

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TENTH LEGISLATURE
4

5 **Legislative Document**

No. 1939

6
7 S. P. 831 In Senate, February 9, 1982
Approved for introduction by the Legislative Council pursuant to
Joint Rule 26.

8 On Motion of Senator Perkins of Hancock, referred to the Commit-
tee on Appropriations and Financial Affairs and ordered printed. Sent
down for concurrence.

9 MAY M. ROSS, Secretary of the Senate
Presented by Senator Pierce of Kennebec.

Cosponsors: Representative Norton of Biddeford, Representative
Ketover of Portland and Representative Holloway of Edgecomb.

10 STATE OF MAINE
11

12 IN THE YEAR OF OUR LORD
13 NINETEEN HUNDRED AND EIGHTY-TWO
14

15 **AN ACT to Provide Financial Assistance**
16 **to Students of Osteopathic Medicine.**
17

18 Be it enacted by the People of the State of Maine as follows:

19 20 MRSA, c. 327 is enacted to read:

20 CHAPTER 327

21 FINANCIAL ASSISTANCE TO

22 STUDENTS OF OSTEOPATHIC MEDICINE

23 §2951. Short title

24 This chapter may be cited as the "Act to Provide Finan-
25 cial Assistance to Students of Osteopathic Medicine."

26 §2952. Purpose

27 The purpose of this Act is to meet the emergency pres-
28 ently existing resulting from the shortage of osteopathic

1 medical doctors in the less populated areas of the State by
2 increasing the number of practitioners in rural areas
3 through a program of loans for osteopathic medical students.
4 The program will require as a condition of each loan that
5 the student declare his intent to commence his practice of
6 osteopathic medicine after licensure, within one of the
7 areas of the State designated as a shortage area.

8 §2953. Definitions

9 As used in this Act, unless the context otherwise indi-
10 cates, the following terms have the following meanings.

11 1. Loan. "Loan" means a grant of funds to defray the
12 costs incidental to an osteopathic medical education under a
13 contract between the Department of Educational and Cultural
14 Services and an osteopathic medical student requiring either
15 repayment with interest or repayment in services.

16 2. Shortage area. "Shortage area" means a community
17 that has less than the state average of physicians per
18 capita for a given speciality. Shortage areas shall be
19 determined by the Commissioner of Human Services.

20 3. Student. "Student" means a student enrolled at the
21 New England College of Osteopathic Medicine who is a resi-
22 dent of this State.

23 §2954. Authorization to Department of Educational and Cul-
24 tural Services; qualifications

25 1. Authorization for granting of loans. The Depart-
26 ment of Educational and Cultural Services may grant a loan
27 to defray the expenses of the osteopathic medical education
28 of a student deemed qualified by the department to receive
29 the loan, upon such terms and conditions as may be imposed
30 by regulations of the department.

31 2. Limitations. The Department of Educational and
32 Cultural Services shall only receive, pass upon and allow or
33 disallow those applications for loans made by those students
34 enrolled or accepted by the New England College of
35 Osteopathic Medicine who are bona fide citizens and resi-
36 dents of the State, and who declare their intent to practice
37 as osteopathic physicians within designated areas of the
38 State.

39 3. Investigation of applicants. The Department of
40 Educational and Cultural Services shall make a full and
41 careful investigation of the ability, character and qualifi-

1 cations of each applicant and determine his fitness to
2 become a recipient of a student loan. The investigation of
3 each applicant shall include an investigation of the ability
4 of the applicant and his parents or guardians to pay the
5 applicant's expenses for an osteopathic medical education.
6 The department shall give preference to qualified applicants
7 who are unable, or whose parents or guardians are unable, to
8 pay the applicant's expenses in obtaining an osteopathic
9 medical education.

10 §2955. Contract terms; repayment

11 1. Amount; length of time; declaration of
12 intent. Each applicant who is approved for a loan by the
13 Department of Educational and Cultural Services may be
14 granted a loan, in such amounts and for such periods as
15 determined by the department with which to defray his
16 expenses incurred in obtaining an osteopathic medical educa-
17 tion at the New England College of Osteopathic Medicine;
18 providing that the applicant file with the department a dec-
19 laration of his intent to practice his profession as a li-
20 icensed osteopathic physician in areas of the State desig-
21 nated as not being adequately served by osteopathic medical
22 practitioners.

23 2. Amount; interest. The loans may not exceed the
24 necessary expenses incurred while attending an osteopathic
25 medical school or college and shall bear interest at the
26 rate of 9% a year.

27 3. Contract. The loan shall be evidenced by a con-
28 tract between the student and the Department of Educational
29 and Cultural Services acting on behalf of the State. The
30 contract shall provide for the payment by the State of a
31 stated sum or sums covering the costs of an osteopathic med-
32 ical education and shall be conditioned upon the repayment
33 of the loan to the State, together with interest 10 years
34 after the completion of osteopathic medical school and any
35 period of internship or residency required to complete the
36 student's education.

37 4. Repayment after failure to complete education. In
38 the event a loan recipient fails to complete his osteopathic
39 medical education, the department shall establish a period
40 of time, within 10 years of the date the student leaves
41 school, in which the loan must be repaid, with interest.

42 5. Repayment credits. The contract shall provide that
43 the State may forgive 25% of the total amount of the loan,
44 plus any interest for each year that the student practices

1 his profession as a licensed osteopathic physician in areas
2 designated by the department as being shortage areas. In
3 order to qualify for that repayment credit, the student must
4 enter into an agreement to serve in one of these areas for
5 at least 2 years.

6 6. Rules. The department shall adopt rules to imple-
7 ment the provisions of this section. These rules may pro-
8 vide for the repayment of osteopathic medical student loans
9 in annual or other periodic installments.

10 §2956. Contracts; legal assistance; enforcement

11 The general form of the contract shall be prepared and
12 approved by the Attorney General and signed by the student
13 and the designee of the Commissioner of Educational and Cul-
14 tural Services on behalf of the State. The department may
15 sue in its own name for any balance due the State from any
16 student on any such contract.

17 §2957. Fund created; method of payment

18 There is created in the State Treasury the Fund to Pro-
19 vide Financial Assistance to Students of Osteopathic Medi-
20 cine. All money appropriated for loans to osteopathic medi-
21 cal students under this Act shall be credited to that fund,
22 and all payments of principle and interest received by the
23 board shall be deposited with the Treasurer of State to the
24 credit of that fund. Interest earned from investment of the
25 fund shall be credited to the fund. All payments of funds
26 for loans shall be made upon vouchers signed by the Commis-
27 sioner of Educational and Cultural Services.

28 §2958. Cancellation

29 The Department of Educational and Cultural Services may
30 cancel any contract made between it and any student for any
31 reasonable cause deemed sufficient by the department.

32 §2959. Reports

33 The Department of Educational and Cultural Services
34 shall make annual reports to the Governor and to the Legis-
35 lature, prior to each regular session, of its activities,
36 the loans granted, the names and addresses of persons to
37 whom loans were granted, together with a list of names and
38 locations of practice of those students who have completed
39 their education and have become licensed osteopathic phy-
40 sicians in Maine, as a result of the student loan.

