

SENATE BILL No. 381

By Committee on Education

2-6

1 AN ACT concerning *postsecondary and postgraduate loan programs*;  
2 *relating to* the university of Kansas school of medicine; ~~relating to the~~  
3 medical student loan program; ~~medical~~ **and** residency bridging  
4 program; ~~loan assistance~~; encouraging the practice of obstetrics and  
5 gynecology ~~in medically underserved areas~~; establishing the OBGYN  
6 medical loan repayment fund and the OBGYN medical residency  
7 bridging fund; amending K.S.A. 76-381, 76-383, 76-385 and 76-387  
8 and repealing the existing sections; also repealing K.S.A. 76-386a.  
9

10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. K.S.A. 76-381 is hereby amended to read as follows: 76-  
12 381. As used in K.S.A. 76-380 through 76-386, and amendments thereto:

13 (a) "Act" means the medical student loan act;

14 (b) "approved postgraduate residency training program" means a  
15 residency training program in general pediatrics, general internal  
16 medicine, family medicine, family practice, emergency medicine,  
17 *obstetrics and gynecology*, general psychiatry, child psychiatry or  
18 fellowship training in geriatric medicine;

19 (c) "service commitment area" means: (1) Any community within any  
20 county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or  
21 Wyandotte county; (2) any state medical care facility or institution; (3) any  
22 medical center operated by the veterans administration of the United  
23 States; (4) ~~the full-time faculty of the university of Kansas school of~~  
24 ~~medicine in family medicine, family practice, general psychiatry or child~~  
25 ~~psychiatry~~ *if serving as full-time faculty as provided in K.S.A. 76-384(c),*  
26 *and amendments thereto*; or (5) any community within Wyandotte county  
27 for purposes of any practice obligation under an agreement entered into by  
28 a person who is enrolled for the first time after July 1, 2004, in a course of  
29 study leading to the medical degree; and

30 (d) "state medical care facility or institution" includes, but is not  
31 limited to, the Kansas state school for the visually handicapped, the  
32 Kansas state school for the deaf, any institution under the secretary for  
33 aging and disability services, as defined by K.S.A. 76-12a01, and  
34 amendments thereto, any institution ~~under the commissioner of juvenile~~  
35 ~~justice~~ as defined by K.S.A. 2019 Supp. 38-2302, and amendments  
36 thereto, the Kansas soldiers' home, the Kansas veterans' home and any

1 correctional institution under the secretary of corrections, as defined by  
2 K.S.A. 75-5202, and amendments thereto, but shall not include any state  
3 educational institution under the state board of regents, as defined by  
4 K.S.A. 76-711, and amendments thereto, except as specifically provided  
5 by statute.

6 Sec. 2. K.S.A. 76-383 is hereby amended to read as follows: 76-383.

7 A medical student loan agreement entered into by the university of Kansas  
8 school of medicine and an undergraduate student enrolled in or admitted to  
9 the university of Kansas school of medicine in a course of instruction  
10 leading to the degree of doctor of medicine for the purpose of receiving a  
11 medical student loan under this act shall require that the person receiving  
12 the loan:

13 (a) Complete the required course of instruction and receive the degree  
14 of doctor of medicine and apply for, enter and complete an approved  
15 postgraduate residency training program;

16 (b) apply for and obtain a license to practice medicine and surgery in  
17 Kansas;

18 (c) *except as otherwise provided in K.S.A. 76-384, and amendments*  
19 *thereto*, engage in the full-time practice of medicine and surgery for a  
20 period of 12 months within a service commitment area, ~~except as~~  
21 ~~otherwise provided in K.S.A. 76-384(e), and amendments thereto, for~~  
22 ~~service as a full-time faculty member of the university of Kansas school of~~  
23 ~~medicine in family medicine, family practice, general psychiatry or child~~  
24 ~~psychiatry;~~

25 (d) commence such full-time practice of medicine and surgery within  
26 nine months after completion of an approved postgraduate residency  
27 training program and licensure in a service commitment area and continue  
28 such full-time practice in such service commitment area for a consecutive  
29 period of months equal to the total number of months required under the  
30 agreement;

31 (e) agree that the service commitment for each agreement entered into  
32 under this act is in addition to the service commitment contained in any  
33 other agreement ~~which~~ *that* has been or may be entered into under this act  
34 for the purpose of obtaining a medical student loan or under other  
35 agreements for the purpose of obtaining scholarship aid;

36 (f) maintain records and make reports to the university of Kansas  
37 school of medicine to document the satisfaction of the obligation under  
38 such agreement to engage in the full-time practice of medicine and surgery  
39 within a service commitment area and to continue such full-time practice  
40 in such service commitment area for a consecutive period of months equal  
41 to the total number of months required under the agreement; and

42 (g) upon failure to satisfy an agreement to engage in the full-time  
43 practice of medicine and surgery within a service commitment area for the

1 required period of time under any such agreement, the person receiving a  
2 medical student loan under this act shall repay amounts to the university of  
3 Kansas school of medicine as provided in K.S.A. 76-385, and amendments  
4 thereto.

5 Sec. 3. K.S.A. 76-385 is hereby amended to read as follows: 76-385.

6 (a) (1) Except as otherwise provided in paragraphs (2), ~~(3), (4) and (5)~~  
7 *through* (6) or in K.S.A. 76-386, and amendments thereto, upon the failure  
8 of any person to satisfy the obligation to engage in the full-time practice of  
9 medicine and surgery within a service commitment area of this state for  
10 the required period of time under any medical student loan agreement  
11 entered into under this act, such person shall repay to the university of  
12 Kansas school of medicine in accordance with subsection (b) an amount  
13 equal to the total of: (A) The amount of money received by such person  
14 pursuant to such agreement, or the amount of money determined under  
15 rules and regulations of the university of Kansas; plus (B) annual interest  
16 at a rate of 15% from the date such money was received.

17 (2) Any person who fails to apply for and enter an approved  
18 postgraduate residency training program shall be required to repay all  
19 moneys received pursuant to an agreement entered into for any such  
20 medical student loan, plus accumulated interest at an annual rate of 15%  
21 and shall commence such repayment in accordance with subsection (b)  
22 within 90 days of graduation from the school of medicine or upon  
23 termination or completion of a residency training program which does not  
24 comply with the provisions of this act, whichever is later.

25 (3) If at any time a person is failing to satisfy an obligation to engage  
26 in the full-time practice of medicine and surgery in Kansas for the required  
27 period of time under an agreement entered into under this act because such  
28 person is engaged in the full-time practice of medicine and surgery in a  
29 state other than Kansas, or within Kansas in an area that is not a service  
30 commitment area or in the practice of medicine and surgery which does  
31 not otherwise comply with the agreement entered into under this act, and if  
32 such person is subject to or currently making repayments under this  
33 section and if such person subsequently commences the practice of  
34 medicine and surgery in this state which is in a service commitment area  
35 or which otherwise complies with the agreement entered into under this  
36 act, the balance of the repayment amount, including interest thereon, from  
37 the time of such commencement of practice until the obligation of such  
38 person is satisfied, or until the time such person again becomes subject to  
39 repayments, shall be waived. All repayment amounts due prior to such  
40 commencement of practice, including interest thereon, shall continue to be  
41 payable as provided in this section. If subsequent to such commencement  
42 of practice, the person fails to satisfy such obligation, the person again  
43 shall be subject to repayments, including interest thereon, as otherwise

1 provided in this section.

2 (4) If, during the time a person is satisfying the service requirement  
3 of an agreement entered into under this act, such person desires to engage  
4 in less than the full-time practice of medicine and surgery within a service  
5 commitment area of the state and remain in satisfaction of such service  
6 requirement, such person may make application to the chancellor of the  
7 university of Kansas or the designee of the chancellor for permission to  
8 engage in less than such full-time practice of medicine and surgery. Upon  
9 a finding of exceptional circumstances made by the chancellor of the  
10 university of Kansas, or the designee of the chancellor, such person may  
11 be authorized to engage in less than the full-time practice of medicine and  
12 surgery within a service commitment area of the state for the remaining  
13 required period of time under such agreement and for an additional period  
14 of time which shall be equal to the length of the originally required period  
15 of time multiplied by the decimal fraction which is equal to the reduction  
16 of the full-time practice of medicine and surgery to be authorized  
17 hereunder, multiplied by two. In any such determination of the period  
18 required to be engaged in the less than full-time practice of medicine and  
19 surgery, the decimal fraction utilized shall not exceed 0.5 and any person  
20 granted permission to engage in less than the full-time practice of  
21 medicine and surgery in accordance with the provisions of this paragraph  
22 shall be required to engage in at least the half-time practice of medicine  
23 and surgery.

24 (5) Any person who enters but fails to complete an approved  
25 postgraduate residency training program, or who enters and completes an  
26 approved postgraduate residency training program but fails to satisfy the  
27 obligation to engage in the full-time practice of medicine and surgery  
28 within a service commitment area of this state for the required period of  
29 time shall be required to repay all money received pursuant to an  
30 agreement entered into under this act ~~a~~ *for any such* medical student loan,  
31 plus accumulated interest at an annual rate of 15% and shall commence  
32 such repayment in accordance with subsection (b) within 90 days of failure  
33 to complete an approved postgraduate residency training program or 90  
34 days of failure to commence qualifying practice, whichever occurs first.

35 (6) *For any person who entered and completed an approved*  
36 *postgraduate residency training program in obstetrics and gynecology, if*  
37 *during the time such person is satisfying the service requirement of an*  
38 *agreement entered into pursuant to this act, such person is employed by,*  
39 *provides services at or establishes any clinic or facility as such terms are*  
40 *defined in K.S.A. 65-4a01, and amendments thereto, or performs or*  
41 *induces, or attempts to perform or induce, an abortion, except in the case*  
42 *of a medical emergency as defined in K.S.A. 65-6701, and amendments*  
43 *thereto, or in the case of a pregnancy resulting from rape or incest, such*

1 *person shall be deemed to have failed to complete such person's service*  
2 *requirement and shall be required to repay all money received pursuant to*  
3 *an agreement entered into under this act for any such medical student*  
4 *loan, plus accumulated interest at an annual rate of 15%, and shall*  
5 *commence such repayment in accordance with subsection (b).*

6 (b) For any repayment requirement under this section, the person  
7 shall repay an amount totaling the entire amount to be repaid under all  
8 such agreements for which such obligations are not satisfied, including all  
9 amounts of interest at the rate prescribed. The repayment shall be made in  
10 not more than 10 equal annual installment payments.

11 (c) All installment payments under this section shall commence six  
12 months after the date of the action or circumstance that causes the failure  
13 of the person to satisfy the obligations of such agreements, as determined  
14 by the university of Kansas school of medicine based upon the  
15 circumstances of each individual case. In all cases, if an installment  
16 payment becomes 91 days overdue, the entire amount outstanding shall  
17 become immediately due and payable, including all amounts of interest at  
18 the rate prescribed.

19 (d) The total repayment obligation imposed under all agreements  
20 entered into under this act may be satisfied by the person who entered into  
21 the agreements at any time prior to graduation from the university of  
22 Kansas school of medicine by making a single lump-sum payment equal to  
23 the total of: (1) The entire amount to be repaid under all such agreements  
24 upon failure to satisfy the obligations under such agreements to practice in  
25 Kansas; plus (2) all amounts of interest thereon at the rate prescribed to the  
26 date of payment.

27 (e) The university of Kansas school of medicine shall remit all  
28 moneys received under this section to the state treasurer in accordance  
29 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon  
30 receipt of each such remittance, the state treasurer shall deposit the entire  
31 amount in the state treasury to the credit of the medical loan repayment  
32 fund.

33 (f) There is hereby created in the state treasury the medical loan  
34 repayment fund. All expenditures from the medical loan repayment fund  
35 shall be for medical student loans under the medical student loan act and  
36 for the expenses of administration of the medical student loan act and shall  
37 be made in accordance with appropriation acts upon warrants of the  
38 director of accounts and reports issued pursuant to vouchers approved by  
39 the chancellor of the university of Kansas or by a person designated by the  
40 chancellor, except that expenditures shall not be made from the medical  
41 loan repayment fund for medical student loans for *medical students who*  
42 *intend to enter and complete an approved postgraduate residency training*  
43 *program in obstetrics and gynecology, general psychiatry or child*

1 psychiatry. On the effective date of this act, the director of accounts and  
2 reports shall transfer all moneys in the medical scholarship and loan  
3 repayment fund to the medical loan repayment fund. On the effective date  
4 of this act, all liabilities of the medical scholarship and loan repayment  
5 fund are hereby imposed on the medical loan repayment fund and the  
6 medical scholarship and loan repayment fund is hereby abolished.  
7 Whenever the medical scholarship and loan repayment fund, or words of  
8 like effect, is referred to or designated by any statute, contract or other  
9 document, such reference or designation shall be deemed to apply to the  
10 medical loan repayment fund.

11 (g) There is hereby established in the state treasury the psychiatry  
12 medical loan repayment fund. All moneys credited to the psychiatry  
13 medical loan repayment fund shall be expended only for medical student  
14 loans for general psychiatry or child psychiatry students under the medical  
15 student loan act and for the expenses of administration of the medical  
16 student loan act associated with such students. All expenditures from the  
17 psychiatry medical loan repayment fund shall be made in accordance with  
18 appropriation acts upon warrants of the director of accounts and reports  
19 issued pursuant to vouchers approved by the chancellor of the university of  
20 Kansas or the chancellor's designee.

21 (h) *There is hereby established in the state treasury the OBGYN*  
22 *medical loan repayment fund. All moneys credited to the OBGYN medical*  
23 *loan repayment fund shall be expended only for medical student loans for*  
24 *medical students who intend to enter and complete an approved*  
25 *postgraduate residency training program in obstetrics and gynecology*  
26 *under the medical student loan act and for the expenses of administration*  
27 *of the medical student loan act associated with such students. All*  
28 *expenditures from the OBGYN medical loan repayment fund shall be made*  
29 *in accordance with appropriation acts upon warrants of the director of*  
30 *accounts and reports issued pursuant to vouchers approved by the*  
31 *chancellor of the university of Kansas or the chancellor's designee.*

32 (h) Notwithstanding any other provision of law to the contrary, no  
33 moneys shall be transferred from the comprehensive grant program  
34 account of the state board of regents to the medical loan repayment fund,  
35 *the OBGYN medical loan repayment fund* or the psychiatry medical loan  
36 repayment fund or expended for any purposes related thereto.

37 Sec. 4. K.S.A. 76-387 is hereby amended to read as follows: 76-387.

38 (a) (1) There is hereby established the Kansas medical residency bridging  
39 program at the university of Kansas school of medicine, which shall be  
40 developed and implemented in order to provide encouragement,  
41 opportunities and incentives for persons ~~in primary care or mental health~~  
42 ~~care to:~~

43 (A) *Enter and complete medical* residency training programs in

1 general pediatrics, general internal medicine, family medicine, family  
2 practice, *obstetrics and gynecology*, general psychiatry or child psychiatry  
3 that are operated by or affiliated with the university of Kansas school of  
4 medicine or other such ~~primary care or mental health care~~ *medical*  
5 residency training program that is operated in Kansas and approved by the  
6 state board of healing arts; and a person under subsection (i) to

7 (B) locate their medical practice in rural Kansas communities upon  
8 completion of such residency training.

9 (2) The Kansas medical residency bridging program shall be  
10 administered by the institute for rural health care of the university of  
11 Kansas school of medicine.

12 (b) Subject to the provisions of appropriation acts, the university of  
13 Kansas school of medicine may enter into residency bridging loan  
14 agreements, ~~in accordance with the provisions of this section:~~ (A) with any  
15 person who has completed the first year of a ~~primary care or mental health~~  
16 ~~care~~ *medical* residency training program in general pediatrics, general  
17 internal medicine, family medicine, family practice, *obstetrics and*  
18 *gynecology*, general psychiatry or child psychiatry that is operated by or  
19 affiliated with the university of Kansas school of medicine or other such  
20 ~~primary care or mental health care~~ *medical* residency training program that  
21 is operated in Kansas and approved by the state board of healing arts; ~~and~~  
22 (B) with a person under subsection (i).

23 (c) Subject to the provisions of appropriation acts, each person  
24 entering into a residency bridging loan agreement under this section shall  
25 receive a payment of \$5,000 each year of ~~primary care or mental health~~  
26 ~~care~~ *medical* residency training, or any part of a year of such training, after  
27 the date that the residency bridging loan agreement is entered into by the  
28 resident and the university of Kansas school of medicine and, upon  
29 completion of the ~~primary care or mental health care~~ *medical* residency  
30 training program, a payment of \$6,000.

31 (d) Each residency bridging loan agreement shall require that the  
32 person receiving the loan:

33 (1) Complete the ~~primary care or mental health care~~ *medical*  
34 residency training program;

35 (2) engage in the full-time practice of medicine and surgery in any  
36 county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or  
37 Wyandotte for three years under a practice commitment agreement;

38 (3) commence such full-time practice of medicine and surgery within  
39 90 days after completing the ~~primary care or mental health care~~ *medical*  
40 residency training program; and

41 (4) upon failure to satisfy the obligation to engage in the full-time  
42 practice of medicine and surgery in accordance with the provisions of the  
43 residency bridging loan agreement and this section, the person receiving

1 the loan under this section shall repay to the university of Kansas school of  
2 medicine, within 90 days of such failure, the amount equal to the amount  
3 of ~~money~~ *moneys* received by such person from the university of Kansas  
4 school of medicine, less credits earned, under such agreement plus interest  
5 at the annual rate of 15% from the date such ~~money was~~ *moneys were*  
6 received.

7 (e) An obligation to engage in the practice of medicine and surgery in  
8 accordance with the provisions of a residency bridging loan agreement and  
9 this section shall be postponed during: (1) Any period of temporary  
10 medical disability during which the person obligated is unable to practice  
11 medicine and surgery because of such medical disability; or (2) any other  
12 period of postponement agreed to or determined in accordance with  
13 criteria agreed to in the practice commitment agreement.

14 (f) *Except as otherwise provided in subsection (g), an obligation to*  
15 *engage in the practice of medicine and surgery in accordance with the*  
16 *provisions of a residency bridging loan agreement and this section shall be*  
17 *satisfied: (1) If the obligation to engage in the practice of medicine and*  
18 *surgery in accordance with such agreement has been completed; (2) if the*  
19 *person obligated dies; or (3) if, because of permanent physical disability,*  
20 *the person obligated is unable to practice medicine and surgery.*

21 (g) *For any person that completed a medical residency training*  
22 *program in obstetrics and gynecology pursuant to this section, such*  
23 *person's obligation to engage in the practice of medicine and surgery in*  
24 *accordance with the provisions of a residency bridging loan agreement*  
25 *and this section shall be deemed to not be satisfied if such person is*  
26 *employed by, provides services at or establishes any clinic or facility as*  
27 *such terms are defined in K.S.A. 65-4a01, and amendments thereto, or*  
28 *performs or induces, or attempts to perform or induce, an abortion, except*  
29 *in the case of a medical emergency as defined in K.S.A. 65-6701, and*  
30 *amendments thereto, **or in the case of a pregnancy resulting from rape or***  
31 ***incest**, at any time in which such person is obligated to satisfy the*  
32 *provisions of such person's loan agreement made pursuant to this section.*

33 ~~(g)~~(h) The university of Kansas school of medicine may adopt  
34 additional provisions, requirements or conditions for participation in the  
35 Kansas medical residency bridging program as are practicable and  
36 appropriate to accomplish the purposes of the program or as may be  
37 required for the implementation or administration of the program and, in  
38 any case, as are not inconsistent with the provisions of this section or the  
39 provisions of appropriation acts.

40 ~~(h)~~(i) As used in this section, "practice commitment agreement"  
41 means an agreement to commence the full-time practice of medicine and  
42 surgery in a city located in any county in Kansas other than Douglas,  
43 Johnson, Sedgwick, Shawnee or Wyandotte county, that:



1 (1) Was entered into: ~~(A)~~ by a person in a ~~primary care or mental~~  
2 ~~health care~~ *medical* residency training program in general pediatrics,  
3 general internal medicine, family medicine, family practice, *obstetrics and*  
4 *gynecology*, general psychiatry or child psychiatry, that is operated by or  
5 affiliated with the university of Kansas school of medicine or other such  
6 ~~primary care or mental health care~~ *medical* residency training program that  
7 is operated in Kansas and approved by the state board of healing arts; ~~or~~  
8 ~~(B)~~ by a person under subsection ~~(i)~~, with the city where such practice is to  
9 commence or another contracting entity other than the university of  
10 Kansas school of medicine that is representative of the interests of such  
11 city; and

12 (2) provides benefits to such person that have an aggregate monetary  
13 value equal to or greater than the aggregate amount of payments to such  
14 person from the university of Kansas school of medicine under a residency  
15 bridging loan agreement under this section.

16 ~~(i) A person who graduated from the university of Kansas school of~~  
17 ~~medicine prior to July 1, 1992, who has completed the first year of a~~  
18 ~~primary care residency training program in family practice which is~~  
19 ~~operated outside the state of Kansas and who has entered into a practice~~  
20 ~~commitment agreement with the north central Kansas health care~~  
21 ~~foundation is eligible to enter into a residency bridging loan agreement~~  
22 ~~under this section.~~

23 (j) Notwithstanding any other provision of law to the contrary, no  
24 moneys appropriated for the Kansas medical residency bridging program  
25 at the university of Kansas school of medicine, except moneys  
26 appropriated to the *OBGYN medical residency bridging fund* or the rural  
27 health bridging psychiatry fund, shall be expended for residency bridging  
28 loan agreements for medical residents training in *obstetrics and*  
29 *gynecology*, general psychiatry or child psychiatry.

30 (k) Subject to appropriations, the university of Kansas school of  
31 medicine shall enter into residency bridging loan agreements with three  
32 medical residents training in general psychiatry or child psychiatry.

33 (l) There is hereby established in the state treasury the rural health  
34 bridging psychiatry fund. All moneys credited to the rural health bridging  
35 psychiatry fund shall be used only for purposes related to residency  
36 bridging loan agreements for medical residents training in general  
37 psychiatry or child psychiatry pursuant to ~~K.S.A. 76-387, and amendments~~  
38 ~~thereto~~ *this section*. All expenditures from the rural health bridging  
39 psychiatry fund shall be made in accordance with appropriation acts upon  
40 warrants of the director of accounts and reports issued pursuant to  
41 vouchers approved by the chancellor of the university of Kansas or the  
42 chancellor's designee.

43 (m) *There is hereby established in the state treasury the OBGYN*

1 *medical residency bridging fund. All moneys credited to the OBGYN*  
2 *medical residency bridging fund shall be used only for purposes related to*  
3 *residency bridging loan agreements for medical residents training in*  
4 *obstetrics and gynecology pursuant to this section. All expenditures from*  
5 *the OBGYN medical residency bridging fund shall be made in accordance*  
6 *with appropriation acts upon warrants of the director of accounts and*  
7 *reports issued pursuant to vouchers approved by the chancellor of the*  
8 *university of Kansas or the chancellor's designee.*

9 ~~(m)~~(n) Notwithstanding any other provision of law to the contrary, no  
10 moneys shall be transferred from the comprehensive grant program  
11 account of the state board of regents to the rural health bridging psychiatry  
12 fund or expended for any purposes related to the Kansas medical residency  
13 bridging program.

14 Sec. 5. K.S.A. 76-381, 76-383, 76-385, 76-386a and 76-387 are  
15 hereby repealed.

16 Sec. 6. This act shall take effect and be in force from and after its  
17 publication in the statute book.