funds are invested and any interest and moneys earned on investments must be credited to the fund.