

1 **SENATE FLOOR VERSION**

2 February 24, 2016

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1526

By: Yen of the Senate

and

Cox of the House

6
7
8
9 [Physician Manpower Training Commission - funding -
10 Oklahoma Rural Medical Education Loan and Scholarship
11 Fund - revolving fund - Community Physician Education
12 Scholarship Program Fund - eligibility - internships
13 and residency trainings - Nursing Student Assistance
14 Program - Omnibus Budget Reconciliation Act Program -
15 Osteopathic Internship and Residency Program -
16 Physician Assistant Scholarship Program - repealer -
17 codification - ~~effective date~~ -
18 emergency]

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

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

22 Section 1-2721. A. 1. The ~~Physician Manpower Training~~
23 ~~Commission~~ Oklahoma Department of Commerce shall administer the
24 Oklahoma Medical Loan Repayment Program.

2. For the purposes of this section, "primary care physicians"
shall mean physicians practicing in family medicine, geriatrics,

1 general internal medicine, general pediatrics,
2 obstetrics/gynecology, or emergency medicine.

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

8 4. Each award shall be for a contracted period and shall be
9 distributed to the participant by drafts made payable to the
10 participant at the end of each contract year with disbursements not
11 to exceed an amount to be established annually by the ~~Commission~~
12 Department. Prior to any disbursement, the ~~Commission~~ Department
13 shall certify and properly review reports submitted by the
14 participating physician detailing performance of activities in
15 accordance with the Program.

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

21 B. The physicians entering the Program each year shall agree to
22 provide medical care and services in areas designated by the
23 ~~Commission~~ Department to provide medical care and services to
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1 Medicaid recipients as authorized by the Oklahoma Health Care
2 Authority.

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

5 1. Is licensed to practice medicine in Oklahoma;

6 2. Is a new primary care residency graduate. Preference will
7 be given to graduates of the primary care residency programs
8 affiliated with the Oklahoma State University College of Osteopathic
9 Medicine, the University of Oklahoma College of Medicine and the
10 teaching hospitals affiliated with both schools of medicine; or

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

13 D. The physician shall agree to practice in the designated need
14 areas identified by the ~~Commission~~ Department for no fewer than two
15 (2) consecutive years as a condition of the loan repayment. If the
16 physician does not fulfill the service obligation, the ~~Commission~~
17 Department may collect from the participant the entire amount of
18 loan payments made under the Program plus interest.

19 E. The ~~Commission~~ Department shall present a report on the
20 operation of the Program to the Governor, the Speaker of the House
21 of Representatives, and the President Pro Tempore of the Senate
22 within one (1) month of the beginning of each regular session of the
23 Legislature, including but not limited to the progress made in
24 accomplishing the goal of the Program.

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

3 Section 1-2722. The amount of the award of educational loan
4 repayment assistance shall not exceed any maximum or minimum amount
5 as promulgated by rules of the ~~Physician Manpower Training~~
6 ~~Commission~~ Oklahoma Department of Commerce pursuant to the Oklahoma
7 Medical Loan Repayment Program. The actual amount of the award
8 shall be based upon a determination of:

- 9 1. Actual funds available to the Program for expenditure; and
- 10 2. The existing student loan indebtedness of the participating
11 physician.

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

14 Section 1-2723. A. The ~~Physician Manpower Training Commission~~
15 Oklahoma Department of Commerce shall have the option of utilizing
16 available funding in excess of the amount necessary to fund the
17 Oklahoma Medical Loan Repayment Program described in Section 1-2721
18 of ~~Title 63 of the Oklahoma Statutes~~ this title to fund new or
19 expanded primary care residency programs in rural and underserved
20 areas of the state. Such new or expanded primary care residency
21 program funding shall include but not be limited to:

- 22 1. Payments to hospitals desiring to establish new primary care
23 residency programs. Such payments shall be made to cover the costs

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1 of salaries, benefits and educational costs of residents in training
2 at the facility;

3 2. Payments to hospitals with existing primary residency
4 programs desiring to expand the number of residents participating in
5 those programs. Such payments shall be made to cover the costs of
6 salaries, benefits and educational costs of residents in training at
7 the facility; or

8 3. Payments of stipends to residents of new or existing primary
9 care residency programs in exchange for a commitment to serve in a
10 rural or underserved area of the state as designated by the
11 Commission Department.

12 B. Provisions of this section shall be subject to the
13 promulgated rules of the Commission Department.

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

16 Section 625.1. There is hereby established the Oklahoma Rural
17 Medical Education Loan and Scholarship Fund. The fund shall be
18 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
19 Department of Commerce under the provisions of Section 625.9 of this
20 title.

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

23 Section 625.2. The ~~Physician Manpower Training Commission~~
24 Oklahoma Department of Commerce shall be authorized and empowered to

1 grant scholarships to qualified students who are bona fide residents
2 of the State of Oklahoma and who would not otherwise have funds
3 necessary to finance the cost of a program of study leading to the
4 Degree of Doctor of Medicine, or to the Degree of Doctor of
5 Osteopathic Medicine, to be granted by an accredited and recognized
6 college of medicine or college of osteopathic medicine.

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

9 Section 625.3. A. The terms and conditions governing the
10 scholarships shall be as prescribed and formulated by the ~~Physician~~
11 ~~Manpower Training Commission~~ Oklahoma Department of Commerce, but
12 shall include the condition that each recipient, upon completion of
13 his course of study, shall repay his scholarship by practicing his
14 profession in a rural community in Oklahoma having a population of
15 seven thousand five hundred (7,500) persons or less according to the
16 last preceding United States Decennial Census and having a need
17 therefor, as determined by the ~~Commission~~ Department, for one (1)
18 year for each one (1) year the scholarship is financed; provided,
19 however, that the recipient will be given no credit for payment and
20 reduction of said obligation by serving in the defined rural
21 communities for a period less than two (2) years.

22 B. The terms of this subsection shall apply to recipients who
23 accept assistance before July 1, 1993. The contract shall provide
24 that in the event the recipient breaches the terms of the contract

1 by not serving the designated community for the specified period of
2 time he shall pay liquidated damages in an amount agreed upon by the
3 ~~Commission~~ Department and the recipient and representing a
4 reasonable estimate of the damage or loss to the community or the
5 state. Said damages shall not exceed one hundred percent (100%) of
6 the principal. After payment of the liquidated damages, repayment
7 of the principal may be made in cash with interest at the rate of
8 twelve percent (12%) per annum, said interest to accrue from the
9 date each payment is made pursuant to the scholarship. No interest
10 however shall accrue during any one period of time that the
11 recipient thereof is required to serve in the Armed Forces of the
12 United States or during any period of internship.

13 C. The terms of this subsection shall apply to recipients who
14 accept assistance on or after July 1, 1993. The contract shall
15 provide that in the event the recipient breaches the terms of the
16 contract by not serving the designated community for the specified
17 period of time, the ~~Commission~~ Department shall be entitled to
18 recover an amount equal to three times the principal disbursed,
19 pursuant to the contract, plus interest. Interest on all amounts
20 paid to or on behalf of the participant shall be computed at the
21 current prime rate plus one percent (1%) with said interest to
22 accrue from the date each payment is made, pursuant to the contract.
23 The amount the ~~Commission~~ Department is entitled to recover shall be
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1 paid within ninety (90) days of the date the recipient becomes
2 liable as determined by the ~~Commission~~ Department.

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

5 Section 625.4. The ~~Commission~~ Oklahoma Department of Commerce
6 shall promulgate and adopt such rules and regulations as may be
7 necessary to carry out the provisions of this act. The ~~Commission~~
8 Department shall prescribe the form and regulate the submission of
9 applications for scholarship; conduct conferences and interviews
10 with applicants; determine the eligibility of applicants; allow or
11 disallow all applications for scholarships or renewal of
12 scholarships; contract, increase, decrease, terminate and otherwise
13 regulate all grants for scholarships and their repayment in cash or
14 services; and manage, operate and control all funds and property
15 appropriated or otherwise contributed for this purpose. The
16 ~~Commission~~ Department may acquire property or money by the
17 acceptance of gifts, grants, bequests or devise, and may contract
18 with the federal government in order to secure the benefit of any
19 federal program consistent with the provisions of this act. Monies
20 received by the ~~Commission~~ Department in repayment of scholarships
21 granted from appropriated funds shall be deposited with the State
22 Treasurer who shall place the same to the credit of the ~~Commission~~
23 Department in depository funds to be known as the "Rural Medical
24 Education Scholarship Fund" and the "Community Physician Education

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

19 SECTION 8. AMENDATORY 70 O.S. 2011, Section 625.4a, as
20 amended by Section 614, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
21 2015, Section 625.4a), is amended to read as follows:

22 Section 625.4a. There is hereby created in the State Treasury a
23 revolving fund for the ~~Physician Manpower Training Commission~~
24 Oklahoma Department of Commerce to be designated the "Physician

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

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

16 Section 625.5. A. An applicant may be eligible for the award
17 of a scholarship upon demonstration that the applicant:

- 18 1. Desires a scholarship to any accredited school of medicine
19 or school of osteopathic medicine in the United States of America;
- 20 2. Is a bona fide resident of Oklahoma;
- 21 3. Has personal financial resources such that, in the absence
22 of scholarship aid, will be unable to pursue the program of study
23 desired;
- 24 4. Is a person of good moral character;

1 5. Has successfully completed the program of instruction
2 prerequisite for admission to the program of study provided for in
3 Section 625.1 et seq. of this title and has applied for admission to
4 a medical school;

5 6. Has capacity to profit by the course of study for which the
6 applicant seeks aid;

7 7. Desires to practice medicine in a rural community in
8 Oklahoma; and

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

12 In determining an applicant's capacity to profit by the course
13 of study desired, the ~~Commission~~ Oklahoma Department of Commerce
14 shall consider the applicant's previous scholastic record, the
15 results of examinations conducted under the provisions of Section
16 625.1 et seq. of this title, and the results of interviews and such
17 other tests or examinations which the ~~Commission~~ Department may deem
18 advisable. In establishing an applicant's financial need, the
19 ~~Commission~~ Department shall conduct a thorough and complete
20 investigation of the financial resources of the applicant and
21 family.

22 B. The amount of each scholarship grant shall not exceed
23 Fifteen Thousand Dollars (\$15,000.00) per academic year for students
24 engaged in their first, second, third or fourth year of study, or

1 equivalent number of terms completed in an education program in a
2 given period of months.

3 C. The method of payment of funds to each recipient of a
4 scholarship grant shall be in accordance with rules formulated by
5 the ~~Commission~~ Department governing the grants for each type of
6 scholarship.

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

12 1. Has completed successfully the work of the preceding year
13 and presented evidence that the recipient is a student in good
14 standing;

15 2. Remains a resident of Oklahoma; and

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

19 E. The ~~Commission~~ Department shall make an annual report to the
20 Governor and Legislature on the activities of the ~~Commission~~
21 Department. This report shall include the names of the recipients
22 of the scholarships, the amount of the scholarship awards, an
23 accounting of the funds expended on scholarships and on the
24 administration of the program and a budget requesting the funds

1 necessary for the operation of the ~~Commission~~ Department. The
2 report shall also include an accounting of repayments of
3 scholarships, whether by services or in cash including interest.

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

6 Section 625.6. Each applicant, before being granted a
7 scholarship, shall enter into a contract with the ~~Commission~~
8 Oklahoma Department of Commerce agreeing to the terms and conditions
9 upon which the scholarship shall be granted to ~~him~~ the applicant.
10 Said contract shall include such terms and provisions as will carry
11 out the full purpose and intent of this act and the form thereof
12 shall be prepared and approved by the Attorney General. ~~Said~~
13 ~~contracts~~ The contract shall be signed by the Secretary of Commerce
14 and Tourism on behalf of the ~~Commission~~ Department and by the
15 applicant. The ~~Commission~~ Department is hereby vested with full and
16 complete authority and power to sue in its own name any applicant
17 for any balance due the ~~Commission~~ Department on any contract. The
18 ~~Commission~~ Department shall have authority to cancel any contract
19 made between it and any recipient of a scholarship upon cause deemed
20 sufficient by the ~~Commission~~ Department.

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

23 Section 625.9. The administration of the Oklahoma Rural Medical
24 Education Loan and Scholarship Fund is hereby transferred to the

1 ~~Physician Manpower Training Commission~~ Oklahoma Department of
2 Commerce as established by law. All the powers, duties,
3 responsibilities, rules and regulations and functions of the Board
4 of Trustees of the Oklahoma Rural Medical Education Scholarship Fund
5 are hereby transferred to the ~~Physician Manpower Training Commission~~
6 Department and The Board of Trustees of the Oklahoma Rural Medical
7 Education Scholarship Fund is hereby abolished and terminated.

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

10 Section 625.10a. The ~~Physician Manpower Training Commission~~
11 Oklahoma Department of Commerce is hereby authorized and empowered
12 to establish and administer cost-sharing scholarships and loan fund
13 programs which shall provide for state assistance to and
14 participation with community physician education and scholarship
15 trust funds which are selected and approved by the ~~Commission~~
16 Department. ~~Said~~ The state assistance and participation shall be on
17 a state and community matching formula basis for the funding of the
18 educational costs, fees and charges of a selected and qualified
19 student in good standing and who is duly enrolled in an accredited
20 college of medicine or college of osteopathic medicine and pursuing
21 a course of study leading to the degree of Doctor of Medicine or to
22 the degree of Doctor of Osteopathic Medicine. Said student shall be
23 a bona fide resident of the State of Oklahoma who desires and agrees
24 to practice his profession on completion of the course of study and

1 training required for licensure and certification in the community
2 providing the initial funds to be matched by the state funds.
3 Communities shall deposit the initial trust funds with the ~~Physician~~
4 ~~Manpower Training Commission~~ Department to be administered and
5 matched by the ~~Commission~~ Department for the education of selected
6 and qualified students to serve and to practice in the communities
7 with trust funds so established for that purpose with the ~~Commission~~
8 Department. The ~~Commission~~ Department shall aid and advise
9 communities in the selection of qualified students to participate in
10 a given community scholarship program and the ~~Commission~~ Department
11 shall approve the selection of a given student for a particular
12 community physician education scholarship trust fund matching
13 program. The ~~Commission~~ Department shall determine the percentage
14 share for the state in the scholarship matching program with a given
15 community to educate a given and duly selected student on the basis
16 of the extent of need of the community and its surrounding area for
17 the services of a practicing physician, the amount of the initial
18 trust funds the community has raised and deposited in the physician
19 education scholarship trust fund that is duly established and the
20 matching funds schedule developed by the ~~Commission~~ Department and
21 based upon both the population of the community determined by the
22 latest Federal Decennial Census and the estimated median family
23 annual income level as determined on the basis of the estimates of
24 the ~~Oklahoma Department of Commerce~~. The state matching assistance

1 and participation in a given scholarship trust fund program shall
2 not exceed seventy-five percent (75%) of the total amount calculated
3 to be necessary to fund the costs of a course of study for the
4 degree of Doctor of Medicine or the degree of Doctor of Osteopathic
5 Medicine as determined annually by the ~~Commission~~ Department.
6 Repayment of the total amount of the scholarship by the student on
7 completion of his course of study and on the establishment of his
8 practice in the community shall be made to the state fund and to the
9 community trust fund in accordance with the percentage and total
10 amounts contributed by the state and by the community to the
11 matching scholarship trust fund program and in accordance with the
12 provisions of Section 625.5 of this title and contract requirements
13 of Section 625.6 of this title which shall apply in all cases to
14 students participating in said community physician education
15 scholarship trust fund programs administered by the ~~Commission~~
16 Department with the exception of the maximum amount allowable in
17 payment to the student which shall be based on an annual review of
18 the costs, fees and charges of the school of medicine or school of
19 osteopathic medicine in which the student is enrolled and
20 participating which shall be made by the ~~Commission~~ Department.

21 The procedures, terms and conditions governing the scholarships
22 and how they are administered shall be as prescribed and formulated
23 by the ~~Physician Manpower Training Commission~~ Department but shall
24 include the following:

1 1. Communities desiring to participate in a loan and
2 scholarship program shall select a student who meets the
3 requirements for participation and give notice to the ~~Commission~~
4 Department.

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

8 3. The communities shall deposit with the ~~Commission~~ Department
9 the initial year scholarship funds provided by the community which
10 funds shall be a percentage of the total educational and associated
11 costs of the student in the course of study in an accredited college
12 of medicine or college of osteopathic medicine and which funds are
13 to be used in the education of the selected student.

14 4. The ~~Commission~~ Department shall review and approve the
15 selection of a given student and shall then match the initial
16 community funds with state funds from the Oklahoma Community
17 Physician Education Loan and Scholarship Program Fund in the amount
18 needed to meet the total cost for educating the student for one (1)
19 year as agreed by the ~~Commission~~ Department and the community in
20 each particular case.

21 5. The ~~Commission~~ Department shall determine the percentage
22 share for the state in the loan and scholarship program with a given
23 community to educate a selected student on the basis of:
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1 a. the extent of need of the community and its
2 surrounding area for the services of a practicing physician;

3 b. the amount of the initial trust funds the
4 community has raised and deposited with the ~~Commission~~ Department
5 for the education of a selected student;

6 c. the population of the community which shall be
7 determined on the basis of the current estimates made by the
8 ~~Oklahoma Department of Commerce.~~

9 6. The state matching assistance and participation by the
10 ~~Commission~~ Department in a given loan and scholarship program for a
11 particular student shall not exceed seventy-five percent (75%) of
12 the total amount calculated to be necessary to fund one (1) year of
13 study for the degree of Doctor of Medicine or the degree of Doctor
14 of Osteopathic Medicine as determined annually by the ~~Commission~~
15 Department at the school of medicine or osteopathic medicine in
16 which the selected student is enrolled.

17 7. Each scholarship recipient, upon completion of his course of
18 study, shall repay his loan and scholarship to the state and to the
19 community and receive forgiveness on repayment of the funds from the
20 state and from the community by practicing his profession in the
21 community in Oklahoma providing the initial funds at a minimum for
22 one (1) year for each Five Thousand Dollars (\$5,000.00) the
23 community and the state financed the scholarship program for the
24 student; provided, however, that the recipient will be given no

1 credit for payment, repayment and reduction of said obligation to
2 the community and the state by serving the given community for a
3 period less than two (2) years or, when approved by the ~~Commission~~
4 Department in agreement with the community and terms of the
5 contracts involved, repayment may be made in cash with interest at
6 the rate of twelve percent (12%) per annum, said interest to accrue
7 from the date each payment of funds pursuant to the loan and
8 scholarship program is made. In addition, should a recipient who
9 accepts financial assistance after July 1, 1977, elect not to
10 perform his obligated service in the sponsoring community, the
11 agreed upon sum denoted as liquidated damages in the contract shall
12 be assessed the recipient. No interest shall accrue on the
13 principal during any one period of time that the recipient thereof
14 is required to serve in the Armed Forces of the United States, or
15 during his internship or residency, if in a primary care area and
16 the required service, internship or residency does not exceed four
17 (4) years. Provided, that no interest shall accrue for six (6)
18 months following each of the above exceptions.

19 Each student who applies to participate in a community and state
20 matching loan and scholarship program shall enter into a contract
21 administered by the ~~Commission~~ Department on behalf of the state and
22 a given community which has provided the initial scholarship funds
23 to educate a selected student. The contract shall be between the
24 State of Oklahoma and the selected student by which contract the

1 student agrees to return to the community which provided the initial
2 loan and scholarship funds and to practice his profession, on
3 completion of the course of study and training required for
4 licensure and certification, for the number of years for which the
5 student received assistance from the community and the state and in
6 accordance with the conditions specified in the contract agreed to
7 by the student and the given community which selected the student.
8 Any repayment of the total amount of the scholarship or any portion
9 thereof as provided in this act and in the contract between the
10 state and the student shall be made to the state deposited into the
11 Community Matching Loan and Scholarship Repayment Revolving Fund
12 hereby created in the State Treasury. The community portion of any
13 repayment monies deposited in said fund shall be withdrawn from the
14 revolving fund and returned to the community on request or, if the
15 community so chooses, said repayment monies shall be held available
16 in said fund for reallocation by the community and the state to the
17 Community Physician Education Loan and Scholarship Program Fund to
18 educate another student selected by the community and approved by
19 the ~~Commission~~ Department. The form of the contracts shall be
20 prepared and approved by the Attorney General. The ~~Commission~~
21 Department is hereby vested with full and complete authority and
22 power to sue in its own name any applicant for any balance due the
23 ~~Commission~~ Department for repayment of the scholarship on any
24 contract or for failure by the applicant to fulfill the terms of his

1 contract in any way. Said contracts shall be signed by the ~~Chairman~~
2 ~~of the Commission~~ Executive Director of the Department and by the
3 student for and by a representative of the community which selected
4 the student. The ~~Commission~~ Department shall have authority to
5 cancel the contract it makes between the ~~Commission~~ Department and
6 any recipient of a scholarship upon cause deemed sufficient by the
7 ~~Commission~~ Department.

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

10 Section 625.11. There is hereby created and established the
11 Oklahoma Community Physician Education Scholarship Program Fund
12 which fund shall be administered by the ~~Physician Manpower Training~~
13 ~~Commission~~ Oklahoma Department of Commerce for the purposes of
14 providing the state matching funds assistance for scholarship
15 programs with given communities. The ~~Commission~~ Department shall be
16 empowered to contract for services with any state agencies,
17 institutions or any public or private corporation involved in and
18 conducting programs in physician manpower placement in order that
19 the ~~Commission~~ Department may perform its functions in an efficient
20 and timely fashion.

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

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

4 1. That the student desires a scholarship to cover the costs
5 and expenses of pursuing the degree of Doctor of Medicine or the
6 degree of Doctor of Osteopathic Medicine at any accredited school of
7 medicine or school of osteopathic medicine in the United States of
8 America;

9 2. That the student is a bona fide resident of the State of
10 Oklahoma;

11 3. That the student desires and agrees to practice his
12 profession in the community in Oklahoma providing the initial funds
13 and subject to the terms and conditions of the contract between the
14 student and the community and the contract between the student and
15 the state;

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

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

19 6. That the student has successfully completed the program of
20 instruction prerequisite for admission to or continuation in the
21 program of study provided for in this act and has applied and been
22 accepted or is currently a student at an accredited school of
23 medicine or school of osteopathic medicine;

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

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

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

13 In establishing an applicant student's financial need, the
14 ~~Commission~~ Department shall conduct a thorough and complete
15 investigation of the financial resources of the applicant and his
16 family.

17 B. The method of payment of funds to each student participating
18 in the scholarship program shall be in accordance with rules
19 formulated by the ~~Commission~~ Department governing the grants for
20 each type of scholarship involved.

21 C. Each scholarship shall be renegotiated annually by the
22 ~~Commission~~ Department to determine if a change has occurred in the
23 ability of the community to match funds at the agreed level or if a
24 change has occurred in the student's financial need or desire to

1 practice in the community providing the initial funds. Each
2 scholarship may be renewed annually for the number of years required
3 to complete the course of study in which the recipient is engaged.
4 The ~~Commission~~ Department shall grant such an annual renewal only
5 upon the recipient's application and upon the ~~Commission's~~
6 Department's finding that the student has completed successfully the
7 work of the preceding year and presented evidence that he is a
8 student in good standing, and that he remains a resident of
9 Oklahoma.

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

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

- 19 1. The Community Matching Intern/Resident Program;
- 20 2. The Oklahoma Rural Medical Education Loan Scholarship
21 Program;
- 22 3. The Family/General Practice Resident Rural Scholarship Loan
23 Program, created pursuant to this section; and

24

1 4. The Family/General Practice Residency Grant Program, created
2 pursuant to this section.

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

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

18 C. The ~~Physician Manpower Training Commission~~ Department shall
19 establish and administer a Family/General Practice Residency Grant
20 Program for the purpose of assisting Oklahoma's rural communities by
21 providing financial assistance through a grant program to residents
22 enrolled in an accredited Family Practice or General Practice
23 residency program. The ~~Commission~~ Department shall establish the
24 eligibility standards, the amount of the grant not to exceed Five

1 Thousand Dollars (\$5,000.00) per year, up to three (3) years, the
2 program obligations of the recipient of the grant, and any penalties
3 related to the breach of the grant obligations or failure to repay
4 the grant plus interest.

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

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

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

1 training program situations shall be based upon a determination by
2 the ~~Commission~~ Department of:

3 1. The type of primary care residency and internship programs
4 involved and being conducted;

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

7 3. The program and salary costs incurred in the given training
8 situation.

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

11 Section 697.2. ~~There is hereby re-created the Physician~~
12 ~~Manpower Training Commission, hereafter referred to as the~~
13 ~~Commission,~~ The Oklahoma Department of Commerce is authorized to
14 establish and administer cost-sharing programs for internship and
15 residency physician training, which ~~Commission~~ the Department shall
16 provide for state assistance by sharing the cost on a percentage
17 basis, as may be prescribed by law or as determined by the
18 ~~Commission~~ Department, of the salary, fringe benefits, training and
19 program administration of the interns and residents as may be
20 arranged by contract for reimbursement with an accredited and
21 approved hospital and accredited clinical programs throughout the
22 state in cooperation with the Oklahoma State University College of
23 Osteopathic Medicine, 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
9 family/general practice physicians for the rural and medically
10 underserved areas of the state. Provided that such subsidy may be
11 used for the primary purpose of increasing the total number of
12 residencies funded by the State of Oklahoma, wherever located within
13 the state, during that period in which residency programs are being
14 established in rural areas; provided further, that as said residency
15 programs are established and accredited in rural hospitals,
16 residency positions in such programs shall be first provided for by
17 the ~~Commission~~ Department. The ~~Commission~~ Department shall present
18 a report to the Governor, the Speaker of the House of
19 Representatives and the President Pro Tempore of the Senate within
20 one (1) month of the beginning of each regular legislative session
21 on the operation of the programs including the progress made in
22 accomplishing the goals of physician training as to type of
23 specialties and manpower placement of the kind necessary to provide
24 adequate health care to the people throughout the State of Oklahoma.

1 The subsidy to the participating hospital, clinical situation or
2 training institution per resident or intern shall not exceed any
3 maximum or minimum amount as may be prescribed by law or as
4 determined by the ~~Commission~~ Department. The actual amount of
5 subsidy for physician training program situations shall be based
6 upon a determination by 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 18. AMENDATORY 70 O.S. 2011, Section 697.5, is
14 amended to read as follows:

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

20 1. To review all available data on physician manpower in
21 Oklahoma in order to determine the current and projected
22 distribution of physicians by geographic location and by type of
23 practice, and, to accomplish this review, the ~~Commission~~ Department
24 shall obtain information from and work in conjunction with the State

1 Department of Health and all other agencies which gather data and
2 evaluate health manpower needs;

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

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

19 4. To provide general counsel and advice in the development,
20 operation and evaluation of physician internship and residency
21 programs throughout the State of Oklahoma in cooperation with the
22 efforts of the Oklahoma State Regents for Higher Education and the
23 state's physician training institutions such as the Oklahoma
24 University College of Medicine, Oklahoma City and Tulsa campuses,

1 and the Oklahoma College of Osteopathic Medicine and Surgery, and
2 subject to accreditation by official and appropriate accrediting
3 agencies;

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

14 6. To develop the criteria and procedure by which state
15 matching funds will be awarded to hospitals, accredited clinical
16 situations, in cooperation with the University of Oklahoma College
17 of Medicine, University of Oklahoma College of Medicine - Tulsa, and
18 the Oklahoma College of Osteopathic Medicine and Surgery which shall
19 administer programs in hospital and clinical situations in the state
20 to be used to underwrite the salaries, benefits and associated
21 training and administration costs provided for the physician interns
22 and residents during their period of training in such a way as to
23 create an incentive for the development and establishment of
24 residency and internship positions by hospitals, clinical

1 establishments or by affiliation agreement with the University of
2 Oklahoma College of Medicine, University of Oklahoma College of
3 Medicine - Tulsa and the Oklahoma College of Osteopathic Medicine
4 and Surgery by providing funds to cover and to supplement the
5 nonreimbursable or additional costs incurred in hospitals for
6 training activities or for delivery of service in outreach and
7 ambulatory clinical situations which are outside but associated with
8 the hospitals and clinical establishments participating in the
9 program;

10 7. To review and to approve for inclusion in the programs
11 funded the applications for funds submitted by accredited hospitals
12 and clinical situations participating in physician training programs
13 in cooperation with the University of Oklahoma College of Medicine,
14 University of Oklahoma College of Medicine - Tulsa and the Oklahoma
15 College of Osteopathic Medicine and Surgery for the costs of
16 supplying residents and interns in programs which they administer by
17 affiliation agreements with hospitals and clinical situations
18 throughout the state in which the interns and residents are
19 supervised and funded by the University of Oklahoma College of
20 Medicine, University of Oklahoma College of Medicine - Tulsa and the
21 Oklahoma College of Osteopathic Medicine and Surgery and the
22 hospitals and clinical establishments pay for the patient care
23 services rendered in their institutions by these residents and
24 interns during the period of training;

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

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

18 10. To ensure that hospitals or clinical situations that can
19 qualify in all sections of Oklahoma be utilized, and to take all
20 steps necessary to assist such hospitals or clinics in obtaining
21 necessary recognition or status, or in meeting standards for
22 accreditation or affiliation so that they may participate in these
23 physician training programs;

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

13 12. To conduct and to administer a program of physician and
14 health manpower placement services throughout the State of Oklahoma.
15 Placement services shall be made available to communities,
16 hospitals, health care facilities, physician and health professional
17 training institutions, health professional associations and
18 organizations, individual physicians, health professionals, students
19 in physician and health professional training institutions and
20 schools, and other interested parties in such a way so as to further
21 the purposes of improving the distribution of physicians and health
22 professionals practicing or available for practice in the state and
23 improving in the availability of health care services to the people
24 of the state. Said placement service shall include but not be

1 limited to assisting communities in matching with, contacting and
2 recruiting physicians and health professionals to practice in
3 communities in the state. The ~~Commission~~ Department shall develop
4 criteria and procedures for the conduct and performance of placement
5 services and employ any staff, contract for services with any
6 private agency, nonprofit corporation or institution to facilitate
7 the performance of placement services.

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

10 Section 697.6. Funds appropriated to carry out the provisions
11 of this act shall be allocated so that no less than forty percent
12 (40%) of all participating residents and interns in each school year
13 must participate in a rural program outside the Oklahoma City and
14 Tulsa metropolitan areas. The ~~Physician Manpower Training~~
15 ~~Commission~~ Oklahoma Department of Commerce, in accordance with
16 primary care specialty accreditation standards, shall promulgate and
17 adopt rules designating the time allocation spent by the residents
18 and interns participating in this program outside the Oklahoma City
19 and Tulsa metropolitan areas.

20 SECTION 20. AMENDATORY 70 O.S. 2011, Section 697.7, as
21 amended by Section 615, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
22 2015, Section 697.7), is amended to read as follows:

23 Section 697.7. The ~~Physician Manpower Training Commission~~
24 Oklahoma Department of Commerce is hereby authorized to enter into

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

17 SECTION 21. AMENDATORY 70 O.S. 2011, Section 697.8, as
18 amended by Section 616, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
19 2015, Section 697.8), is amended to read as follows:

20 Section 697.8. A community may enter into a contract with a
21 resident physician in training whereby the resident agrees to
22 establish a practice in the community upon the completion of his
23 residency. The ~~Physician Manpower Training Commission~~ Oklahoma
24 Department of Commerce shall have the authority to receive funds

1 direct from that community for the purpose of paying the resident
2 involved to the extent of the contractual arrangements. Monies
3 received by the ~~Commission~~ Department under the provisions of this
4 section shall be deposited to, and disbursed from, the "Community
5 Residency Revolving Fund" hereby created in the State Treasury. The
6 fund shall be a continuing fund not subject to legislative
7 appropriation or fiscal year limitations. Expenditures from said
8 fund shall be made on warrants issued by the State Treasurer against
9 claims filed by the ~~Commission~~ Department with the Director of the
10 Office of Management and Enterprise Services for approval and
11 payment.

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

14 Section 697.9. There is hereby created and established the
15 Community Preceptor Physician Training and Work Experience
16 Scholarship Fund which fund shall be administered by the ~~Physician~~
17 ~~Manpower Training Commission~~ Oklahoma Department of Commerce for the
18 purpose of providing state matching funds assistance and encouraging
19 the development of a program whereby the state in conjunction with
20 given communities, hospitals or clinical training situations funds
21 the stipends and living expenses for medical students who agree to
22 work in these given communities during the vacation times during the
23 course of their education in the University of Oklahoma College of
24 Medicine or the Oklahoma College of Osteopathic Medicine and

1 Surgery. The ~~Commission~~ Department shall develop procedures for
2 determining the matching funds participation of communities and of
3 the state for a given student and coordinate with the physician
4 training institutions in the state for the selection of students to
5 participate in the program and the selection of physicians who will
6 supervise students and hospitals and clinical situations in which
7 the training and experience occurs in the delivery of primary health
8 care to rural and medically underserved areas with the purpose of
9 providing medical and osteopathic students an opportunity to develop
10 relationships with communities and encourage them to locate their
11 practices in areas of medical need.

12 SECTION 23. AMENDATORY 70 O.S. 2011, Section 697.10, as
13 amended by Section 617, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
14 2015, Section 697.10), is amended to read as follows:

15 Section 697.10. A. ~~The Physician Manpower Training Commission~~
16 Oklahoma Department of Commerce is authorized to enter into
17 contractual arrangements with individual hospitals and clinical
18 programs for the reimbursement of intern or resident salary cost not
19 to exceed the limits established by Section 697.2 of this title.
20 Provided, that residency and internship positions created prior to
21 the spring semester 1975 shall be eligible for participation in the
22 cost-sharing program for internship and residency training as
23 established by Sections 697.1 through 697.8 of this title, only if
24 partial funding of said positions will allow the creation of

1 additional positions in whole or in part at the participating
2 hospital or clinical situation. The participating hospital or
3 clinical situation shall document in a manner specified by the
4 ~~Commission~~ Department the extent to which funding of a previously
5 created and established position contributes directly to the
6 creation of additional positions at the participating hospital or
7 clinical situation.

8 B. The ~~Commission~~ Department is authorized, in cooperation with
9 the Oklahoma Health Care Authority, to enter into contractual
10 arrangements with the University of Oklahoma College of Medicine and
11 the Oklahoma State University College of Osteopathic Medicine for
12 the reimbursement of intern and resident professional liability
13 insurance cost which shall not be subject to the limits established
14 in Section 697.2 of this title. Any and all intern and resident
15 positions are eligible for reimbursement of intern and resident
16 professional liability insurance cost.

17 C. There is hereby created in the State Treasury a revolving
18 fund for the ~~Physician Manpower Training Commission~~ Department to be
19 designated the "Intern and Residents Professional Liability
20 Insurance Fund". The fund shall be a continuing fund, not subject
21 to fiscal year limitations, and shall consist of all monies received
22 by the ~~Physician Manpower Training Commission~~ Department for
23 reimbursement of intern and residency professional liability
24 insurance costs. All monies accruing to the credit of the fund are

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

7 SECTION 24. AMENDATORY 70 O.S. 2011, Section 697.11, as
8 amended by Section 618, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
9 2015, Section 697.11), is amended to read as follows:

10 Section 697.11. A. In addition to internship and residency
11 programs previously established and funded, it is the intent of the
12 Legislature that the ~~Physician Manpower Training Commission~~ Oklahoma
13 Department of Commerce, in cooperation with the Oklahoma Health Care
14 Authority, establish a Critical Need Internship and Residency
15 Program. The purpose of the Program is to fund internship and
16 residency programs across the state in areas of critical need. The
17 determination of areas of critical need shall be made through a
18 cooperative effort between the University of Oklahoma College of
19 Medicine and the Oklahoma State University College of Osteopathic
20 Medicine. The findings shall be reported to the ~~Commission~~
21 Department by July 1, 2006, and every three (3) years thereafter.

22 B. The University of Oklahoma College of Medicine and the
23 Oklahoma State University College of Osteopathic Medicine shall
24 annually provide to the ~~Commission~~ Department a report outlining the

1 areas of physician shortages in each specialty area. The report
2 shall be the basis for the cooperative funding of critical need
3 physician specialties for the current fiscal year.

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

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

19 Section 697.12. The ~~Physician Manpower Training Commission~~
20 Oklahoma Department of Commerce shall establish and administer a
21 cost-sharing scholarship program for the provision of physician
22 services at the various correctional facilities under the Department
23 of Corrections and the surrounding or nearby communities. Except as
24 otherwise specified herein, the scholarship program shall be

1 administered pursuant to the requirements prescribed by law for and
2 as part of the Oklahoma Community Education Scholarship Program.
3 Each scholarship available hereunder shall be funded on a percentage
4 cost-sharing basis as follows: One-half (1/2) of the costs to be
5 provided by the ~~Commission~~ Department, one-fourth (1/4) of the costs
6 to be provided by the Department of Corrections and one-fourth (1/4)
7 of the costs to be provided by a community. Each physician, who has
8 participated in the scholarship program hereunder, shall devote one-
9 half (1/2) of his or her professional time to medical care and
10 treatment of inmates at a state correctional facility and one-half
11 (1/2) of his or her professional time to medical services in the
12 community which shared the cost of a scholarship hereunder, for the
13 period of time as required under the Oklahoma Community Education
14 Scholarship Program.

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

17 Section 697.15. In order for any hospital or clinic to be
18 eligible to receive funds through the ~~Physician Manpower Training~~
19 ~~Commission~~ Oklahoma Department of Commerce for residency or
20 internship positions, such hospital or clinic shall affirm that
21 students receiving their medical education in Oklahoma will be given
22 special consideration for all residency and internship positions.

23

24

1 SECTION 27. AMENDATORY 70 O.S. 2011, Section 697.17, as
2 amended by Section 619, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
3 2015, Section 697.17), is amended to read as follows:

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

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

17 C. If a person receiving Nursing Student Assistance Program
18 funds fails to fully comply with the provisions of the contract for
19 said funds, the person shall refund to the ~~Physician Manpower~~
20 ~~Training Commission~~ Department all monies received by the person
21 pursuant to the provisions of the contract plus interest at the rate
22 of twelve percent (12%) from the date of disbursement of said funds
23 and shall be liable for any other liquidated damages as specified in
24 the contract.

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

16 SECTION 28. AMENDATORY 70 O.S. 2011, Section 697.18, as
17 amended by Section 620, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
18 2015, Section 697.18), is amended to read as follows:

19 Section 697.18. A community may enter into a contract with a
20 physician who is a graduate from an accredited medical school
21 whereby such physician agrees to establish a practice in that
22 community. The ~~Physician Manpower Training Commission~~ Oklahoma
23 Department of Commerce shall have the authority to receive funds
24 direct from that community for the purpose of paying the physician

1 involved to the extent of the contractual arrangement. Monies
2 received by the ~~Commission~~ Department under the provisions of this
3 section shall be deposited to and disbursed from, the "Community
4 Match Revolving Fund" hereby created in the State Treasury. The
5 fund shall be a continuing fund not subject to legislative
6 appropriation of fiscal year limitations. Expenditures from said
7 fund shall be made on warrants issued by the State Treasurer against
8 claims filed by the ~~Commission~~ Department with the Director of the
9 Office of Management and Enterprise Services for approval and
10 payment.

11 SECTION 29. AMENDATORY 70 O.S. 2011, Section 697.19, as
12 amended by Section 621, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
13 2015, Section 697.19), is amended to read as follows:

14 Section 697.19. A. There is hereby established the Omnibus
15 Budget Reconciliation Act Program (OBRA) which shall be administered
16 by the ~~Physician Manpower Training Commission~~ Oklahoma Department of
17 Commerce. The purpose of the program shall be to encourage persons
18 to enter nursing education programs and to practice in nursing homes
19 of this state in which there is an urgent need for nursing services
20 which provide funds on a matching basis with ~~the Physician Manpower~~
21 ~~Training Commission~~ Department for the support of nursing students.
22 The OBRA Program shall be administered by rules under the Oklahoma
23 Nursing Student Assistance Program adopted by the ~~Physician Manpower~~
24 ~~Training Commission~~ Department.

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

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

11 D. There is hereby created in the State Treasury a revolving
12 fund for the ~~Physician Manpower Training Commission~~ Department to be
13 designated the "OBRA Fund". The fund shall be a continuing fund,
14 not subject to fiscal year limitations, and shall consist of all
15 nonappropriated monies, including local nursing home association
16 match money of appropriated funds, grants, gifts, and repayment of
17 scholarships received by the ~~Physician Manpower Training Commission~~
18 Department. All monies accruing to the credit of said fund are
19 hereby appropriated and may be budgeted and expended by the
20 ~~Physician Manpower Training Commission~~ Department for such
21 scholarships as may be provided for pursuant to the OBRA Program.
22 Expenditures from said fund shall be made upon warrants issued by
23 the State Treasurer against claims filed as prescribed by law with
24

1 the Director of the Office of Management and Enterprise Services for
2 approval and payment.

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

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

- 12 1. The Doctor of Osteopathy Residency Program (OSU/COM);
- 13 2. The Osteopathic General Practice Residency Program
14 (OSU/COM); and
- 15 3. The Osteopathic Internship Program (OSU/COM).

16 B. The ~~Physician Manpower Training Commission~~ Department is
17 hereby authorized to distribute such monies to the funds specified
18 in Sections 697.2 and 697.6 of this title necessary to fund the
19 programs specified in this section.

20 SECTION 31. AMENDATORY 70 O.S. 2011, Section 697.21, as
21 amended by Section 622, Chapter 304, O.S.L. 2012 (70 O.S. Supp.
22 2015, Section 697.21), is amended to read as follows:

23 Section 697.21. A. There is hereby established the Physician
24 Assistant Scholarship Program. The purpose of the program is to

1 encourage persons to enter physician assistant education programs
2 and to practice in rural and medically underserved areas of this
3 state. The Physician Assistant Scholarship Program shall be
4 administered by the ~~Physician Manpower Training Commission~~ Oklahoma
5 Department of Commerce pursuant to rules promulgated by the
6 ~~Commission~~ Department and shall be funded based on an annual
7 estimate of need as determined by the ~~Commission~~ Department. Awards
8 made pursuant to this Program shall be subject to the availability
9 of funds. The number of and amount of each award shall be
10 determined by the ~~Commission~~ Department based on the availability of
11 funds.

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

16 C. If a person receiving Physician Assistant Scholarship
17 Program monies fails to fully comply with the provisions of the
18 contract for the monies, the person shall refund to the ~~Physician~~
19 ~~Manpower Training Commission~~ Department all monies received by the
20 person pursuant to the provisions of the contract plus interest at a
21 rate that equals the prime interest rate plus one percent (1%) from
22 the date of disbursement of the funds and shall be liable for any
23 other liquidated damages as specified in the contract.

24

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

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

18 A. The Physician Manpower Training Commission is hereby
19 abolished. On July 1, 2016, all powers, duties, employees,
20 functions, and responsibilities of the Physician Manpower Training
21 Commission shall be transferred to the Oklahoma Department of
22 Commerce. The transfer shall include all equipment, supplies,
23 records, assets, current and future liabilities, fund balances,
24

1 encumbrances, obligations and indebtedness associated with the
2 Physician Manpower Training Commission.

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

9 C. The Oklahoma Department of Commerce shall succeed to any
10 contractual rights and responsibilities incurred by the Physician
11 Manpower Training Commission.

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

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

19 Effective July 1, 2016, all administrative rules promulgated by
20 the Physician Manpower Training Commission shall be transferred to
21 and become a part of the administrative rules of the Oklahoma
22 Department of Commerce. The Office of Administrative Rules in the
23 Secretary of State's office shall provide adequate notice in the
24 Oklahoma Register of the transfer of such rules, and shall place the

1 transferred rules under the Administrative Code section of the
2 Oklahoma Department of Commerce. Such rules shall continue in force
3 and effect as rules of the office of the Department from and after
4 July 1, 2016, and any amendment, repeal or addition to the
5 transferred rules shall be under the jurisdiction of the Department.

6 SECTION 34. REPEALER 70 O.S. 2011, Sections 625.7,
7 697.3, 697.4 and 697.16, are hereby repealed.

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

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

13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
14 February 24, 2016 - DO PASS AS AMENDED

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