

House Bill 998

By: Representatives Hatchett of the 150th, Parrish of the 158th, Cooper of the 43rd, Watson of the 166th, Nimmer of the 178th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 6 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia
2 Annotated, relating to medical scholarships, so as to revise provisions relating to medical
3 scholarships and loans; to revise provisions relating to the areas to be served as a condition
4 of receiving a scholarship or loan; to revise provisions relating to immediate liability for
5 repayment; to repeal a population act provision; to revise legislative purpose; 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 Part 6 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
10 relating to medical scholarships, is amended by revising Code Section 20-3-512, relating to
11 powers of the Georgia Board for Physician Workforce as to medical student loans and
12 scholarships, as follows:

13 "20-3-512.

14 (a) It shall be the duty of the board to receive and pass upon, allow or disallow all
15 applications for loans made to or scholarships given to students who are bona fide citizens
16 and residents of the State of Georgia and who desire to become doctors of medicine and
17 who are acceptable for enrollment in an accredited ~~four-year~~ medical school in the United
18 States which has received accreditation or provisional accreditation by the Liaison
19 Committee on Medical Education ~~of the American Medical Association~~ or the Bureau of
20 Professional Education of the American Osteopathic Association for a program in medical
21 education designed to qualify the graduate for licensure by the Georgia Composite Medical
22 Board. The purpose of such loans shall be to enable such applicants to obtain a standard
23 four-year medical education from a medical school in the United States which has received
24 accreditation or provisional accreditation by the Liaison Committee on Medical Education
25 or the Bureau of Professional Education of the American Osteopathic Association which
26 will qualify them to become licensed to practice medicine in the State of Georgia. It shall

27 be the duty of the board to make a careful and full investigation of the ability, character,
 28 and qualifications of each applicant and determine the applicant's fitness to become the
 29 recipient of such loan or scholarship, and for ~~that~~ such purpose the board may propound
 30 such examination to each applicant which it deems proper. The board may also prescribe
 31 such rules and regulations as it deems necessary and proper to carry out the purpose and
 32 intention of this part. The investigation of the applicant shall include an investigation of
 33 the ability of the applicant, and of the parents of such applicant, to pay his or her own
 34 tuition at such medical school, and the board in granting such loans and scholarships shall
 35 give preference to qualified applicants who, and whose parents, are unable to pay the
 36 applicant's tuition at such a medical school.

37 (b) The board shall have authority to grant to each applicant deemed by the board to be
 38 qualified to receive the same a loan or scholarship on a one-year renewable basis for the
 39 purpose of acquiring a ~~standard four-year~~ medical education from a medical school in the
 40 United States which has received accreditation or provisional accreditation by the Liaison
 41 Committee on Medical Education or the Bureau of Professional Education of the American
 42 Osteopathic Association, upon such terms and conditions as in the judgment of the board
 43 may be necessary or desirable. The board is authorized to consider, among other criteria,
 44 the home area of the student and the likelihood, if determinable, that the student will
 45 practice medicine in an area of this state which may entitle the student to repay the loan
 46 through services rendered as provided in this part."

47 **SECTION 2.**

48 Said part is further amended by repealing and reenacting Code Section 20-3-513, relating to
 49 determination of amount by board, terms and conditions, and repayment in services, as
 50 follows:

51 "20-3-513.

52 Students whose applications are approved shall receive a loan or scholarship in an amount
 53 to be determined by the board to defray the tuition and other expenses of the applicant in
 54 an accredited medical school in the United States which has received accreditation or
 55 provisional accreditation by the Liaison Committee on Medical Education or the Bureau
 56 of Professional Education of the American Osteopathic Association for a program in
 57 medical education designed to qualify the graduate for licensure by the Georgia Composite
 58 Medical Board. The loans and scholarships shall be paid in such manner as the Georgia
 59 Board for Physician Workforce shall determine and may be prorated so as to pay to the
 60 medical college or school to which any applicant is admitted such funds as are required by
 61 such college or school with the balance being paid directly to the applicant; all of which
 62 shall be under such terms and conditions as may be provided under rules and regulations

63 of the board. The loans or scholarships to be granted to each applicant shall be based upon
 64 the condition that the full amount of the loans or scholarships shall be repaid to the State
 65 of Georgia in services to be rendered by the applicant by practicing his or her profession
 66 in an area of this state which is rural and underserved, as determined by the board and
 67 approved by the commissioners of community health and public health or at any hospital
 68 or facility operated by or under the jurisdiction of the Department of Public Health, the
 69 Department of Behavioral Health and Developmental Disabilities, the Department of
 70 Corrections, or the Department of Juvenile Justice. For each year of practicing his or her
 71 profession in such board approved location, the applicant shall receive credit for the
 72 amount of the scholarship received during any one year in medical school, with the interest
 73 due on such amount."

74

SECTION 3.

75 Said part is further amended by revising Code Section 20-3-514, relating to contract
 76 provisions for loan or scholarship, as follows:

77 "20-3-514.

78 (a) Each applicant before being granted a loan or scholarship shall enter into a contract
 79 with the State of Georgia agreeing to the terms and conditions upon which the loan or
 80 scholarship is granted, including such terms and provisions as will carry out the full
 81 purpose and intent of this part. The form of such contract shall be prepared and approved
 82 by the Attorney General, and each contract shall be signed by the chairperson of the board,
 83 countersigned by the executive director of the board, and shall be signed by the applicant.
 84 For the purposes of this part, the disabilities of minority of all applicants granted loans or
 85 scholarships pursuant to this part are removed, and ~~the said such~~ applicants are declared
 86 to be of full lawful age for the purpose of entering into the contract provided for in this
 87 Code section; and such contract so executed by an applicant is declared to be a valid and
 88 binding contract the same as though ~~the said such~~ applicant were of the full age of majority.
 89 The board is vested with full and complete authority to bring an action in its own name
 90 against any applicant for any balance due the board on any such contract.

91 (b) An applicant who has entered into a loan or scholarship contract with the board and
 92 who:

- 93 (1) Is dismissed for either academic or disciplinary reasons from the college or school
 94 of medicine he or she is attending; ~~or~~
 95 (2) Voluntarily terminates his or her training and education in ~~that~~ such institution for
 96 any reason prior to completion of training; or
 97 (3) Is unable to obtain licensure from the Georgia Composite Medical Board to practice
 98 medicine

99 shall be immediately liable to the board for all sums advanced with interest at the minimum
 100 rate of 12 percent per annum from the date of each payment by the board and compounded
 101 annually to the date the scholarship or loan is paid in full; provided, however, that the
 102 board may consent or agree to a lesser measure of damages for compelling reasons as
 103 determined by the board. The board is authorized to increase annually ~~said~~ such rate of
 104 interest due on loans granted to new recipients; provided, however, that the increased rate
 105 of interest shall not exceed by more than 2 percent the prime rate published by the Board
 106 of Governors of the Federal Reserve System and in effect at the time of the increase.

107 (c) An applicant who has entered into a loan or scholarship contract with the board and
 108 who breaches ~~that~~ such contract by either failing to begin or failing to complete his or her
 109 service obligation under such loan or scholarship contract or who fails to obtain licensure
 110 from the Georgia Composite Medical Board to practice medicine shall be immediately
 111 liable to the board for three times the total uncredited amount of all such scholarship or
 112 loan payments paid to the applicant, such uncredited sums to be prorated on a monthly
 113 basis respecting the applicant's actual service and total service obligation. The board may
 114 consent or agree to a lesser measure of damages for compelling reasons as determined by
 115 the board.

116 (d) The board shall have the authority to cancel the loan or scholarship contract of any
 117 applicant at any time for any cause deemed sufficient by the board, provided that such
 118 authority may not be arbitrarily or unreasonably exercised. Upon such cancellation by the
 119 board, the total uncredited amount of the scholarship paid to the applicant shall at once
 120 become due and payable to the board in cash with interest at the minimum rate of 12
 121 percent per annum from the date of each payment by the board and compounded annually
 122 to the date the scholarship or loan is paid in full. The board is authorized to increase
 123 annually such rate of interest, subject to the limitations set forth in subsection (b) of this
 124 Code section."

125 **SECTION 4.**

126 Said part is further amended by revising Code Section 20-3-518, relating to legislative
 127 purpose, as follows:

128 "20-3-518.

129 It is the purpose and intent of this part to bring about an adequate supply of persons
 130 licensed to practice medicine in the more sparsely populated areas of the State of Georgia
 131 by increasing the number of medical students from Georgia in with scholarships awarded
 132 by the board pursuant to this part attending the various medical schools and inducing a
 133 sufficient number of the graduates from medical schools to return to Georgia and practice

134 their profession in rural and underserved areas, thus affording adequate medical care to the
135 people of Georgia."

136 **SECTION 5.**

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