

HOUSE BILL No. 4137

January 30, 2013, Introduced by Reps. Ananich and Foster and referred to the Committee on Education.

A bill to amend 1978 PA 368, entitled
"Public health code,"
(MCL 333.1101 to 333.25211) by adding sections 2757, 2759, 2761,
and 2763.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2757. (1) FOR THE PURPOSE OF REPAYING ALL OF HIS OR HER
2 STATE AND FEDERAL QUALIFIED EDUCATION LOANS, THE DEPARTMENT MAY
3 AWARD A LOAN REPAYMENT GRANT TO A DESIGNATED HEALTH PROFESSIONAL
4 WHO AGREES TO ENGAGE IN A DESIGNATED FRONTLINE HEALTH PRACTICE FOR
5 A PERIOD OF AT LEAST 2 YEARS IN AN AREA OF THE STATE THAT IS A
6 CRITICAL NEEDS AREA FOR PRIMARY HEALTH CARE. FOR THE FIRST 2 YEARS
7 OF HIS OR HER PRACTICE IN A CRITICAL NEEDS AREA FOR PRIMARY HEALTH
8 CARE, THE RECIPIENT SHALL RECEIVE A LOAN REPAYMENT GRANT IN THE
9 AMOUNT OF \$40,000.00. FOR EACH ADDITIONAL YEAR OF HIS OR HER
10 PRACTICE IN THAT AREA AFTER 2 YEARS, FOR A MAXIMUM OF 4 ADDITIONAL

1 YEARS, THE RECIPIENT SHALL RECEIVE A LOAN REPAYMENT GRANT IN THE
2 AMOUNT OF \$10,000.00.

3 (2) THE DEPARTMENT SHALL USE ANY MONEY AVAILABLE UNDER THE
4 PROGRAM TO APPLY FOR AND RECEIVE FEDERAL MATCHING FUNDS FROM THE
5 NATIONAL HEALTH SERVICE CORPS TO ASSIST IN THE REPAYMENT OF
6 QUALIFIED EDUCATION LOANS FOR DESIGNATED HEALTH PROFESSIONALS WHO
7 AGREE TO PRACTICE IN A CRITICAL NEEDS AREA FOR PRIMARY HEALTH CARE.

8 (3) THE DEPARTMENT MAY AWARD A LOAN REPAYMENT GRANT UNDER THIS
9 SECTION TO AN INDIVIDUAL DETERMINED BY THE DEPARTMENT TO MEET ALL
10 OF THE FOLLOWING ELIGIBILITY CRITERIA:

11 (A) IS AN INDIVIDUAL DESCRIBED IN SUBSECTION (4) .

12 (B) HAS SIGNED A WRITTEN GRANT AGREEMENT WITH THE DEPARTMENT
13 THAT CONTAINS THE TERMS AND CONDITIONS OF THE GRANT AWARD. THE
14 AGREEMENT SHALL INCLUDE THE RECIPIENT'S AGREEMENT TO ENGAGE IN A
15 DESIGNATED FRONTLINE HEALTH PRACTICE FOR AT LEAST 2 YEARS AFTER
16 EXECUTION OF THE AGREEMENT IN AN AREA OF THE STATE THAT IS A
17 CRITICAL NEEDS AREA FOR PRIMARY HEALTH CARE AT THAT TIME. THE
18 AGREEMENT ALSO MUST SPECIFY THE TOTAL AMOUNT OF THE LOAN REPAYMENT
19 AND A SCHEDULE FOR MAKING PAYMENTS TO THE RECIPIENT.

20 (C) UNLESS HE OR SHE IS A PHYSICIAN DESCRIBED IN SUBSECTION
21 (4) (C) , HAS RESIDED CONTINUOUSLY IN THIS STATE FOR THE 12 MONTHS
22 IMMEDIATELY PRECEDING THE DATE OF HIS OR HER APPLICATION AND IS NOT
23 A RESIDENT OF ANY OTHER STATE.

24 (D) HAS NOT BEEN CONVICTED OF A FELONY INVOLVING AN ASSAULT,
25 PHYSICAL INJURY, OR DEATH.

26 (E) MEETS ANY OTHER STANDARDS ESTABLISHED IN RULES PROMULGATED
27 BY THE DEPARTMENT.

1 (4) THE DEPARTMENT SHALL GIVE PRIORITY IN AWARDING LOAN
2 REPAYMENT GRANTS TO DESIGNATED HEALTH PROFESSIONALS ACCORDING TO
3 THE FOLLOWING:

4 (A) GRADUATES OF QUALIFIED STATE SCHOOLS OR INDIVIDUALS WHO
5 HAVE COMPLETED SUCCESSFULLY A RESIDENCY TRAINING PROGRAM IN THIS
6 STATE, IF APPLICABLE.

7 (B) INDIVIDUALS WHO WERE BORN IN THIS STATE AND WHO HAVE
8 COMPLETED TRAINING IN A CERTIFIED RESIDENCY PROGRAM, IF APPLICABLE,
9 OUTSIDE OF THIS STATE.

10 (C) PHYSICIANS WHO ARE PRACTICING OUTSIDE OF THIS STATE, WHO
11 RECEIVED TRAINING AT A MEDICAL SCHOOL OUTSIDE OF THIS STATE, AND
12 WHO ARE BOARD CERTIFIED IN ANY OF THE SPECIALTY FIELDS DESCRIBED IN
13 SECTION 2751(2)(C)(i).

14 (5) IF A LOAN REPAYMENT GRANT RECIPIENT FAILS TO ENGAGE IN A
15 DESIGNATED FRONTLINE HEALTH PRACTICE FOR AT LEAST 2 YEARS IN A
16 CRITICAL NEEDS AREA FOR PRIMARY HEALTH CARE DESIGNATED IN HIS OR
17 HER SCHOLARSHIP AGREEMENT, HE OR SHE MUST REPAY ALL OF THE GRANT
18 MONEY HE OR SHE RECEIVED UNDER THIS SECTION TO THE DEPARTMENT. THE
19 AMOUNT HE OR SHE IS OBLIGATED TO REPAY UNDER THIS SUBSECTION IS DUE
20 AND PAYABLE, WITH INTEREST AT THE RATE ESTABLISHED BY THE
21 DEPARTMENT UNDER SECTION 2759, WITHIN 90 DAYS.

22 SEC. 2759. ALL OF THE FOLLOWING APPLY IF A LOAN REPAYMENT
23 GRANT RECIPIENT IS REQUIRED TO REPAY HIS OR HER GRANT PROCEEDS
24 UNDER SECTION 2757(5):

25 (A) THE AMOUNT OF INTEREST DUE IS EQUAL TO THE ANNUAL RATE OF
26 RETURN ON THE FUND FOR EACH YEAR FROM THE TIME THE RECIPIENT
27 RECEIVED THE LOAN REPAYMENT GRANT UNTIL THE TIME THE LOAN REPAYMENT

1 GRANT IS REPAID, AS DETERMINED BY THE DEPARTMENT.

2 (B) THE DEPARTMENT MAY BRING SUIT AGAINST ANY GRANT RECIPIENT
3 TO RECOVER THE AMOUNT DUE TO THIS STATE UNDER SECTION 2757(5) FOR
4 THE RECIPIENT'S FAILURE TO COMPLY WITH THE CONDITIONS ON WHICH THE
5 GRANT WAS AWARDED, AS PROVIDED IN THIS ACT AND IN THE GRANT
6 AGREEMENT BETWEEN THE RECIPIENT AND THE DEPARTMENT.

7 (C) THE DEPARTMENT IS AUTHORIZED TO POSTPONE OR FORGIVE THE
8 REPAYMENT OF ALL OR PART OF THE AMOUNT OF THE GRANT THAT A
9 RECIPIENT RECEIVED AND THE INTEREST THAT WOULD OTHERWISE BE DUE
10 UNDER SECTION 2757(5) IF THE RECIPIENT'S FAILURE TO COMPLY WITH THE
11 CONDITIONS ON WHICH THE GRANT WAS AWARDED IS DUE TO CIRCUMSTANCES
12 BEYOND THE RECIPIENT'S CONTROL THAT CAUSED THE RECIPIENT TO BE
13 PHYSICALLY UNABLE TO COMPLY WITH THOSE CONDITIONS, SUCH AS
14 SUFFERING A SEVERE ILLNESS, INJURY, OR OTHER DISABLING CONDITION.

15 SEC. 2761. (1) THE FRONTLINE HEALTH PROVIDER PROGRAM FUND IS
16 CREATED IN THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE
17 MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND,
18 INCLUDING, BUT NOT LIMITED TO, THE PROCEEDS OF LOAN REPAYMENT
19 GRANTS UNDER SECTION 2757(5) AND EARNINGS AND INTEREST FROM FUND
20 INVESTMENTS.

21 (2) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
22 FUND.

23 (3) MONEY IN THE FUND AT THE CLOSE OF A FISCAL YEAR SHALL
24 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

25 (4) THE DEPARTMENT IS THE ADMINISTRATOR OF THE FUND FOR
26 AUDITING PURPOSES.

27 (5) THE DEPARTMENT SHALL ONLY EXPEND MONEY APPROPRIATED FROM

1 THE FUND TO AWARD LOAN REPAYMENT GRANTS UNDER THIS PART.

2 SEC. 2763. (1) IN EACH OF THE 2013-2014, 2014-2015, AND 2015-
3 2016 STATE FISCAL YEARS, THE DEPARTMENT SHALL AWARD NOT MORE THAN
4 \$4,000,000.00 IN GRANTS UNDER THIS PART FROM THE FUND TO NOT MORE
5 THAN 40 RECIPIENTS.

6 (2) BEGINNING IN 2014, THE DEPARTMENT SHALL ANNUALLY PREPARE A
7 REPORT SUMMARIZING THE GRANTS MADE UNDER THIS PART AND THE PROGRESS
8 OF THE FRONTLINE HEALTH PROVIDER PROGRAM AND PROVIDE A COPY OF THE
9 REPORT TO THE CHAIRS OF THE HOUSE AND SENATE APPROPRIATIONS
10 SUBCOMMITTEES FOR THE DEPARTMENT OF COMMUNITY HEALTH.

11 Enacting section 1. This amendatory act does not take effect
12 unless Senate Bill No. ____ or House Bill No. 4136 (request no.
13 00354'13) of the 97th Legislature is enacted into law.