

The House Committee on Health and Human Services offers the following substitute to HB 509:

A BILL TO BE ENTITLED
AN ACT

1 To abolish the State Medical Education Board and provide that the Georgia Board for
2 Physician Workforce shall succeed to the powers, rights, and duties of said abolished board;
3 to amend Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
4 relating to scholarships, loans, and grants, so as to change certain provisions relating to
5 medical scholarships; to amend Chapter 34 of Title 31 of the Official Code of Georgia
6 Annotated, relating to physicians for rural areas assistance, so as to change certain provisions
7 relating to the purpose and intent of said chapter; to change certain provisions relating to
8 administration of said chapter by the State Medical Education Board; to change certain
9 provisions relating to service cancelable loans, repayment, and determination of physician
10 underserved rural areas; to amend Code Section 45-7-21 of the Official Code of Georgia
11 Annotated, relating to expense allowance and travel cost reimbursement for members of
12 certain boards and commissions, so as to eliminate a reference to the State Medical
13 Education Board; to amend Code Section 48-7-161 of the Official Code of Georgia
14 Annotated, relating to definitions relative to setoff debt collection for the state, so as to
15 provide that the Georgia Board for Physician Workforce shall be the claimant agency with
16 respect to certain debt; to amend Chapter 10 of Title 49 of the Official Code of Georgia
17 Annotated, relating to the Georgia Board for Physician Workforce, so as to change certain
18 provisions relating to creation and composition of said board, expense allowances, staffing,
19 and advisory committees; to change certain provisions relating to purpose of said board; to
20 change certain provisions relating to powers, duties, and responsibilities of said board; to
21 repeal conflicting laws; and for other purposes.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

23 **SECTION 1.**

24 Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to
25 scholarships, loans, and grants, is amended by revising Part 6, relating to medical
26 scholarships, as follows:

H. B. 509 (SUB)

"Part 6

27
28 20-3-510.

29 ~~(a) The State Medical Education Board is created which shall consist of seven members~~
30 ~~appointed by the Governor who shall be qualified electors of the State of Georgia. The~~
31 ~~State Medical Education Board created by this Code section shall be the successor to and~~
32 ~~a continuation of the heretofore existing State Medical Education Board. The members of~~
33 ~~the State Medical Education Board in office on July 1, 1983, shall serve out the remainder~~
34 ~~of their respective terms. The Governor shall appoint two additional members to take~~
35 ~~office on July 1, 1983, for terms expiring on April 1, 1987. Thereafter, as the term of~~
36 ~~office of each member expires, the Governor shall appoint their successors for a term of~~
37 ~~four years and until their successors are appointed and qualified. Vacancies shall be filled~~
38 ~~by appointment by the Governor for the unexpired term.~~

39 ~~(b) The State Medical Education Board shall elect annually a chairman and also a~~
40 ~~vice-chairman to serve in the absence or inability of the chairman. The State Medical~~
41 ~~Education Board shall maintain an office in Atlanta, Georgia, and shall meet at said office~~
42 ~~or elsewhere at least once each year at such time as may be fixed by the State Medical~~
43 ~~Education Board. Special meetings shall be held upon call of the chairman. Four members~~
44 ~~of the State Medical Education Board shall constitute a quorum for the transaction of~~
45 ~~business, and the State Medical Education Board shall keep full, complete, and permanent~~
46 ~~minutes and records of all its proceedings and actions.~~

47 ~~(c) For attending meetings of the State Medical Education Board and for traveling in~~
48 ~~carrying out their official duties, the members of the State Medical Education Board shall~~
49 ~~receive the compensation and allowances specified by Code Section 45-7-21. As used in~~
50 ~~this part, the term 'board' means the Georgia Board for Physician Workforce created by~~
51 ~~Code Section 49-10-1.~~

52 20-3-511.

53 ~~With the concurrence of the State Medical Education Board, the Department of Community~~
54 ~~Health shall employ and provide for the compensation of such administrative staff,~~
55 ~~including but not limited to an executive director, as is necessary to carry out the functions~~
56 ~~of the State Medical Education Board.~~

57 ~~(a) In addition to those powers, rights, and duties provided by Chapter 10 of Title 49,~~
58 ~~Chapter 34 of Title 31, and elsewhere by law, the board shall succeed to the powers, rights,~~
59 ~~and duties of the former State Medical Education Board as provided by this part.~~

60 ~~(b) The rights and obligations of parties to contracts, leases, agreements, and other~~
61 ~~transactions entered into before July 1, 2011, by the former State Medical Education Board~~
62 ~~shall continue to exist; and none of such rights and obligations shall be impaired or~~

63 diminished by reason of the transfer of the functions to the board. In all such instances, the
64 board shall be substituted for the former State Medical Education Board, and the board
65 shall succeed to the rights and obligations under such contracts, leases, agreements, and
66 other transactions.

67 (c) The board shall succeed to all rules, regulations, policies, procedures, and
68 administrative orders of the State Medical Education Board that were in effect on June 30,
69 2011, or scheduled to go into effect on or after July 1, 2011, and which relate to the
70 functions transferred to the board pursuant to this part. Such rules, regulations, policies,
71 procedures, and administrative orders shall remain in effect unless and until amended,
72 repealed, superseded, or nullified by the board by proper authority or as otherwise provided
73 by law.

74 20-3-512.

75 (a) It shall be the duty of the ~~State Medical Education Board~~ board to receive and pass
76 upon, allow or disallow all applications for loans made to or scholarships given students
77 who are bona fide citizens and residents of the State of Georgia and who desire to become
78 doctors of medicine and who are acceptable for enrollment in an accredited four-year
79 medical school in the United States which has received accreditation or provisional
80 accreditation by the Liaison Committee on Medical Education of the American Medical
81 Association or the Bureau of Professional Education of the American Osteopathic
82 Association for a program in medical education designed to qualify the graduate for
83 licensure by the Georgia Composite Medical Board. The purpose of such loans shall be
84 to enable such applicants to obtain a standard four-year medical education which will
85 qualify them to become licensed to practice medicine in the State of Georgia. It shall be
86 the duty of the ~~State Medical Education Board~~ board to make a careful and full
87 investigation of the ability, character, and qualifications of each applicant and determine
88 the applicant's fitness to become the recipient of such loan or scholarship, and for that
89 purpose the ~~State Medical Education Board~~ board may propound such examination to each
90 applicant which it deems proper. The ~~said State Medical Education Board~~ board may also
91 prescribe such rules and regulations as it deems necessary and proper to carry out the
92 purpose and intention of this part. The investigation of the applicant shall include an
93 investigation of the ability of the applicant, and of the parents of such applicant, to pay his
94 or her own tuition at such medical school, and the ~~State Medical Education Board~~ board
95 in granting such loans and scholarships shall give preference to qualified applicants who,
96 and whose parents, are unable to pay the applicant's tuition at such a medical school.

97 (b) The ~~State Medical Education Board~~ board shall have authority to grant to each
98 applicant deemed by the ~~State Medical Education Board~~ board to be qualified to receive

99 the same a loan or scholarship on a one-year renewable basis for the purpose of acquiring
 100 a standard four-year medical education, upon such terms and conditions as in the judgment
 101 of the ~~State Medical Education Board~~ board may be necessary or desirable. The ~~State~~
 102 ~~Medical Education Board~~ board is authorized to consider, among other criteria, the home
 103 area of the student and the likelihood, if determinable, that the student will practice
 104 medicine in an area of this state which may entitle the student to repay the loan through
 105 services rendered as provided in this part.

106 20-3-513.

107 Students whose applications are approved shall receive a loan or scholarship in an amount
 108 to be determined by the ~~State Medical Education Board~~ board to defray the tuition and
 109 other expenses of the applicant in an accredited four-year medical school in the United
 110 States which has received accreditation or provisional accreditation by the Liaison
 111 Committee on Medical Education of the American Medical Association or the Bureau of
 112 Professional Education of the American Osteopathic Association for a program in medical
 113 education designed to qualify the graduate for licensure by the Georgia Composite Medical
 114 Board. The loans and scholarships shall be paid in such manner as the ~~State Medical~~
 115 ~~Education Board~~ Georgia Board for Physician Workforce shall determine and may be
 116 prorated so as to pay to the medical college or school to which any applicant is admitted
 117 such funds as are required by that college or school with the balance being paid directly to
 118 the applicant; all of which shall be under such terms and conditions as may be provided
 119 under rules and regulations of the ~~State Medical Education Board~~ board. The loans or
 120 scholarships to be granted to each applicant shall be based upon the condition that the full
 121 amount of the loans or scholarships shall be repaid to the State of Georgia in services to be
 122 rendered by the applicant by practicing his or her profession in a ~~State Medical Education~~
 123 ~~Board~~ board approved rural county in Georgia of 35,000 population or less according to
 124 the United States decennial census of 1990 or any future such census or at any hospital or
 125 facility operated by or under the jurisdiction of the Department of Community Health, or
 126 the Department of Behavioral Health and Developmental Disabilities, ~~or at any facility~~
 127 ~~operated by or under the jurisdiction of the Department of Corrections, or at any facility~~
 128 ~~operated by or under the jurisdiction of the Department of Juvenile Justice.~~ For each year
 129 of practicing his or her profession in such ~~State Medical Education Board~~ board approved
 130 location, the applicant shall receive credit for the amount of the scholarship received during
 131 any one year in medical school, with the interest due on such amount.

132 20-3-514.

133 (a) Each applicant before being granted a loan or scholarship shall enter into a contract
 134 with the State of Georgia agreeing to the terms and conditions upon which the loan or
 135 scholarship is granted, ~~which contract shall include~~ including such terms and provisions
 136 as will carry out the full purpose and intent of this part. The form of such contract shall be
 137 prepared and approved by the Attorney General, and each contract shall be signed by the
 138 ~~chairman~~ chairperson of the ~~State Medical Education Board~~ board, countersigned by the
 139 executive director of the ~~State Medical Education Board~~ board, and shall be signed by the
 140 applicant. For the purposes of this part the disabilities of minority of all applicants granted
 141 loans or scholarships pursuant to this part are removed, and the said applicants are declared
 142 to be of full lawful age for the purpose of entering into the contract provided for in this
 143 Code section; and such contract so executed by an applicant is declared to be a valid and
 144 binding contract the same as though the said applicant were of the full age of majority. The
 145 ~~State Medical Education Board~~ board is vested with full and complete authority to bring
 146 an action in its own name against any applicant for any balance due the ~~State Medical~~
 147 ~~Education Board~~ board on any such contract.

148 (b) An applicant who has entered into a loan or scholarship contract with the ~~State Medical~~
 149 ~~Education Board~~ board and who:

150 (1) Is dismissed for either academic or disciplinary reasons from the college or school
 151 of medicine he or she is attending; or

152 (2) Voluntarily terminates his or her training and education in that institution for any
 153 reason prior to completion of training

154 shall be immediately liable to the ~~State Medical Education Board~~ board for all sums
 155 advanced with interest at the minimum rate of 12 percent per annum from the date of each
 156 payment by the ~~State Medical Education Board~~ board and compounded annually to the date
 157 the scholarship or loan is paid in full. The ~~State Medical Education Board~~ board is
 158 authorized to increase annually said rate of interest due on loans granted to new recipients;
 159 provided, however, that the increased rate of interest shall not exceed by more than 2
 160 percent the prime rate published by the Board of Governors of the Federal Reserve System
 161 and in effect at the time of the increase.

162 (c) An applicant who has entered into a loan or scholarship contract with the ~~State Medical~~
 163 ~~Education Board~~ board and who breaches that contract by either failing to begin or failing
 164 to complete his or her service obligation under such loan or scholarship contract shall be
 165 immediately liable to the ~~State Medical Education Board~~ board for three times the total
 166 uncredited amount of all such scholarship or loan payments paid to the applicant, such
 167 uncredited sums to be prorated on a monthly basis respecting the applicant's actual service

168 and total service obligation. The ~~State Medical Education Board~~ board may consent or
 169 agree to a lesser measure of damages for compelling reasons.

170 (d) The ~~State Medical Education Board~~ board shall have the authority to cancel the loan
 171 or scholarship contract of any applicant at any time for any cause deemed sufficient by the
 172 ~~State Medical Education Board~~ board, provided that such authority may not be arbitrarily
 173 or unreasonably exercised. Upon such cancellation by the ~~State Medical Education Board~~
 174 board, the total uncredited amount of the scholarship paid to the applicant shall at once
 175 become due and payable to the ~~State Medical Education Board~~ board in cash with interest
 176 at the minimum rate of 12 percent per annum from the date of each payment by the ~~State~~
 177 ~~Medical Education Board~~ board and compounded annually to the date the scholarship or
 178 loan is paid in full. The ~~State Medical Education Board~~ board is authorized to increase
 179 annually such rate of interest, subject to the limitations set forth in subsection (b) of this
 180 Code section.

181 20-3-515.

182 It shall be the duty of the ~~State Medical Education Board~~ board to make inquiry of such
 183 four-year medical schools as it deems proper and make arrangements, within the limitations
 184 as to cost as provided for in Code Section 20-3-513, for the payment of tuition or
 185 matriculation fees of enrolled students granted loans or scholarships by the ~~State Medical~~
 186 ~~Education Board~~ board.

187 20-3-516.

188 The funds necessary for the loans or scholarships provided for by this part and to
 189 administer the terms of this part shall come from funds made available to the ~~State Medical~~
 190 ~~Education Board~~ board from appropriations to the Department of Community Health for
 191 medical scholarships or other purposes. ~~The State Medical Education Board shall be~~
 192 ~~assigned to the Department of Community Health for administrative purposes only, except~~
 193 ~~that such department shall prepare and submit the budget for that board in concurrence with~~
 194 ~~that board.~~

195 20-3-517.

196 The ~~State Medical Education Board~~ board shall make a biennial report to the General
 197 Assembly of its activities, loans or scholarships granted, names of persons to whom granted
 198 and the institutions attended by those receiving the same, the location of the applicants who
 199 have received their education and become licensed to practice medicine within this state,
 200 and where they are practicing, and shall make a full report of all its expenditures for loans
 201 or scholarships and expenses incurred pursuant to this part.

202 20-3-518.

203 It is the purpose and intent of this part to bring about an adequate supply of persons
 204 licensed to practice medicine in the more sparsely populated areas of the State of Georgia
 205 by increasing the number of medical students from Georgia in the various medical schools
 206 and inducing a sufficient number of the graduates from medical schools to return to
 207 Georgia and practice their profession, thus affording adequate medical care to the people
 208 of Georgia."

209 **SECTION 2.**

210 Chapter 34 of Title 31 of the Official Code of Georgia Annotated, relating to physicians for
 211 rural areas assistance, is amended by revising Code Section 31-34-2, relating to the purpose
 212 and intent of said chapter, and Code Section 31-34-3, relating to administration of said
 213 chapter by the State Medical Education Board, as follows:

214 "31-34-2.

215 It is the purpose of this chapter to increase the number of physicians in physician
 216 underserved rural areas of Georgia by making loans to physicians who have completed
 217 their medical education and allowing such loans to be repaid by such physicians agreeing
 218 to practice medicine in such rural areas and by making grants to hospitals and, as
 219 determined by the ~~State Medical Education Board~~ Georgia Board for Physician Workforce,
 220 other health care entities, local governments, and civic organizations in physician
 221 underserved rural areas of Georgia that agree to provide matching funds to the grant, with
 222 the intent to enhance recruitment efforts in bringing physicians to such areas. It is the
 223 intent of the General Assembly that if funds are available to the ~~State Medical Education~~
 224 ~~Board~~ Georgia Board for Physician Workforce to make loans, grants, or scholarships under
 225 this chapter or under other applicable state law, the ~~State Medical Education Board~~ Georgia
 226 Board for Physician Workforce shall give priority to loans and scholarships under Part 6
 227 of Article 7 of Chapter 3 of Title 20 and to loans under Code Section 31-34-4.

228 31-34-3.

229 This chapter shall be administered by the ~~State Medical Education Board~~ Georgia Board
 230 for Physician Workforce, and, as used in this chapter, the word 'board' means the ~~State~~
 231 ~~Medical Education Board~~ Georgia Board for Physician Workforce created in Code Section
 232 ~~20-3-510~~ 49-10-1."

233 **SECTION 3.**

234 Said chapter is further amended in Code Section 31-34-5, relating to service cancelable
 235 loans, repayment, and determination of physician underserved rural areas, by revising
 236 subsection (c) as follows:

237 "(c) In making a determination of physician underserved rural areas of Georgia, the board
 238 shall seek the advice and assistance of the Department of Community Health, ~~the Georgia~~
 239 ~~Board for Physician Workforce~~, the University of Georgia Cooperative Extension Service,
 240 the Department of Community Affairs, and such other public or private associations or
 241 organizations as the board determines to be of assistance in making such determinations.
 242 Criteria to determine physician underserved rural areas shall include, but shall not be
 243 limited to, relevant statistical data related to the following:

- 244 (1) The ratio of physicians to population in the area;
 245 (2) Indications of the health status of the population in the area;
 246 (3) The poverty level and dependent age groups of the population in the area;
 247 (4) Indications of community support for more physicians in the area; and
 248 (5) Indications that access to the physician's services is available to every person in the
 249 underserved area regardless of ability to pay."

250 **SECTION 4.**

251 Code Section 45-7-21 of the Official Code of Georgia Annotated, relating to expense
 252 allowance and travel cost reimbursement for members of certain boards and commissions,
 253 is amended by revising subsection (a) as follows:

254 "(a) Each member of the boards and commissions enumerated in this Code section shall
 255 receive the same expense allowance per day as that received by a member of the General
 256 Assembly for each day such member of a board or commission is in attendance at a
 257 meeting of such board or commission, plus reimbursement for actual transportation costs
 258 while traveling by public carrier or the legal mileage rate for the use of a personal
 259 automobile in connection with such attendance. The expense allowance and
 260 reimbursement provided for in this Code section shall be paid in lieu of any per diem,
 261 allowance, or other remuneration now received by any such member for such attendance.
 262 The existing law relative to any limitation on the number of meeting days and remuneration
 263 for service on committees or subcommittees of any such board or commission shall remain
 264 in effect. The boards and commissions to which this Code section shall be applicable are
 265 as follows:

- 266 (1) State Board of Education;
 267 ~~(2) State Medical Education Board;~~
 268 ~~(3)~~(2) Board of Regents of the University System of Georgia;

269 ~~(4)~~(3) Board of Corrections;
 270 ~~(5)~~(4) Board of Economic Development;
 271 ~~(6)~~(5) Board of Natural Resources;
 272 ~~(7)~~(6) State Transportation Board;
 273 ~~(8)~~(7) Dental Education Board;
 274 ~~(9)~~(8) Georgia Student Finance Commission;
 275 ~~(10)~~(9) Veterans Service Board;
 276 ~~(11)~~(10) Georgia Agricultural Exposition Authority;
 277 ~~(12)~~(11) Georgia Board for Physician Workforce;
 278 ~~(13)~~(12) Georgia Music Hall of Fame Authority;
 279 ~~(14)~~(13) Georgia Sports Hall of Fame Authority;
 280 ~~(15)~~(14) Georgia Rail Passenger Authority;
 281 ~~(16)~~(15) Georgia Tobacco Community Development Board;
 282 ~~(17)~~(16) State Board of Technical and Adult Education;
 283 ~~(18)~~(17) Civil War Commission; and
 284 ~~(19)~~(18) The delegation from the State of Georgia to the Southern Dairy Compact
 285 Commission."

286 **SECTION 5.**

287 Code Section 48-7-161 of the Official Code of Georgia Annotated, relating to definitions
 288 relative to setoff debt collection for the state, is amended by revising paragraph (1) as
 289 follows:

290 "(1) 'Claimant agency' means and includes, in the order of priority set forth below:

291 (A) The Department of Human Services and the Department of Behavioral Health and
 292 Developmental Disabilities with respect to collection of debts under Article 1 of
 293 Chapter 11 of Title 19, Code Section 49-4-15, and Chapter 9 of Title 37;

294 (B) The Georgia Student Finance Authority with respect to the collection of debts
 295 arising under Part 3 of Article 7 of Chapter 3 of Title 20;

296 (C) The Georgia Higher Education Assistance Corporation with respect to the
 297 collection of debts arising under Part 2 of Article 7 of Chapter 3 of Title 20;

298 (D) ~~The State Medical Education Board~~ Georgia Board for Physician Workforce with
 299 respect to the collection of debts arising under Part 6 of Article 7 of Chapter 3 of Title
 300 20;

301 (E) The Department of Labor with respect to the collection of debts arising under Code
 302 Sections 34-8-254 and 34-8-255 and Article 5 of Chapter 8 of Title 34, with the
 303 exception of Code Sections 34-8-158 through 34-8-161; provided, however, that the
 304 Department of Labor establishes that the debtor has been afforded required due process

305 rights by such Department of Labor with respect to the debt and all reasonable
 306 collection efforts have been exhausted;
 307 (F) The Department of Corrections with respect to probation fees arising under Code
 308 Section 42-8-34 and restitution or reparation ordered by a court as a part of the sentence
 309 imposed on a person convicted of a crime who is in the legal custody of the department;
 310 (G) The State Board of Pardons and Paroles with respect to restitution imposed on a
 311 person convicted of a crime and subject to the jurisdiction of the board; and
 312 (H) The Department of Juvenile Justice with respect to restitution imposed on a
 313 juvenile for a delinquent act which would constitute a crime if committed by an adult."

314 **SECTION 6.**

315 Chapter 10 of Title 49 of the Official Code of Georgia Annotated, relating to the Georgia
 316 Board for Physician Workforce, is amended in Code Section 49-10-1, relating to creation and
 317 composition of said board, expense allowances, staffing, and advisory committees, by
 318 revising paragraph (2) of subsection (a) as follows:

319 "(2) The Georgia Board for Physician Workforce shall be composed of 15 members, all
 320 of whom are residents of this state, as follows:

321 (A) Five members shall be primary care physicians, at least three of whom shall be
 322 from rural areas;

323 (B) Five members shall be physicians who are not primary care physicians, at least
 324 three of whom shall be from rural areas;

325 (C) Three members shall be representatives of hospitals which are not teaching
 326 hospitals, with at least ~~one~~ two of those three members being ~~a representative of a~~
 327 representatives of rural, nonprofit hospital hospitals;

328 (D) One member shall be a representative from the business community;

329 (E) One member shall have no connection with the practice of medicine or the
 330 provision of health care; and

331 (F) The physicians on the board shall represent a diversity of medical disciplines,
 332 including, but not limited to, women's health, geriatrics, and children's health. The
 333 board shall represent the gender, racial, and geographical diversity of the state."

334 **SECTION 7.**

335 Said chapter is further amended by revising Code Section 49-10-2, relating to purpose of said
 336 board, and Code Section 49-10-3, relating to powers, duties, and responsibilities of said
 337 board, as follows:

338 "49-10-2.

339 The purpose of the board shall be to address the physician workforce needs of Georgia
 340 communities through the support and development of medical education programs and to
 341 increase the number of physicians practicing in underserved rural areas.

342 49-10-3.

343 The board shall have the following powers, duties, and responsibilities:

344 (1) To locate and determine specific underserved areas of the state in which unmet
 345 priority needs exist for physicians by monitoring and evaluating the supply and
 346 distribution of physicians by specialty and geographical location;

347 (2) Award service cancelable loans and scholarships pursuant to Part 6 of Article 7 of
 348 Chapter 3 of Title 20, Chapter 34 of Title 31, or as otherwise provided by law;

349 ~~(2)~~(3) To approve and allocate state appropriations for family practice training programs,
 350 including but not limited to fellowships in geriatrics and other areas of need as may be
 351 identified by the board;

352 ~~(3)~~(4) To approve and allocate state appropriations for designated pediatric training
 353 programs;

354 ~~(4)~~(5) To approve and allocate any other state funds appropriated to the Georgia Board
 355 for Physician Workforce to carry out its purposes;

356 ~~(5)~~(6) To coordinate and conduct with other state, federal, and private entities, as
 357 appropriate, activities to increase the number of graduating physicians who remain in
 358 Georgia to practice with an emphasis on medically underserved areas of the state;

359 ~~(6)~~(7) To apply for grants and to solicit and accept donations, gifts, and contributions
 360 from any source for the purposes of studying or engaging one or more contractors to
 361 study issues relevant to medical education or implementing initiatives designed to
 362 enhance the medical education infrastructure of this state and to meet the physician
 363 workforce needs of Georgia communities; and

364 ~~(7)~~(8) To carry out any other functions assigned to the board by general law."

365 **SECTION 8.**

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