

House Bill 866

By: Representatives Allison of the 8th, Cooper of the 41st, Channell of the 116th, Ramsey of the 72nd, and Dempsey of the 13th

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to
2 authorize grants to hospitals and other health care facilities in physician underserved rural
3 areas; to provide for grant requirements; to provide for conditions of grants; to provide for
4 contracts; to provide for penalties; to provide for cancellation of contracts; to revise the
5 criteria for a physician to be eligible to receive a service cancelable loan; to provide for
6 related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 31 of the Official Code of Georgia Annotated, relating to health is amended by revising
10 Chapter 34, relating to physicians for rural areas assistance, as follows:

11 "CHAPTER 34

12 31-34-1.

13 This chapter shall be known and may be cited as the 'Physicians for Rural Areas Assistance
14 Act.'

15 31-34-2.

16 It is the purpose of this chapter to increase the number of physicians in physician ~~under~~
17 ~~served~~ underserved rural areas of Georgia by making loans to physicians who have
18 completed their medical education and allowing such loans to be repaid by such physicians
19 agreeing to practice medicine in such rural areas and by making grants to hospitals or other
20 health care facilities in physician underserved rural areas of Georgia to enhance recruitment
21 efforts in bringing physicians to such areas.

22 31-34-3.

23 This chapter shall be administered by the State Medical Education Board, and, as used in
24 this chapter, the word 'board' means the State Medical Education Board created in Code
25 Section 20-3-510.

26 31-34-4.

27 (a) A physician who receives a loan under the program provided for in this chapter shall
28 be a citizen or national of the United States licensed to practice medicine within the State
29 of Georgia at the time the loan is made, and shall be a graduate of an accredited ~~four-year~~
30 ~~medical school~~ graduate medical education program located in the United States which has
31 received accreditation or provisional accreditation by ~~the Liaison Committee on Medical~~
32 ~~Education of the American Medical Association or the Bureau of Professional Education~~
33 ~~of the Accreditation Council for Graduate Medical Education or the American Osteopathic~~
34 ~~Association for a program of education designed to qualify the graduate for licensure by~~
35 ~~the Composite State Board of Medical Examiners of Georgia.~~

36 (b) The board shall make a full investigation of the qualifications of an applicant for a loan
37 under the provisions of this chapter to determine the applicant's fitness for participation in
38 such loan program, and for such purposes, the board may propound such examinations to
39 applicants as the board deems proper. The board's investigation shall include a
40 determination of the outstanding medical education loans incurred by the applicant while
41 completing his or her medical education and training.

42 (c) The board is authorized to consider among other criteria for granting loans under the
43 provisions of this chapter the state residency status and home area of the applying
44 physician and to give priority to those applicants who are physicians actively practicing or
45 beginning active practice in specialties experiencing shortages or distribution problems in
46 rural areas of this state as determined by the board pursuant to rules and regulations
47 adopted by it in accordance with this chapter.

48 (d) The board may adopt and prescribe such rules and regulations as it deems necessary
49 or appropriate to administer and carry out the loan program provided for in this chapter.
50 Such rules and regulations shall provide for fixing the rate of regular interest to accrue on
51 loans granted under the provisions of this chapter. Such regular rate of interest shall not
52 exceed by more than 2 percent the prime rate published from time to time by the Board of
53 Governors of the Federal Reserve System. Within such limitation, the regular rate of
54 interest may be increased for new recipients of loans under this chapter.

55 31-34-4.1.

56 (a) The board is authorized to make grants to hospitals and health care facilities, as
57 approved by the board, in physician underserved rural areas of Georgia. Such grants shall
58 be for the purpose of enhancing recruitment efforts in bringing physicians to such areas.

59 (b) Acceptable expenditures of grant funds by a hospital or health care facility recipient
60 shall include, but not be limited to, equipment, salary supplements for physicians, and
61 additional support staff. Grant funds shall not be used for hiring or paying a recruiting firm
62 or individual recruiter.

63 (c) The board is authorized to give priority to applicant hospitals and health care facilities
64 in rural areas of this state experiencing shortages or distribution problems of certain
65 specialties as determined by the board pursuant to rules and regulations adopted by the
66 board in accordance with this chapter.

67 (d) The board may adopt and prescribe such rules and regulations as it deems necessary
68 or appropriate to administer and carry out the grant program provided for in this chapter.
69 Such rules and regulations shall provide for the criteria that must be met by an applicant
70 and the penalties that shall be incurred for failure to comply with the grant requirements.

71 31-34-5.

72 (a)(1) The board shall have the authority to grant to each applicant approved by the board
73 on a one-year renewable basis a service cancelable loan for a period not exceeding four
74 years. The amount of the loan shall be determined by the board, but such amount shall be
75 related to the applicant's outstanding obligations incurred as a direct result of completing
76 medical education and training.

77 ~~(b)~~(2) A loan or loans to each approved applicant shall be granted on the condition that the
78 full amount of the loan or loans shall be repaid to the State of Georgia in services to be
79 rendered by the applicant's practicing his or her profession in a board approved physician
80 underserved rural area of Georgia. For each full year of practicing his or her profession in
81 such a physician underserved rural area, the physician who obtained the loan shall receive
82 credit for the full amount of one year's loan plus regular interest which accrued on such
83 amount.

84 (b)(1) The board shall have the authority to make grants to each applicant hospital or
85 health care facility approved by the board on a yearly basis, renewable each year at the
86 discretion of the board. The amount of the grant shall be determined by the board, but
87 such amount shall be related to the applicant's proposed expenditures to enhance
88 recruitment efforts in bringing one or more physicians to the applicant hospital or health
89 care facility.

90 (2) A grant to an approved applicant shall be made on any condition or conditions
 91 determined by the board, which may include, but not be limited to, that one or more
 92 physicians are employed and retained for a prescribed minimum length of time.

93 (c) In making a determination of physician underserved rural areas of Georgia, the board
 94 shall seek the advice and assistance of the Department of Human Resources, the Georgia
 95 Board for Physician Workforce, the University of Georgia Cooperative Extension Service,
 96 the Department of Community Affairs, and such other public or private associations or
 97 organizations as the board determines to be of assistance in making such determinations.
 98 Criteria to determine physician underserved rural areas shall include, but shall not be
 99 limited to, relevant statistical data related to the following:

- 100 (1) The ratio of physicians to population in the area;
 101 (2) Indications of the health status of the population in the area;
 102 (3) The poverty level and dependent age groups of the population in the area;
 103 (4) Indications of community support for more physicians in the area; and
 104 (5) Indications that access to the physician's services is available to every person in the
 105 underserved area regardless of ability to pay.

106 31-34-6.

107 (a)(1) Before being granted a service cancelable loan provided for in this chapter, each
 108 applicant therefor shall enter into a contract with the State of Georgia agreeing to the
 109 terms and conditions upon which the loan is granted, which contract shall include such
 110 terms and conditions as will carry out the purposes and intent of this chapter. The
 111 ~~chairman~~ chairperson of the board and the executive director of the board, acting for and
 112 on behalf of the State of Georgia, shall execute the contract for the board. The contract
 113 shall also be properly executed by the applicant. The board is vested with full and
 114 complete authority to bring an action in its own name against any recipient of a loan
 115 under the provisions of this chapter for the performance of the contract and to collect any
 116 amount that may be due under the contract.

117 ~~(b)~~(2) Any recipient of a loan under the provisions of this chapter who breaches the
 118 contract for such loan by either failing to begin or failing to complete the rural practice
 119 service obligation under the contract shall be immediately liable to the board for twice
 120 the total uncredited amount of all loans contracted for with the recipient, such uncredited
 121 amount to be prorated on a monthly basis respecting the recipient's actual service
 122 rendered and the total service obligation. For compelling reasons provided for in rules or
 123 regulations of the board, the board may agree to and accept a lesser measure of damages
 124 for the breach of a contract.

125 (b)(1) Before receiving a grant under this chapter, each approved applicant hospital or
 126 health care facility shall enter into a service-cancelable contract with the State of Georgia
 127 agreeing to the terms and conditions upon which the grant is made, which contract shall
 128 include such terms and conditions as will carry out the purposes and intent of this chapter.
 129 The chairperson of the board and the executive director of the board, acting for and on
 130 behalf of the State of Georgia, shall execute the contract for the board. The contract shall
 131 also be properly executed by the applicant. The board is vested with full and complete
 132 authority to bring an action in its own name against any recipient of a grant under the
 133 provisions of this chapter for the performance of the contract and to collect any amount
 134 that may be due under the contract.

135 (2) Any recipient of a grant under the provisions of this chapter who breaches the
 136 contract for such grant shall be liable for the measure of damages specified in the contract
 137 for the breach of such contract.

138 31-34-7.

139 (a) The board shall have the authority to cancel the contract of any recipient of a loan
 140 under this chapter for cause deemed sufficient by the board, provided that such authority
 141 shall not be arbitrarily or unreasonably exercised. Upon such cancellation, the total
 142 uncredited amount paid to the recipient shall at once become due and payable to the board
 143 in cash, and interest at the rate of 12 percent per annum shall accrue on such total
 144 uncredited amount from the date of cancellation to the date of payment.

145 (b) The board shall have the authority to cancel the contract of any recipient of a grant
 146 under this chapter for cause deemed sufficient by the board, provided that such authority
 147 shall not be arbitrarily or unreasonably exercised. Upon such cancellation, the grant
 148 recipient shall not be eligible to receive further grant funds pursuant to this chapter.

149 31-34-8.

150 The funds necessary to carry out the loan and grant program authorized by this chapter may
 151 come from funds made available to the board from private, federal, or state sources. Funds
 152 appropriated by the General Assembly for the purposes of this chapter shall be appropriated
 153 to the Department of Community Health for the specific purpose of the cancelable loan and
 154 grant program authorized by this chapter. The board shall be assigned to the Department
 155 of Community Health for administrative purposes only, except that such department shall
 156 prepare and submit the budget for that board in concurrence with that board.

157 31-34-9.

158 The board shall make a biennial report to the General Assembly of its activities under the
159 provisions of this chapter. Such report shall include the name of each recipient of a loan
160 made under the provisions of this chapter, the amount of each such loan, and the rural area
161 in which the recipient is practicing medicine. Such report shall include the name of each
162 recipient of a grant made under the provisions of this chapter, the amount of each such
163 grant, and the rural area in which the recipient is located. Such report shall also report the
164 amount of administrative expenses incurred by the board in carrying out the provisions of
165 this chapter."

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167

SECTION 2.

168 All laws and parts of laws in conflict with this Act are repealed.