

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL 1526

6 By: Yen

7 COMMITTEE SUBSTITUTE

8 An Act relating to the Physician Manpower Training
9 Commission; amending 63 O.S. 2011, Section 1-2721,
10 which relates to physician requirements; amending 63
11 O.S. 2011, Section 1-2722, which relates to certain
12 rewards; amending 63 O.S. 2011, Section 1-2723, which
13 relates to program funding; amending 70 O.S. 2011,
14 Section 625.1, which relates to the Oklahoma Rural
15 Medical Education Loan and Scholarship Fund; amending
16 70 O.S. 2011, Section 625.2, which relates to
17 scholarships; amending 70 O.S. 2011, Section 625.3,
18 which relates to terms and conditions; amending 70
19 O.S. 2011, Section 625.4, which relates to rules and
20 regulations; amending 70 O.S. 2011, Section 625.4a,
21 as amended by Section 614, Chapter 304, O.S.L. 2012
22 (70 O.S. Supp. 2015, Section 625.4a), which relates
23 to certain revolving fund; amending 70 O.S. 2011,
24 Section 625.5, which relates to eligibility; amending
70 O.S. 2011, Section 625.6, which relates to
contracts; amending 70 O.S. 2011, Section 625.9,
which relates to administration of funds; amending 70
O.S. 2011, Section 625.10a, which relates to
administration of certain programs; amending 70 O.S.
2011, Section 625.11, which relates to the Community
Physician Education Scholarship Program Fund;
amending 70 O.S. 2011, Section 625.12, which relates
to eligibility; amending 70 O.S. 2011, Section
625.13, which relates to certain incentive program;
amending 70 O.S. 2011, Section 625.14, which relates
to internships and residency trainings; amending 70
O.S. 2011, Section 697.2, which relates to the
creation of the Physician Manpower Training
Commission; amending 70 O.S. 2011, Section 697.5,
which relates to powers and duties; amending 70 O.S.

1 2011, Section 697.6, which relates to allocation of
2 funds; amending 70 O.S. 2011, Section 697.7, as
3 amended by Section 615, Chapter 304, O.S.L. 2012 (70
4 O.S. Supp. 2015, Section 697.7), which relates to
5 contractual arrangements; amending 70 O.S. 2011,
6 Section 697.8, as amended by Section 616, Chapter
7 304, O.S.L. 2012 (70 O.S. Supp. 2015, Section 697.8),
8 which relates to certain contracts; amending 70 O.S.
9 2011, Section 697.9, which relates to certain fund;
10 amending 70 O.S. 2011, Section 697.10, as amended by
11 Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
12 2015, Section 697.10), which relates to contracts;
13 amending 70 O.S. 2011, Section 697.11, as amended by
14 Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
15 2015, Section 697.11), which relates to certain fund;
16 amending 70 O.S. 2011, Section 697.12, which relates
17 to certain scholarship; amending 70 O.S. 2011,
18 Section 697.15, which relates to conditions of
19 eligibility; amending 70 O.S. 2011, Section 697.17,
20 as amended by Section 619, Chapter 304, O.S.L. 2012
21 (70 O.S. Supp. 2015, Section 697.17), which relates
22 to the Nursing Student Assistance Program; amending
23 70 O.S. 2011, Section 697.18, as amended by Section
24 620, Chapter 304, O.S.L. 2012 (70 O.S. Supp. 2015,
Section 697.18), which relates to certain contracts;
amending 70 O.S. 2011, Section 697.19, as amended by
Section 621, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
2015, Section 697.19), which relates to the Omnibus
Budget Reconciliation Act Program; amending 70 O.S.
2011, Section 697.20, which relates to the
Osteopathic Internship and Residency Program;
amending 70 O.S. 2011, Section 697.21, as amended by
Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
2015, Section 697.21), which relates to the Physician
Assistant Scholarship Program; transferring certain
powers, duties, funds, administrative rules,
obligations and other functions from the Physician
Manpower Training Commission to the Oklahoma
Department of Commerce; repealing 70 O.S. 2011,
Sections 625.7, 697.3, 697.4 and 697.16, which relate
to the Physician Manpower Training Commission;
providing for codification; providing an effective
date; and declaring an emergency.

1 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

2 SECTION 1. AMENDATORY 63 O.S. 2011, Section 1-2721, is
3 amended to read as follows:

4 Section 1-2721. A. 1. The ~~Physician Manpower Training~~
5 ~~Commission~~ Oklahoma Department of Commerce shall administer the
6 Oklahoma Medical Loan Repayment Program.

7 2. For the purposes of this section, "primary care physicians"
8 shall mean physicians practicing in family medicine, geriatrics,
9 general internal medicine, general pediatrics,
10 obstetrics/gynecology, or emergency medicine.

11 3. The Program, depending upon and limited to available
12 funding, shall provide educational loan repayment assistance to
13 Oklahoma licensed primary care physicians who agree to establish a
14 practice in a community located in Oklahoma approved by the
15 ~~Commission~~ Department.

16 4. Each award shall be for a contracted period and shall be
17 distributed to the participant by drafts made payable to the
18 participant at the end of each contract year with disbursements not
19 to exceed an amount to be established annually by the ~~Commission~~
20 Department. Prior to any disbursement, the ~~Commission~~ Department
21 shall certify and properly review reports submitted by the
22 participating physician detailing performance of activities in
23 accordance with the Program.

24

1 5. At the conclusion of an initial two-year period, the
2 ~~Commission~~ Department shall review the performance in the Program of
3 the participating physician and determine whether an award may be
4 granted for additional years pursuant to rules promulgated by the
5 ~~Commission~~ Department.

6 B. The physicians entering the Program each year shall agree to
7 provide medical care and services in areas designated by the
8 ~~Commission~~ Department to provide medical care and services to
9 Medicaid recipients as authorized by the Oklahoma Health Care
10 Authority.

11 C. A physician shall be eligible to participate in the loan
12 repayment program if the physician:

13 1. Is licensed to practice medicine in Oklahoma;

14 2. Is a new primary care residency graduate. Preference will
15 be given to graduates of the primary care residency programs
16 affiliated with the Oklahoma State University College of Osteopathic
17 Medicine, the University of Oklahoma College of Medicine and the
18 teaching hospitals affiliated with both schools of medicine; or

19 3. Is a current practicing physician and has met criteria
20 established by the ~~Commission~~ Department.

21 D. The physician shall agree to practice in the designated need
22 areas identified by the ~~Commission~~ Department for no fewer than two
23 (2) consecutive years as a condition of the loan repayment. If the
24 physician does not fulfill the service obligation, the ~~Commission~~

1 Department may collect from the participant the entire amount of
2 loan payments made under the Program plus interest.

3 E. The ~~Commission~~ Department shall present a report on the
4 operation of the Program to the Governor, the Speaker of the House
5 of Representatives, and the President Pro Tempore of the Senate
6 within one (1) month of the beginning of each regular session of the
7 Legislature, including but not limited to the progress made in
8 accomplishing the goal of the Program.

9 SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-2722, is
10 amended to read as follows:

11 Section 1-2722. The amount of the award of educational loan
12 repayment assistance shall not exceed any maximum or minimum amount
13 as promulgated by rules of the ~~Physician Manpower Training~~
14 ~~Commission~~ Oklahoma Department of Commerce pursuant to the Oklahoma
15 Medical Loan Repayment Program. The actual amount of the award
16 shall be based upon a determination of:

- 17 1. Actual funds available to the Program for expenditure; and
18 2. The existing student loan indebtedness of the participating
19 physician.

20 SECTION 3. AMENDATORY 63 O.S. 2011, Section 1-2723, is
21 amended to read as follows:

22 Section 1-2723. A. The ~~Physician Manpower Training Commission~~
23 Oklahoma Department of Commerce shall have the option of utilizing
24 available funding in excess of the amount necessary to fund the

1 Oklahoma Medical Loan Repayment Program described in Section 1-2721
2 of ~~Title 63 of the Oklahoma Statutes~~ this title to fund new or
3 expanded primary care residency programs in rural and underserved
4 areas of the state. Such new or expanded primary care residency
5 program funding shall include but not be limited to:

6 1. Payments to hospitals desiring to establish new primary care
7 residency programs. Such payments shall be made to cover the costs
8 of salaries, benefits and educational costs of residents in training
9 at the facility;

10 2. Payments to hospitals with existing primary residency
11 programs desiring to expand the number of residents participating in
12 those programs. Such payments shall be made to cover the costs of
13 salaries, benefits and educational costs of residents in training at
14 the facility; or

15 3. Payments of stipends to residents of new or existing primary
16 care residency programs in exchange for a commitment to serve in a
17 rural or underserved area of the state as designated by the
18 ~~Commission~~ Department.

19 B. Provisions of this section shall be subject to the
20 promulgated rules of the ~~Commission~~ Department.

21 SECTION 4. AMENDATORY 70 O.S. 2011, Section 625.1, is
22 amended to read as follows:

23 Section 625.1. There is hereby established the Oklahoma Rural
24 Medical Education Loan and Scholarship Fund. The fund shall be

1 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
2 Department of Commerce under the provisions of Section 625.9 of this
3 title.

4 SECTION 5. AMENDATORY 70 O.S. 2011, Section 625.2, is
5 amended to read as follows:

6 Section 625.2. The ~~Physician Manpower Training Commission~~
7 Oklahoma Department of Commerce shall be authorized and empowered to
8 grant scholarships to qualified students who are bona fide residents
9 of the State of Oklahoma and who would not otherwise have funds
10 necessary to finance the cost of a program of study leading to the
11 Degree of Doctor of Medicine, or to the Degree of Doctor of
12 Osteopathic Medicine, to be granted by an accredited and recognized
13 college of medicine or college of osteopathic medicine.

14 SECTION 6. AMENDATORY 70 O.S. 2011, Section 625.3, is
15 amended to read as follows:

16 Section 625.3. A. The terms and conditions governing the
17 scholarships shall be as prescribed and formulated by the ~~Physician~~
18 ~~Manpower Training Commission~~ Oklahoma Department of Commerce, but
19 shall include the condition that each recipient, upon completion of
20 his course of study, shall repay his scholarship by practicing his
21 profession in a rural community in Oklahoma having a population of
22 seven thousand five hundred (7,500) persons or less according to the
23 last preceding United States Decennial Census and having a need
24 therefor, as determined by the ~~Commission~~ Department, for one (1)

1 year for each one (1) year the scholarship is financed; provided,
2 however, that the recipient will be given no credit for payment and
3 reduction of said obligation by serving in the defined rural
4 communities for a period less than two (2) years.

5 B. The terms of this subsection shall apply to recipients who
6 accept assistance before July 1, 1993. The contract shall provide
7 that in the event the recipient breaches the terms of the contract
8 by not serving the designated community for the specified period of
9 time he shall pay liquidated damages in an amount agreed upon by the
10 ~~Commission~~ Department and the recipient and representing a
11 reasonable estimate of the damage or loss to the community or the
12 state. Said damages shall not exceed one hundred percent (100%) of
13 the principal. After payment of the liquidated damages, repayment
14 of the principal may be made in cash with interest at the rate of
15 twelve percent (12%) per annum, said interest to accrue from the
16 date each payment is made pursuant to the scholarship. No interest
17 however shall accrue during any one period of time that the
18 recipient thereof is required to serve in the Armed Forces of the
19 United States or during any period of internship.

20 C. The terms of this subsection shall apply to recipients who
21 accept assistance on or after July 1, 1993. The contract shall
22 provide that in the event the recipient breaches the terms of the
23 contract by not serving the designated community for the specified
24 period of time, the ~~Commission~~ Department shall be entitled to

1 recover an amount equal to three times the principal disbursed,
2 pursuant to the contract, plus interest. Interest on all amounts
3 paid to or on behalf of the participant shall be computed at the
4 current prime rate plus one percent (1%) with said interest to
5 accrue from the date each payment is made, pursuant to the contract.
6 The amount the ~~Commission~~ Department is entitled to recover shall be
7 paid within ninety (90) days of the date the recipient becomes
8 liable as determined by the ~~Commission~~ Department.

9 SECTION 7. AMENDATORY 70 O.S. 2011, Section 625.4, is
10 amended to read as follows:

11 Section 625.4. The ~~Commission~~ Oklahoma Department of Commerce
12 shall promulgate and adopt such rules and regulations as may be
13 necessary to carry out the provisions of this act. The ~~Commission~~
14 Department shall prescribe the form and regulate the submission of
15 applications for scholarship; conduct conferences and interviews
16 with applicants; determine the eligibility of applicants; allow or
17 disallow all applications for scholarships or renewal of
18 scholarships; contract, increase, decrease, terminate and otherwise
19 regulate all grants for scholarships and their repayment in cash or
20 services; and manage, operate and control all funds and property
21 appropriated or otherwise contributed for this purpose. The
22 ~~Commission~~ Department may acquire property or money by the
23 acceptance of gifts, grants, bequests or devise, and may contract
24 with the federal government in order to secure the benefit of any

1 federal program consistent with the provisions of this act. Monies
2 received by the ~~Commission~~ Department in repayment of scholarships
3 granted from appropriated funds shall be deposited with the State
4 Treasurer who shall place the same to the credit of the ~~Commission~~
5 Department in depository funds to be known as the "Rural Medical
6 Education Scholarship Fund" and the "Community Physician Education
7 Scholarship Fund" depending on the program in which the recipient
8 participated, under and subject exclusively to the control of the
9 ~~Commission~~ Department for the purpose of fulfilling and
10 accomplishing the conditions and purposes of the ~~Physician Manpower~~
11 ~~Training Commission~~ Department. All monies so collected and
12 deposited in the State Treasury as aforesaid shall constitute a
13 continuing fund, shall not be subject to fiscal limitations, and the
14 unexpended balance shall at all times be available for expenditures
15 for the purposes and in the manner and form provided by this act.
16 All funds and property, and income therefrom, received by the
17 ~~Commission~~ Department through the acceptance of gifts, grants,
18 bequests or devise shall be held by the ~~Commission~~ Department in
19 trust, and may be sold, transferred, invested and reinvested by the
20 ~~Commission~~ Department in accordance with the provisions of the
21 Oklahoma Trust Act, and all such funds and property, and income
22 therefrom, shall be used by the ~~Commission~~ Department in fulfilling
23 and accomplishing the conditions and purposes of the ~~Physician~~
24 ~~Manpower Training Commission~~ Department.

1 SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.4a, as
2 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2015, Section 625.4a), is amended to read as follows:

4 Section 625.4a. There is hereby created in the State Treasury a
5 revolving fund for the ~~Physician Manpower Training Commission~~
6 Oklahoma Department of Commerce to be designated the "Physician
7 Manpower Training ~~Commission~~ Revolving Fund". The fund shall be a
8 continuing fund, not subject to fiscal year limitations and shall
9 consist of all payments received by the ~~Commission~~ Department
10 pursuant to Sections 625.3 and 625.10a of this title and all
11 payments received by the ~~Commission~~ Department pursuant to the
12 Allied Health Placement Program and the Nursing Home Demonstration
13 Program. All monies accruing to the credit of the fund are hereby
14 appropriated and may be budgeted and expended by the ~~Physician~~
15 ~~Manpower Training Commission~~ Department for any expenses incurred in
16 the implementation of its duties. Expenditures from the fund shall
17 be made upon warrants issued by the State Treasurer against claims
18 filed as prescribed by law with the Director of the Office of
19 Management and Enterprise Services for approval and payment.

20 SECTION 9. AMENDATORY 70 O.S. 2011, Section 625.5, is
21 amended to read as follows:

22 Section 625.5. A. An applicant may be eligible for the award
23 of a scholarship upon demonstration that the applicant:
24

- 1 1. Desires a scholarship to any accredited school of medicine
2 or school of osteopathic medicine in the United States of America;
- 3 2. Is a bona fide resident of Oklahoma;
- 4 3. Has personal financial resources such that, in the absence
5 of scholarship aid, will be unable to pursue the program of study
6 desired;
- 7 4. Is a person of good moral character;
- 8 5. Has successfully completed the program of instruction
9 prerequisite for admission to the program of study provided for in
10 Section 625.1 et seq. of this title and has applied for admission to
11 a medical school;
- 12 6. Has capacity to profit by the course of study for which the
13 applicant seeks aid;
- 14 7. Desires to practice medicine in a rural community in
15 Oklahoma; and
- 16 8. Submits proof that the applicant has not accepted or will
17 not accept any other scholarship assistance which has a conflicting
18 service obligation requirement.

19 In determining an applicant's capacity to profit by the course
20 of study desired, the ~~Commission~~ Oklahoma Department of Commerce
21 shall consider the applicant's previous scholastic record, the
22 results of examinations conducted under the provisions of Section
23 625.1 et seq. of this title, and the results of interviews and such
24 other tests or examinations which the ~~Commission~~ Department may deem

1 advisable. In establishing an applicant's financial need, the
2 ~~Commission~~ Department shall conduct a thorough and complete
3 investigation of the financial resources of the applicant and
4 family.

5 B. The amount of each scholarship grant shall not exceed
6 Fifteen Thousand Dollars (\$15,000.00) per academic year for students
7 engaged in their first, second, third or fourth year of study, or
8 equivalent number of terms completed in an education program in a
9 given period of months.

10 C. The method of payment of funds to each recipient of a
11 scholarship grant shall be in accordance with rules formulated by
12 the ~~Commission~~ Department governing the grants for each type of
13 scholarship.

14 D. Each scholarship is renewable annually for the number of
15 years required to complete the course of study in which the
16 recipient is engaged. The ~~Commission~~ Department shall grant such an
17 annual renewal only upon the recipient's application and upon the
18 ~~Commission's~~ Department's finding that the recipient:

19 1. Has completed successfully the work of the preceding year
20 and presented evidence that the recipient is a student in good
21 standing;

22 2. Remains a resident of Oklahoma; and
23
24

1 3. Is in a financial situation that warrants the award of a
2 scholarship under the standards set forth in Section 625.1 et seq.
3 of this title.

4 E. The ~~Commission~~ Department shall make an annual report to the
5 Governor and Legislature on the activities of the ~~Commission~~
6 Department. This report shall include the names of the recipients
7 of the scholarships, the amount of the scholarship awards, an
8 accounting of the funds expended on scholarships and on the
9 administration of the program and a budget requesting the funds
10 necessary for the operation of the ~~Commission~~ Department. The
11 report shall also include an accounting of repayments of
12 scholarships, whether by services or in cash including interest.

13 SECTION 10. AMENDATORY 70 O.S. 2011, Section 625.6, is
14 amended to read as follows:

15 Section 625.6. Each applicant, before being granted a
16 scholarship, shall enter into a contract with the ~~Commission~~
17 Oklahoma Department of Commerce agreeing to the terms and conditions
18 upon which the scholarship shall be granted to ~~him~~ the applicant.
19 Said contract shall include such terms and provisions as will carry
20 out the full purpose and intent of this act and the form thereof
21 shall be prepared and approved by the Attorney General. ~~Said~~
22 ~~contracts~~ The contract shall be signed by the Secretary of Commerce
23 and Tourism on behalf of the ~~Commission~~ Department and by the
24 applicant. The ~~Commission~~ Department is hereby vested with full and

1 complete authority and power to sue in its own name any applicant
2 for any balance due the ~~Commission~~ Department on any contract. The
3 ~~Commission~~ Department shall have authority to cancel any contract
4 made between it and any recipient of a scholarship upon cause deemed
5 sufficient by the ~~Commission~~ Department.

6 SECTION 11. AMENDATORY 70 O.S. 2011, Section 625.9, is
7 amended to read as follows:

8 Section 625.9. The administration of the Oklahoma Rural Medical
9 Education Loan and Scholarship Fund is hereby transferred to the
10 ~~Physician Manpower Training Commission~~ Oklahoma Department of
11 Commerce as established by law. All the powers, duties,
12 responsibilities, rules and regulations and functions of the Board
13 of Trustees of the Oklahoma Rural Medical Education Scholarship Fund
14 are hereby transferred to the ~~Physician Manpower Training Commission~~
15 Department and The Board of Trustees of the Oklahoma Rural Medical
16 Education Scholarship Fund is hereby abolished and terminated.

17 SECTION 12. AMENDATORY 70 O.S. 2011, Section 625.10a, is
18 amended to read as follows:

19 Section 625.10a. The ~~Physician Manpower Training Commission~~
20 Oklahoma Department of Commerce is hereby authorized and empowered
21 to establish and administer cost-sharing scholarships and loan fund
22 programs which shall provide for state assistance to and
23 participation with community physician education and scholarship
24 trust funds which are selected and approved by the ~~Commission~~

1 Department. ~~Said~~ The state assistance and participation shall be on
2 a state and community matching formula basis for the funding of the
3 educational costs, fees and charges of a selected and qualified
4 student in good standing and who is duly enrolled in an accredited
5 college of medicine or college of osteopathic medicine and pursuing
6 a course of study leading to the degree of Doctor of Medicine or to
7 the degree of Doctor of Osteopathic Medicine. Said student shall be
8 a bona fide resident of the State of Oklahoma who desires and agrees
9 to practice his profession on completion of the course of study and
10 training required for licensure and certification in the community
11 providing the initial funds to be matched by the state funds.
12 Communities shall deposit the initial trust funds with the ~~Physician~~
13 ~~Manpower Training Commission~~ Department to be administered and
14 matched by the ~~Commission~~ Department for the education of selected
15 and qualified students to serve and to practice in the communities
16 with trust funds so established for that purpose with the ~~Commission~~
17 Department. The ~~Commission~~ Department shall aid and advise
18 communities in the selection of qualified students to participate in
19 a given community scholarship program and the ~~Commission~~ Department
20 shall approve the selection of a given student for a particular
21 community physician education scholarship trust fund matching
22 program. The ~~Commission~~ Department shall determine the percentage
23 share for the state in the scholarship matching program with a given
24 community to educate a given and duly selected student on the basis

1 of the extent of need of the community and its surrounding area for
2 the services of a practicing physician, the amount of the initial
3 trust funds the community has raised and deposited in the physician
4 education scholarship trust fund that is duly established and the
5 matching funds schedule developed by the ~~Commission~~ Department and
6 based upon both the population of the community determined by the
7 latest Federal Decennial Census and the estimated median family
8 annual income level as determined on the basis of the estimates of
9 the ~~Oklahoma Department of Commerce~~. The state matching assistance
10 and participation in a given scholarship trust fund program shall
11 not exceed seventy-five percent (75%) of the total amount calculated
12 to be necessary to fund the costs of a course of study for the
13 degree of Doctor of Medicine or the degree of Doctor of Osteopathic
14 Medicine as determined annually by the ~~Commission~~ Department.
15 Repayment of the total amount of the scholarship by the student on
16 completion of his course of study and on the establishment of his
17 practice in the community shall be made to the state fund and to the
18 community trust fund in accordance with the percentage and total
19 amounts contributed by the state and by the community to the
20 matching scholarship trust fund program and in accordance with the
21 provisions of Section 625.5 of this title and contract requirements
22 of Section 625.6 of this title which shall apply in all cases to
23 students participating in said community physician education
24 scholarship trust fund programs administered by the ~~Commission~~

1 Department with the exception of the maximum amount allowable in
2 payment to the student which shall be based on an annual review of
3 the costs, fees and charges of the school of medicine or school of
4 osteopathic medicine in which the student is enrolled and
5 participating which shall be made by the ~~Commission~~ Department.

6 The procedures, terms and conditions governing the scholarships
7 and how they are administered shall be as prescribed and formulated
8 by the ~~Physician Manpower Training Commission~~ Department but shall
9 include the following:

10 1. Communities desiring to participate in a loan and
11 scholarship program shall select a student who meets the
12 requirements for participation and give notice to the ~~Commission~~
13 Department.

14 2. The ~~Commission~~ Department shall aid and advise communities
15 in the selection of qualified students to participate in a given
16 community loan and scholarship program.

17 3. The communities shall deposit with the ~~Commission~~ Department
18 the initial year scholarship funds provided by the community which
19 funds shall be a percentage of the total educational and associated
20 costs of the student in the course of study in an accredited college
21 of medicine or college of osteopathic medicine and which funds are
22 to be used in the education of the selected student.

23 4. The ~~Commission~~ Department shall review and approve the
24 selection of a given student and shall then match the initial

1 community funds with state funds from the Oklahoma Community
2 Physician Education Loan and Scholarship Program Fund in the amount
3 needed to meet the total cost for educating the student for one (1)
4 year as agreed by the ~~Commission~~ Department and the community in
5 each particular case.

6 5. The ~~Commission~~ Department shall determine the percentage
7 share for the state in the loan and scholarship program with a given
8 community to educate a selected student on the basis of:

9 a. the extent of need of the community and its
10 surrounding area for the services of a practicing physician;

11 b. the amount of the initial trust funds the
12 community has raised and deposited with the ~~Commission~~ Department
13 for the education of a selected student;

14 c. the population of the community which shall be
15 determined on the basis of the current estimates made by the
16 ~~Oklahoma Department of Commerce.~~

17 6. The state matching assistance and participation by the
18 ~~Commission~~ Department in a given loan and scholarship program for a
19 particular student shall not exceed seventy-five percent (75%) of
20 the total amount calculated to be necessary to fund one (1) year of
21 study for the degree of Doctor of Medicine or the degree of Doctor
22 of Osteopathic Medicine as determined annually by the ~~Commission~~
23 Department at the school of medicine or osteopathic medicine in
24 which the selected student is enrolled.

1 7. Each scholarship recipient, upon completion of his course of
2 study, shall repay his loan and scholarship to the state and to the
3 community and receive forgiveness on repayment of the funds from the
4 state and from the community by practicing his profession in the
5 community in Oklahoma providing the initial funds at a minimum for
6 one (1) year for each Five Thousand Dollars (\$5,000.00) the
7 community and the state financed the scholarship program for the
8 student; provided, however, that the recipient will be given no
9 credit for payment, repayment and reduction of said obligation to
10 the community and the state by serving the given community for a
11 period less than two (2) years or, when approved by the ~~Commission~~
12 Department in agreement with the community and terms of the
13 contracts involved, repayment may be made in cash with interest at
14 the rate of twelve percent (12%) per annum, said interest to accrue
15 from the date each payment of funds pursuant to the loan and
16 scholarship program is made. In addition, should a recipient who
17 accepts financial assistance after July 1, 1977, elect not to
18 perform his obligated service in the sponsoring community, the
19 agreed upon sum denoted as liquidated damages in the contract shall
20 be assessed the recipient. No interest shall accrue on the
21 principal during any one period of time that the recipient thereof
22 is required to serve in the Armed Forces of the United States, or
23 during his internship or residency, if in a primary care area and
24 the required service, internship or residency does not exceed four

1 (4) years. Provided, that no interest shall accrue for six (6)
2 months following each of the above exceptions.

3 Each student who applies to participate in a community and state
4 matching loan and scholarship program shall enter into a contract
5 administered by the ~~Commission~~ Department on behalf of the state and
6 a given community which has provided the initial scholarship funds
7 to educate a selected student. The contract shall be between the
8 State of Oklahoma and the selected student by which contract the
9 student agrees to return to the community which provided the initial
10 loan and scholarship funds and to practice his profession, on
11 completion of the course of study and training required for
12 licensure and certification, for the number of years for which the
13 student received assistance from the community and the state and in
14 accordance with the conditions specified in the contract agreed to
15 by the student and the given community which selected the student.
16 Any repayment of the total amount of the scholarship or any portion
17 thereof as provided in this act and in the contract between the
18 state and the student shall be made to the state deposited into the
19 Community Matching Loan and Scholarship Repayment Revolving Fund
20 hereby created in the State Treasury. The community portion of any
21 repayment monies deposited in said fund shall be withdrawn from the
22 revolving fund and returned to the community on request or, if the
23 community so chooses, said repayment monies shall be held available
24 in said fund for reallocation by the community and the state to the

1 Community Physician Education Loan and Scholarship Program Fund to
2 educate another student selected by the community and approved by
3 the ~~Commission~~ Department. The form of the contracts shall be
4 prepared and approved by the Attorney General. The ~~Commission~~
5 Department is hereby vested with full and complete authority and
6 power to sue in its own name any applicant for any balance due the
7 ~~Commission~~ Department for repayment of the scholarship on any
8 contract or for failure by the applicant to fulfill the terms of his
9 contract in any way. Said contracts shall be signed by the ~~Chairman~~
10 ~~of the Commission~~ Executive Director of the Department and by the
11 student for and by a representative of the community which selected
12 the student. The ~~Commission~~ Department shall have authority to
13 cancel the contract it makes between the ~~Commission~~ Department and
14 any recipient of a scholarship upon cause deemed sufficient by the
15 ~~Commission~~ Department.

16 SECTION 13. AMENDATORY 70 O.S. 2011, Section 625.11, is
17 amended to read as follows:

18 Section 625.11. There is hereby created and established the
19 Oklahoma Community Physician Education Scholarship Program Fund
20 which fund shall be administered by the ~~Physician Manpower Training~~
21 ~~Commission~~ Oklahoma Department of Commerce for the purposes of
22 providing the state matching funds assistance for scholarship
23 programs with given communities. The ~~Commission~~ Department shall be
24 empowered to contract for services with any state agencies,

1 institutions or any public or private corporation involved in and
2 conducting programs in physician manpower placement in order that
3 the ~~Commission~~ Department may perform its functions in an efficient
4 and timely fashion.

5 SECTION 14. AMENDATORY 70 O.S. 2011, Section 625.12, is
6 amended to read as follows:

7 Section 625.12. A. A student may be eligible to apply for and
8 be granted a scholarship under the community and state matching
9 program when the following conditions are met:

10 1. That the student desires a scholarship to cover the costs
11 and expenses of pursuing the degree of Doctor of Medicine or the
12 degree of Doctor of Osteopathic Medicine at any accredited school of
13 medicine or school of osteopathic medicine in the United States of
14 America;

15 2. That the student is a bona fide resident of the State of
16 Oklahoma;

17 3. That the student desires and agrees to practice his
18 profession in the community in Oklahoma providing the initial funds
19 and subject to the terms and conditions of the contract between the
20 student and the community and the contract between the student and
21 the state;

22 4. That the student is a person of good moral character;

23 5. That the student has a capacity to profit by the course of
24 study for which he seeks aid;

1 6. That the student has successfully completed the program of
2 instruction prerequisite for admission to or continuation in the
3 program of study provided for in this act and has applied and been
4 accepted or is currently a student at an accredited school of
5 medicine or school of osteopathic medicine;

6 7. That the personal financial resources of the student are
7 such that he can demonstrate need for assistance to pursue
8 successfully the course of study in which he is engaged; and

9 8. That the student submits proof that he has not accepted or
10 will not accept any other scholarship assistance which has a
11 conflicting service obligation requirement.

12 In determining an applicant student's capacity to profit by the
13 course of study he desires to pursue, the ~~Commission~~ Department
14 shall consider his previous scholastic record, the results of
15 examinations conducted under the provisions of this act, and the
16 results of interviews and such other tests or examinations which the
17 ~~Commission~~ Department may deem advisable.

18 In establishing an applicant student's financial need, the
19 ~~Commission~~ Department shall conduct a thorough and complete
20 investigation of the financial resources of the applicant and his
21 family.

22 B. The method of payment of funds to each student participating
23 in the scholarship program shall be in accordance with rules
24

1 formulated by the ~~Commission~~ Department governing the grants for
2 each type of scholarship involved.

3 C. Each scholarship shall be renegotiated annually by the
4 ~~Commission~~ Department to determine if a change has occurred in the
5 ability of the community to match funds at the agreed level or if a
6 change has occurred in the student's financial need or desire to
7 practice in the community providing the initial funds. Each
8 scholarship may be renewed annually for the number of years required
9 to complete the course of study in which the recipient is engaged.
10 The ~~Commission~~ Department shall grant such an annual renewal only
11 upon the recipient's application and upon the ~~Commission's~~
12 Department's finding that the student has completed successfully the
13 work of the preceding year and presented evidence that he is a
14 student in good standing, and that he remains a resident of
15 Oklahoma.

16 SECTION 15. AMENDATORY 70 O.S. 2011, Section 625.13, is
17 amended to read as follows:

18 Section 625.13. A. There is hereby created the "Community
19 Match Rural Scholarship Incentive Program" which shall be conducted
20 and administered by the ~~Physician Manpower Training Commission~~
21 Oklahoma Department of Commerce. The purpose of this program is to
22 provide for the fair and necessary distribution of funds allocated
23 to it by the Legislature to provide monies to the following programs
24 under the ~~Physician Manpower Training Commission~~ Department:

- 1 1. The Community Matching Intern/Resident Program;
- 2 2. The Oklahoma Rural Medical Education Loan Scholarship
- 3 Program;
- 4 3. The Family/General Practice Resident Rural Scholarship Loan
- 5 Program, created pursuant to this section; and
- 6 4. The Family/General Practice Residency Grant Program, created
- 7 pursuant to this section.

8 The ~~Physician Manpower Training Commission~~ Department is hereby
9 authorized to distribute such monies to the funds specified in
10 Sections 625.1, 625.4a and 697.18 of this title necessary to fund
11 the programs specified in this section.

12 B. The ~~Physician Manpower Training Commission~~ Department shall
13 establish and administer a Family/General Practice Resident Rural
14 Scholarship Loan Program for the purpose of assisting Oklahoma's
15 rural communities by providing financial assistance through a
16 scholarship loan forgiveness program to residents enrolled in an
17 accredited Family Practice or General Practice residency program.
18 The ~~Commission~~ Department shall establish the eligibility standards,
19 the amount of the loan not to exceed One Thousand Dollars
20 (\$1,000.00) per month, the service obligation of the recipient of
21 the loan, and any penalties related to the breach of the service
22 contract or failure to repay such loan plus interest and penalty.

23 C. The ~~Physician Manpower Training Commission~~ Department shall
24 establish and administer a Family/General Practice Residency Grant

1 Program for the purpose of assisting Oklahoma's rural communities by
2 providing financial assistance through a grant program to residents
3 enrolled in an accredited Family Practice or General Practice
4 residency program. The ~~Commission~~ Department shall establish the
5 eligibility standards, the amount of the grant not to exceed Five
6 Thousand Dollars (\$5,000.00) per year, up to three (3) years, the
7 program obligations of the recipient of the grant, and any penalties
8 related to the breach of the grant obligations or failure to repay
9 the grant plus interest.

10 SECTION 16. AMENDATORY 70 O.S. 2011, Section 625.14, is
11 amended to read as follows:

12 Section 625.14. The ~~Physician Manpower Training Commission~~
13 Oklahoma Department of Commerce shall establish and administer cost-
14 sharing programs for internship and residency physician training,
15 which ~~Commission~~ the Department shall provide for state assistance
16 by sharing the cost on a percentage basis, as may be prescribed by
17 law or as determined by the ~~Commission~~ Department, of the salary,
18 fringe benefits, training and program administration of the interns
19 and residents as may be arranged by contract for reimbursement with
20 an accredited and approved hospital and accredited clinical programs
21 throughout the state in cooperation with the University of Oklahoma
22 College of Medicine and the University of Oklahoma College of
23 Medicine at Tulsa, which physician training institutions in the
24 state shall serve as the administrative agent for internship and

1 residency programs which are located in hospitals and clinical
2 training programs throughout the state, which programs are
3 affiliated with said institutions and approved for funding by the
4 ~~Commission~~ Department. The ~~Commission~~ Department shall conduct the
5 planning, coordination and selection of said training programs to
6 assure the effective and efficient operation of these programs. Not
7 less than fifty percent (50%) of the subsidy for these programs
8 shall be used in the training of primary health care and family
9 practice physicians for the rural and medically underserved areas of
10 the state. Provided that such subsidy may be used for the primary
11 purpose of increasing the total number of residencies funded by the
12 State of Oklahoma, wherever located within the state, during that
13 period in which residency programs are being established in rural
14 areas; provided further, that as said residency programs are
15 established and accredited in rural hospitals, residency positions
16 in such programs shall be first provided for by the ~~Commission~~
17 Department. The ~~Commission~~ Department shall present a report to the
18 Governor, the Speaker of the House of Representatives and the
19 President Pro Tempore of the Senate within one (1) month of the
20 beginning of each regular legislative session on the operation of
21 the programs including the progress made in accomplishing the goals
22 of physician training as to type of specialties and manpower
23 placement of the kind necessary to provide adequate health care to
24 the people throughout the State of Oklahoma. The subsidy to the

1 participating hospital, clinical situation or training institution
2 per resident or intern shall not exceed any maximum or minimum
3 amount as may be prescribed by law or as determined by the
4 ~~Commission~~ Department. The actual amount of subsidy for physician
5 training program situations shall be based upon a determination by
6 the ~~Commission~~ Department of:

7 1. The type of primary care residency and internship programs
8 involved and being conducted;

9 2. The extent of reimbursement available through third-party
10 payers and all other sources; and

11 3. The program and salary costs incurred in the given training
12 situation.

13 SECTION 17. AMENDATORY 70 O.S. 2011, Section 697.2, is
14 amended to read as follows:

15 Section 697.2. ~~There is hereby re-created the Physician~~
16 ~~Manpower Training Commission, hereafter referred to as the~~
17 ~~Commission,~~ The Oklahoma Department of Commerce is authorized to
18 establish and administer cost-sharing programs for internship and
19 residency physician training, which ~~Commission~~ the Department shall
20 provide for state assistance by sharing the cost on a percentage
21 basis, as may be prescribed by law or as determined by the
22 ~~Commission~~ Department, of the salary, fringe benefits, training and
23 program administration of the interns and residents as may be
24 arranged by contract for reimbursement with an accredited and

1 approved hospital and accredited clinical programs throughout the
2 state in cooperation with the Oklahoma State University College of
3 Osteopathic Medicine, which physician training institutions in the
4 state shall serve as the administrative agent for internship and
5 residency programs which are located in hospitals and clinical
6 training programs throughout the state, which programs are
7 affiliated with said institutions and approved for funding by the
8 ~~Commission~~ Department. The ~~Commission~~ Department shall conduct the
9 planning, coordination and selection of said training programs to
10 assure the effective and efficient operation of these programs. Not
11 less than fifty percent (50%) of the subsidy for these programs
12 shall be used in the training of primary health care and
13 family/general practice physicians for the rural and medically
14 underserved areas of the state. Provided that such subsidy may be
15 used for the primary purpose of increasing the total number of
16 residencies funded by the State of Oklahoma, wherever located within
17 the state, during that period in which residency programs are being
18 established in rural areas; provided further, that as said residency
19 programs are established and accredited in rural hospitals,
20 residency positions in such programs shall be first provided for by
21 the ~~Commission~~ Department. The ~~Commission~~ Department shall present
22 a report to the Governor, the Speaker of the House of
23 Representatives and the President Pro Tempore of the Senate within
24 one (1) month of the beginning of each regular legislative session

1 on the operation of the programs including the progress made in
2 accomplishing the goals of physician training as to type of
3 specialties and manpower placement of the kind necessary to provide
4 adequate health care to the people throughout the State of Oklahoma.
5 The subsidy to the participating hospital, clinical situation or
6 training institution per resident or intern shall not exceed any
7 maximum or minimum amount as may be prescribed by law or as
8 determined by the ~~Commission~~ Department. The actual amount of
9 subsidy for physician training program situations shall be based
10 upon a determination by the ~~Commission~~ Department of:

11 1. The type of primary care residency and internship programs
12 involved and being conducted;

13 2. The extent of reimbursement available through third-party
14 payers and all other sources; and

15 3. The program and salary costs incurred in the given training
16 situation.

17 SECTION 18. AMENDATORY 70 O.S. 2011, Section 697.5, is
18 amended to read as follows:

19 Section 697.5. The ~~Physician Manpower Training Commission~~
20 Oklahoma Department of Commerce, in order to perform its official
21 function in establishing and administering physician training
22 programs, shall have the following specific powers, duties and
23 responsibilities:

24

1 1. To review all available data on physician manpower in
2 Oklahoma in order to determine the current and projected
3 distribution of physicians by geographic location and by type of
4 practice, and, to accomplish this review, the ~~Commission~~ Department
5 shall obtain information from and work in conjunction with the State
6 Department of Health and all other agencies which gather data and
7 evaluate health manpower needs;

8 2. To review data and information on accredited physician
9 internship and residency programs currently operated by Oklahoma
10 hospitals and other approved clinical situations, in order to
11 ascertain the number and distribution by physician specialty
12 training and by geographic location of available internship and
13 residency positions and to evaluate the impact of internship and
14 residency placement on the establishment of practices by physicians
15 in that geographic area or similar areas within the state where
16 their services are urgently needed;

17 3. To serve as an agent to advise hospitals, clinics, and
18 communities on setting up and planning internship and residency
19 programs which emphasize the provision of additional primary care
20 physicians to service the rural areas of Oklahoma with primary care
21 specialties to be defined to include training in the area of
22 internal medicine, obstetrics and gynecology, pediatrics, emergency
23 trauma, and family practice;

1 4. To provide general counsel and advice in the development,
2 operation and evaluation of physician internship and residency
3 programs throughout the State of Oklahoma in cooperation with the
4 efforts of the Oklahoma State Regents for Higher Education and the
5 state's physician training institutions such as the Oklahoma
6 University College of Medicine, Oklahoma City and Tulsa campuses,
7 and the Oklahoma College of Osteopathic Medicine and Surgery, and
8 subject to accreditation by official and appropriate accrediting
9 agencies;

10 5. To develop the criteria for determining the physician
11 training cost component or associated clinical and hospital training
12 costs which are or may be nonreimbursable by third party payers in
13 programs proposed by accredited hospitals, clinical situations, or
14 hospital and clinical programs affiliated with and administered by
15 the College of Medicine, College of Medicine - Tulsa or College of
16 Osteopathic Medicine and Surgery in order to determine the share for
17 the state in supporting the salary, benefits, training and program
18 administration costs incurred by hospitals in supporting of the
19 interns and residents;

20 6. To develop the criteria and procedure by which state
21 matching funds will be awarded to hospitals, accredited clinical
22 situations, in cooperation with the University of Oklahoma College
23 of Medicine, University of Oklahoma College of Medicine - Tulsa, and
24 the Oklahoma College of Osteopathic Medicine and Surgery which shall

1 administer programs in hospital and clinical situations in the state
2 to be used to underwrite the salaries, benefits and associated
3 training and administration costs provided for the physician interns
4 and residents during their period of training in such a way as to
5 create an incentive for the development and establishment of
6 residency and internship positions by hospitals, clinical
7 establishments or by affiliation agreement with the University of
8 Oklahoma College of Medicine, University of Oklahoma College of
9 Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine
10 and Surgery by providing funds to cover and to supplement the
11 nonreimbursable or additional costs incurred in hospitals for
12 training activities or for delivery of service in outreach and
13 ambulatory clinical situations which are outside but associated with
14 the hospitals and clinical establishments participating in the
15 program;

16 7. To review and to approve for inclusion in the programs
17 funded the applications for funds submitted by accredited hospitals
18 and clinical situations participating in physician training programs
19 in cooperation with the University of Oklahoma College of Medicine,
20 University of Oklahoma College of Medicine - Tulsa and the Oklahoma
21 College of Osteopathic Medicine and Surgery for the costs of
22 supplying residents and interns in programs which they administer by
23 affiliation agreements with hospitals and clinical situations
24 throughout the state in which the interns and residents are

1 supervised and funded by the University of Oklahoma College of
2 Medicine, University of Oklahoma College of Medicine - Tulsa and the
3 Oklahoma College of Osteopathic Medicine and Surgery and the
4 hospitals and clinical establishments pay for the patient care
5 services rendered in their institutions by these residents and
6 interns during the period of training;

7 8. To determine the specific level of funding and the
8 priorities used for granting state support to approved hospitals and
9 clinical situations, in cooperation with the University of Oklahoma
10 College of Medicine, University of Oklahoma College of Medicine -
11 Tulsa and the Oklahoma College of Osteopathic Medicine and Surgery
12 for approved hospital physician training programs for interns and
13 residents and to recommend to the Governor and the Oklahoma
14 Legislature the total funds needed to carry out the purpose of this
15 program;

16 9. To employ ~~a director~~ and any staff personnel required to
17 administer the funding of approved physician training programs and
18 to contract with other state agencies and institutions to conduct
19 and to perform specified services, functions and aspects in
20 administering state funds on the specified cost-sharing basis
21 determined by the ~~Commission~~ Department or for developing programs
22 and community and institutional participation in these training
23 programs;

24

1 10. To ensure that hospitals or clinical situations that can
2 qualify in all sections of Oklahoma be utilized, and to take all
3 steps necessary to assist such hospitals or clinics in obtaining
4 necessary recognition or status, or in meeting standards for
5 accreditation or affiliation so that they may participate in these
6 physician training programs;

7 11. To ensure that in programs administered and operated by the
8 University of Oklahoma College of Medicine, University of Oklahoma
9 College of Medicine - Tulsa and the Oklahoma College of Osteopathic
10 Medicine and Surgery in hospitals and clinical situations throughout
11 the state that funds allocated to the colleges are paid by the
12 hospitals and clinical situations in which the patient care services
13 are rendered, the funds are expended for such purposes in funding
14 residents and interns in the physician training programs that the
15 colleges have established with the approved hospitals and clinical
16 situations which programs are designed to provide primary health
17 care services to the rural and medically underserved parts of the
18 state;

19 12. To conduct and to administer a program of physician and
20 health manpower placement services throughout the State of Oklahoma.
21 Placement services shall be made available to communities,
22 hospitals, health care facilities, physician and health professional
23 training institutions, health professional associations and
24 organizations, individual physicians, health professionals, students

1 in physician and health professional training institutions and
2 schools, and other interested parties in such a way so as to further
3 the purposes of improving the distribution of physicians and health
4 professionals practicing or available for practice in the state and
5 improving in the availability of health care services to the people
6 of the state. Said placement service shall include but not be
7 limited to assisting communities in matching with, contacting and
8 recruiting physicians and health professionals to practice in
9 communities in the state. The ~~Commission~~ Department shall develop
10 criteria and procedures for the conduct and performance of placement
11 services and employ any staff, contract for services with any
12 private agency, nonprofit corporation or institution to facilitate
13 the performance of placement services.

14 SECTION 19. AMENDATORY 70 O.S. 2011, Section 697.6, is
15 amended to read as follows:

16 Section 697.6. Funds appropriated to carry out the provisions
17 of this act shall be allocated so that no less than forty percent
18 (40%) of all participating residents and interns in each school year
19 must participate in a rural program outside the Oklahoma City and
20 Tulsa metropolitan areas. The ~~Physician Manpower Training~~
21 ~~Commission~~ Oklahoma Department of Commerce, in accordance with
22 primary care specialty accreditation standards, shall promulgate and
23 adopt rules designating the time allocation spent by the residents
24

1 and interns participating in this program outside the Oklahoma City
2 and Tulsa metropolitan areas.

3 SECTION 20. AMENDATORY 70 O.S. 2011, Section 697.7, as
4 amended by Section 615, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
5 2015, Section 697.7), is amended to read as follows:

6 Section 697.7. The ~~Physician Manpower Training Commission~~
7 Oklahoma Department of Commerce is hereby authorized to enter into
8 contractual arrangements with residency training programs at the
9 University of Oklahoma College of Medicine, University of Oklahoma-
10 Tulsa Medical College, or the Oklahoma College of Osteopathic
11 Medicine and Surgery, in order to enhance available funding for the
12 training of primary care residents and to pay the cost of the salary
13 stipend and expenses of the resident physician for the period of
14 time spent in the residency programs. Monies received by the
15 ~~Commission~~ Department from the participating residency training
16 program under the provisions of this section shall be deposited to,
17 and disbursed from, the "Residency Revolving Fund" hereby created in
18 the State Treasury. The fund shall be a continuing fund not subject
19 to legislative appropriation or fiscal year limitations.
20 Expenditures from the fund shall be made on warrants issued by the
21 State Treasurer against claims filed by the ~~Commission~~ Department
22 with the Director of the Office of Management and Enterprise
23 Services for approval and payment.

24

1 SECTION 21. AMENDATORY 70 O.S. 2011, Section 697.8, as
2 amended by Section 616, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2015, Section 697.8), is amended to read as follows:

4 Section 697.8. A community may enter into a contract with a
5 resident physician in training whereby the resident agrees to
6 establish a practice in the community upon the completion of his
7 residency. The ~~Physician Manpower Training Commission~~ Oklahoma
8 Department of Commerce shall have the authority to receive funds
9 direct from that community for the purpose of paying the resident
10 involved to the extent of the contractual arrangements. Monies
11 received by the ~~Commission~~ Department under the provisions of this
12 section shall be deposited to, and disbursed from, the "Community
13 Residency Revolving Fund" hereby created in the State Treasury. The
14 fund shall be a continuing fund not subject to legislative
15 appropriation or fiscal year limitations. Expenditures from said
16 fund shall be made on warrants issued by the State Treasurer against
17 claims filed by the ~~Commission~~ Department with the Director of the
18 Office of Management and Enterprise Services for approval and
19 payment.

20 SECTION 22. AMENDATORY 70 O.S. 2011, Section 697.9, is
21 amended to read as follows:

22 Section 697.9. There is hereby created and established the
23 Community Preceptor Physician Training and Work Experience
24 Scholarship Fund which fund shall be administered by the ~~Physician~~

1 ~~Manpower Training Commission~~ Oklahoma Department of Commerce for the
2 purpose of providing state matching funds assistance and encouraging
3 the development of a program whereby the state in conjunction with
4 given communities, hospitals or clinical training situations funds
5 the stipends and living expenses for medical students who agree to
6 work in these given communities during the vacation times during the
7 course of their education in the University of Oklahoma College of
8 Medicine or the Oklahoma College of Osteopathic Medicine and
9 Surgery. The ~~Commission~~ Department shall develop procedures for
10 determining the matching funds participation of communities and of
11 the state for a given student and coordinate with the physician
12 training institutions in the state for the selection of students to
13 participate in the program and the selection of physicians who will
14 supervise students and hospitals and clinical situations in which
15 the training and experience occurs in the delivery of primary health
16 care to rural and medically underserved areas with the purpose of
17 providing medical and osteopathic students an opportunity to develop
18 relationships with communities and encourage them to locate their
19 practices in areas of medical need.

20 SECTION 23. AMENDATORY 70 O.S. 2011, Section 697.10, as
21 amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
22 2015, Section 697.10), is amended to read as follows:

23 Section 697.10. A. The ~~Physician Manpower Training Commission~~
24 Oklahoma Department of Commerce is authorized to enter into

1 contractual arrangements with individual hospitals and clinical
2 programs for the reimbursement of intern or resident salary cost not
3 to exceed the limits established by Section 697.2 of this title.
4 Provided, that residency and internship positions created prior to
5 the spring semester 1975 shall be eligible for participation in the
6 cost-sharing program for internship and residency training as
7 established by Sections 697.1 through 697.8 of this title, only if
8 partial funding of said positions will allow the creation of
9 additional positions in whole or in part at the participating
10 hospital or clinical situation. The participating hospital or
11 clinical situation shall document in a manner specified by the
12 ~~Commission~~ Department the extent to which funding of a previously
13 created and established position contributes directly to the
14 creation of additional positions at the participating hospital or
15 clinical situation.

16 B. The ~~Commission~~ Department is authorized, in cooperation with
17 the Oklahoma Health Care Authority, to enter into contractual
18 arrangements with the University of Oklahoma College of Medicine and
19 the Oklahoma State University College of Osteopathic Medicine for
20 the reimbursement of intern and resident professional liability
21 insurance cost which shall not be subject to the limits established
22 in Section 697.2 of this title. Any and all intern and resident
23 positions are eligible for reimbursement of intern and resident
24 professional liability insurance cost.

1 C. There is hereby created in the State Treasury a revolving
2 fund for the ~~Physician Manpower Training Commission~~ Department to be
3 designated the "Intern and Residents Professional Liability
4 Insurance Fund". The fund shall be a continuing fund, not subject
5 to fiscal year limitations, and shall consist of all monies received
6 by the ~~Physician Manpower Training Commission~~ Department for
7 reimbursement of intern and residency professional liability
8 insurance costs. All monies accruing to the credit of the fund are
9 hereby appropriated and may be budgeted and expended by the
10 ~~Physician Manpower Training Commission~~ Department for such costs.
11 Expenditures from the fund shall be made upon warrants issued by the
12 State Treasurer against claims filed as prescribed by law with the
13 Director of the Office of Management and Enterprise Services for
14 approval and payment.

15 SECTION 24. AMENDATORY 70 O.S. 2011, Section 697.11, as
16 amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
17 2015, Section 697.11), is amended to read as follows:

18 Section 697.11. A. In addition to internship and residency
19 programs previously established and funded, it is the intent of the
20 Legislature that the ~~Physician Manpower Training Commission~~ Oklahoma
21 Department of Commerce, in cooperation with the Oklahoma Health Care
22 Authority, establish a Critical Need Internship and Residency
23 Program. The purpose of the Program is to fund internship and
24 residency programs across the state in areas of critical need. The

1 determination of areas of critical need shall be made through a
2 cooperative effort between the University of Oklahoma College of
3 Medicine and the Oklahoma State University College of Osteopathic
4 Medicine. The findings shall be reported to the ~~Commission~~
5 Department by July 1, 2006, and every three (3) years thereafter.

6 B. The University of Oklahoma College of Medicine and the
7 Oklahoma State University College of Osteopathic Medicine shall
8 annually provide to the ~~Commission~~ Department a report outlining the
9 areas of physician shortages in each specialty area. The report
10 shall be the basis for the cooperative funding of critical need
11 physician specialties for the current fiscal year.

12 C. There is hereby created in the State Treasury a revolving
13 fund for the ~~Physician Manpower Training Commission~~ Department to be
14 designated the "Critical Need Internship and Residency Fund". The
15 fund shall be a continuing fund, not subject to fiscal year
16 limitations, and shall consist of all monies received by the
17 ~~Physician Manpower Training Commission~~ Department for funding
18 internship and residency programs in areas of critical need. All
19 monies accruing to the credit of the fund are hereby appropriated
20 and may be budgeted and expended by the ~~Physician Manpower Training~~
21 ~~Commission~~ Department for such costs. Expenditures from the fund
22 shall be made upon warrants issued by the State Treasurer against
23 claims filed as prescribed by law with the Director of the Office of
24 Management and Enterprise Services for approval and payment.

1 SECTION 25. AMENDATORY 70 O.S. 2011, Section 697.12, is
2 amended to read as follows:

3 Section 697.12. The ~~Physician Manpower Training Commission~~
4 Oklahoma Department of Commerce shall establish and administer a
5 cost-sharing scholarship program for the provision of physician
6 services at the various correctional facilities under the Department
7 of Corrections and the surrounding or nearby communities. Except as
8 otherwise specified herein, the scholarship program shall be
9 administered pursuant to the requirements prescribed by law for and
10 as part of the Oklahoma Community Education Scholarship Program.
11 Each scholarship available hereunder shall be funded on a percentage
12 cost-sharing basis as follows: One-half (1/2) of the costs to be
13 provided by the ~~Commission~~ Department, one-fourth (1/4) of the costs
14 to be provided by the Department of Corrections and one-fourth (1/4)
15 of the costs to be provided by a community. Each physician, who has
16 participated in the scholarship program hereunder, shall devote one-
17 half (1/2) of his or her professional time to medical care and
18 treatment of inmates at a state correctional facility and one-half
19 (1/2) of his or her professional time to medical services in the
20 community which shared the cost of a scholarship hereunder, for the
21 period of time as required under the Oklahoma Community Education
22 Scholarship Program.

23 SECTION 26. AMENDATORY 70 O.S. 2011, Section 697.15, is
24 amended to read as follows:

1 Section 697.15. In order for any hospital or clinic to be
2 eligible to receive funds through the ~~Physician Manpower Training~~
3 ~~Commission~~ Oklahoma Department of Commerce for residency or
4 internship positions, such hospital or clinic shall affirm that
5 students receiving their medical education in Oklahoma will be given
6 special consideration for all residency and internship positions.

7 SECTION 27. AMENDATORY 70 O.S. 2011, Section 697.17, as
8 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
9 2015, Section 697.17), is amended to read as follows:

10 Section 697.17. A. There is hereby established the Nursing
11 Student Assistance Program which shall be administered by the
12 ~~Physician Manpower Training Commission~~ Oklahoma Department of
13 Commerce. The purpose of the program shall be to encourage persons
14 to enter nursing education programs and to practice in areas of this
15 state in which there is an urgent need for nursing services or in
16 institutions or agencies of this state which provide funds on a
17 matching basis with the ~~Physician Manpower Training Commission~~
18 Department for the support of nursing students. The Nursing Student
19 Assistance Program shall be administered by rules adopted by the
20 ~~Physician Manpower Training Commission~~ Department.

21 B. Only students who are residents of this state shall be
22 eligible to participate in the Nursing Student Assistance Program.

23 C. If a person receiving Nursing Student Assistance Program
24 funds fails to fully comply with the provisions of the contract for

1 said funds, the person shall refund to the ~~Physician Manpower~~
2 ~~Training Commission~~ Department all monies received by the person
3 pursuant to the provisions of the contract plus interest at the rate
4 of twelve percent (12%) from the date of disbursement of said funds
5 and shall be liable for any other liquidated damages as specified in
6 the contract.

7 D. There is hereby created in the State Treasury a revolving
8 fund for the ~~Physician Manpower Training Commission~~ Department to be
9 designated the "Nursing Student Assistance Fund". The fund shall be
10 a continuing fund, not subject to fiscal year limitations, and shall
11 consist of all nonappropriated monies, including community match
12 money of appropriated funds, grants, gifts, and repayment of
13 scholarships received by the ~~Physician Manpower Training Commission~~
14 Department. All monies accruing to the credit of said fund are
15 hereby appropriated and may be budgeted and expended by the
16 ~~Physician Manpower Training Commission~~ Department for such
17 scholarships as may be provided for pursuant to the Nursing Student
18 Assistance Program. Expenditures from said fund shall be made upon
19 warrants issued by the State Treasurer against claims filed as
20 prescribed by law with the Director of the Office of Management and
21 Enterprise Services for approval and payment.

22 SECTION 28. AMENDATORY 70 O.S. 2011, Section 697.18, as
23 amended by Section 620, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
24 2015, Section 697.18), is amended to read as follows:

1 Section 697.18. A community may enter into a contract with a
2 physician who is a graduate from an accredited medical school
3 whereby such physician agrees to establish a practice in that
4 community. The ~~Physician Manpower Training Commission~~ Oklahoma
5 Department of Commerce shall have the authority to receive funds
6 direct from that community for the purpose of paying the physician
7 involved to the extent of the contractual arrangement. Monies
8 received by the ~~Commission~~ Department under the provisions of this
9 section shall be deposited to and disbursed from, the "Community
10 Match Revolving Fund" hereby created in the State Treasury. The
11 fund shall be a continuing fund not subject to legislative
12 appropriation of fiscal year limitations. Expenditures from said
13 fund shall be made on warrants issued by the State Treasurer against
14 claims filed by the ~~Commission~~ Department with the Director of the
15 Office of Management and Enterprise Services for approval and
16 payment.

17 SECTION 29. AMENDATORY 70 O.S. 2011, Section 697.19, as
18 amended by Section 621, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
19 2015, Section 697.19), is amended to read as follows:

20 Section 697.19. A. There is hereby established the Omnibus
21 Budget Reconciliation Act Program (OBRA) which shall be administered
22 by the ~~Physician Manpower Training Commission~~ Oklahoma Department of
23 Commerce. The purpose of the program shall be to encourage persons
24 to enter nursing education programs and to practice in nursing homes

1 of this state in which there is an urgent need for nursing services
2 which provide funds on a matching basis with ~~the Physician Manpower~~
3 ~~Training Commission~~ Department for the support of nursing students.
4 The OBRA Program shall be administered by rules under the Oklahoma
5 Nursing Student Assistance Program adopted by the ~~Physician Manpower~~
6 ~~Training Commission~~ Department.

7 B. Only students who are residents of this state shall be
8 eligible to participate in the OBRA Program.

9 C. If a person receiving OBRA Program funds fails to fully
10 comply with the provisions of the contract for said funds, the
11 person shall refund to the ~~Physician Manpower Training Commission~~
12 Department all monies received by the person pursuant to the
13 provisions of the contract plus interest at the rate of twelve
14 percent (12%) from the date of disbursement of said funds and shall
15 be liable for any other liquidated damages as specified in the
16 contract.

17 D. There is hereby created in the State Treasury a revolving
18 fund for the ~~Physician Manpower Training Commission~~ Department to be
19 designated the "OBRA Fund". The fund shall be a continuing fund,
20 not subject to fiscal year limitations, and shall consist of all
21 nonappropriated monies, including local nursing home association
22 match money of appropriated funds, grants, gifts, and repayment of
23 scholarships received by the ~~Physician Manpower Training Commission~~
24 Department. All monies accruing to the credit of said fund are

1 hereby appropriated and may be budgeted and expended by the
2 ~~Physician Manpower Training Commission~~ Department for such
3 scholarships as may be provided for pursuant to the OBRA Program.
4 Expenditures from said fund shall be made upon warrants issued by
5 the State Treasurer against claims filed as prescribed by law with
6 the Director of the Office of Management and Enterprise Services for
7 approval and payment.

8 SECTION 30. AMENDATORY 70 O.S. 2011, Section 697.20, is
9 amended to read as follows:

10 Section 697.20. A. There is hereby created the "Osteopathic
11 Internship and Residency Program" which shall be conducted and
12 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
13 Department of Commerce. The purpose of this program is to provide
14 for the fair and necessary distribution of funds allocated to it by
15 the Legislature to provide monies to the following programs under
16 the Physician Manpower Training Program:

- 17 1. The Doctor of Osteopathy Residency Program (OSU/COM);
- 18 2. The Osteopathic General Practice Residency Program
19 (OSU/COM); and
- 20 3. The Osteopathic Internship Program (OSU/COM).

21 B. The ~~Physician Manpower Training Commission~~ Department is
22 hereby authorized to distribute such monies to the funds specified
23 in Sections 697.2 and 697.6 of this title necessary to fund the
24 programs specified in this section.

1 SECTION 31. AMENDATORY 70 O.S. 2011, Section 697.21, as
2 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2015, Section 697.21), is amended to read as follows:

4 Section 697.21. A. There is hereby established the Physician
5 Assistant Scholarship Program. The purpose of the program is to
6 encourage persons to enter physician assistant education programs
7 and to practice in rural and medically underserved areas of this
8 state. The Physician Assistant Scholarship Program shall be
9 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
10 Department of Commerce pursuant to rules promulgated by the
11 ~~Commission~~ Department and shall be funded based on an annual
12 estimate of need as determined by the ~~Commission~~ Department. Awards
13 made pursuant to this Program shall be subject to the availability
14 of funds. The number of and amount of each award shall be
15 determined by the ~~Commission~~ Department based on the availability of
16 funds.

17 B. Only students who are residents of this state and who have
18 been admitted as a student in an accredited physician assistant
19 program shall be eligible to participate in the Physician Assistant
20 Scholarship Program.

21 C. If a person receiving Physician Assistant Scholarship
22 Program monies fails to fully comply with the provisions of the
23 contract for the monies, the person shall refund to the ~~Physician~~
24 ~~Manpower Training Commission~~ Department all monies received by the

1 person pursuant to the provisions of the contract plus interest at a
2 rate that equals the prime interest rate plus one percent (1%) from
3 the date of disbursement of the funds and shall be liable for any
4 other liquidated damages as specified in the contract.

5 D. There is hereby created in the State Treasury a revolving
6 fund for the ~~Physician Manpower Training Commission~~ Department to be
7 designated the "Physician Assistant Scholarship Fund". The fund
8 shall be a continuing fund, not subject to fiscal year limitations,
9 and shall consist of all monies received by the ~~Physician Manpower~~
10 ~~Training Commission~~ Department for implementation of the Physician
11 Assistant Scholarship Program. All monies accruing to the credit of
12 the fund are hereby appropriated and may be budgeted and expended by
13 the ~~Physician Manpower Training Commission~~ Department for such
14 scholarships as may be provided for pursuant to the Physician
15 Assistant Scholarship Program. Expenditures from the fund shall be
16 made upon warrants issued by the State Treasurer against claims
17 filed as prescribed by law with the Director of the Office of
18 Management and Enterprise Services for approval and payment.

19 SECTION 32. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 5004.2 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 A. The Physician Manpower Training Commission is hereby
23 abolished. On July 1, 2016, all powers, duties, employees,
24 functions, and responsibilities of the Physician Manpower Training

1 Commission shall be transferred to the Oklahoma Department of
2 Commerce. The transfer shall include all equipment, supplies,
3 records, assets, current and future liabilities, fund balances,
4 encumbrances, obligations and indebtedness associated with the
5 Physician Manpower Training Commission.

6 B. Any monies accruing to or in the name of the Physician
7 Manpower Training Commission on and after the effective date of this
8 act, or any monies that accrue in any funds or accounts or are
9 maintained for the benefit of the Office on and after the effective
10 date of this act shall be transferred to the Oklahoma Department of
11 Commerce.

12 C. The Oklahoma Department of Commerce shall succeed to any
13 contractual rights and responsibilities incurred by the Physician
14 Manpower Training Commission.

15 D. The Director of the Office of Management and Enterprise
16 Services is hereby directed to coordinate the transfer of funds,
17 allotments, purchase orders and outstanding financial obligations or
18 encumbrances as provided for in this section.

19 SECTION 33. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 5004.3 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 Effective July 1, 2016, all administrative rules promulgated by
23 the Physician Manpower Training Commission shall be transferred to
24 and become a part of the administrative rules of the Oklahoma

1 Department of Commerce. The Office of Administrative Rules in the
2 Secretary of State's office shall provide adequate notice in the
3 Oklahoma Register of the transfer of such rules, and shall place the
4 transferred rules under the Administrative Code section of the
5 Oklahoma Department of Commerce. Such rules shall continue in force
6 and effect as rules of the office of the Department from and after
7 July 1, 2016, and any amendment, repeal or addition to the
8 transferred rules shall be under the jurisdiction of the Department.

9 SECTION 34. REPEALER 70 O.S. 2011, Sections 625.7,
10 697.3, 697.4 and 697.16, are hereby repealed.

11 SECTION 35. This act shall become effective July 1, 2016.

12 SECTION 36. It being immediately necessary for the preservation
13 of the public peace, health and safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

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