

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
115TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P.
1706, L.D. 2387, Bill, "An Act to Encourage Expansion of Certain
Residency Programs Related to Primary Care Physicians"

Amend the amendment by striking out everything after the
title and before the statement of fact and inserting in its place
the following:

'Amend the bill by striking out all of sections 3 to 6.

Further amend the bill by inserting after section 7 the
following:

'Sec. 8. 20-A MRSA c. 424 is enacted to read:

CHAPTER 424

MEDICAL EDUCATION AND RECRUITMENT

§12101. Definitions

As used in this chapter, unless the context otherwise
indicates, the following terms have the following meanings.

1. Authority. "Authority" means the Finance Authority of
Maine.

2. Chief executive officer. "Chief executive officer"
means the Chief Executive Officer of the Finance Authority of
Maine.

3. Clinical education. "Clinical education" means any
on-location teaching environment ranging from a one-to-one
training between a physician and a medical student to a training
in a health clinic or hospital with or without a residency
program.

2 4. Health professional shortage area. "Health professional
4 shortage area" means an area in the State lacking in medical
 professionals as designated by the Commissioner of Human Services.

6 5. Insufficient veterinary services. "Insufficient
 veterinary services" means an insufficient number of
8 practitioners of veterinary medicine in either a veterinary
10 specialty or a geographic area, as determined by the Commissioner
 of Agriculture, Food and Rural Resources.

12 6. Maine resident. "Maine resident" means a person who has
14 been a resident of the State for a minimum of one year as
 determined by rule of the authority who shall consider:

16 A. Length of residence in Maine for other than tuition
18 purposes;

20 B. Secondary school attended;

22 C. Legal residence of parents;

24 D. Place of voting registration, if registered to vote;

26 E. Place where taxes are paid; and

28 F. Other indicators established by the authority.

30 7. Nonresident tuition. "Nonresident tuition" means
 tuition charged to persons who are not residents in the state
32 where an institution of allopathic or osteopathic medical
 education with which the authority has a contract is located. If
34 the institution makes no distinction between the tuition charged
 resident and nonresident students, then "nonresident tuition"
36 means the tuition charged all students.

38 8. Primary health care. "Primary health care" means the
 practice of general or family medicine, internal medicine,
40 pediatrics, and obstetrics and gynecology.

42 9. Underserved group. "Underserved group" means a
 population group in the State receiving insufficient primary
44 health care, as determined by the Commissioner of Human Services.

46 10. Underserved specialty. "Underserved specialty" means a
 medical specialty in which there are insufficient practitioners
48 either throughout the State or within a designated geographic
 area of the State, as determined by rule of the Commissioner of
50 Human Services.

§12102. Comprehensive programs

The chief executive officer shall administer the comprehensive programs established in this chapter to address the shortage of primary health care professionals in underserved areas of the State. With the assistance of the Advisory Committee on Medical Education, established by Title 5, section 12004-I, subsection 7, the chief executive officer shall plan, evaluate and update the programs to ensure that Maine residents have access to medical education and to primary health care.

§12103. Access to Medical Education Program

1. **Positions.** The Access to Medical Education Program is established under this section. Under this program, the chief executive officer shall secure up to 20 positions annually for Maine students at schools of allopathic or osteopathic medical education up to an aggregate of 80 positions. Five positions are for students of osteopathic medicine and 15 positions are for students of allopathic medicine. If there is an insufficient number of qualified applicants for positions in either discipline, the chief executive officer may increase or decrease the number of positions available in either discipline. The positions are available only to eligible students commencing professional education on or after January 1, 1993.

2. **Application process.** Students shall apply directly to an institution of allopathic or osteopathic medical education with which the authority has a contract to secure positions.

3. **Requirements.** Each student obtaining a position in an institution of allopathic or osteopathic medical education shall enter into an agreement with the authority by which the student agrees during the student's medical education to complete clinical education in rural areas and health professional shortage areas of this State as provided in the contract between the institutions of medical education and the authority.

4. **Repayment of tuition differential.** A student receiving a position secured by the authority shall enter into an agreement with the authority promising to pay back to the authority any amounts expended by the authority that reduce the nonresident tuition to be paid by the student. Such an agreement must be on the same terms and conditions as the agreement required by section 12104.

§12104. Loans for medical education

The Health Professions Loan Program, referred to in this section as the "program," is established and is administered by the authority.

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1. Eligibility. Loans are available to Maine residents pursuing allopathic, osteopathic, optometric, veterinary and dentistry education who meet eligibility criteria, established by rule of the authority, which at a minimum must require:

A. That the student show financial need for a loan; and

B. That priority be given to students:

(1) Who have previously received a loan pursuant to this section and who exhibit financial need as determined by the authority; or

(2) Who are participants in the access to medical education program established in this chapter.

Loans under this section are available only to eligible students on or after January 1, 1993.

2. State contract students. Students who entered into agreements pursuant to section 11804-A and who are otherwise eligible are eligible for a loan under this program. Any amount the authority paid on behalf of a state contract student under section 11804-A that is not directly used to secure a position at a school of medicine is deemed a loan for purposes of determining the maximum loan amount a student may receive under this section.

3. Maximum loan amount. The chief executive officer may establish the maximum loan amount and may provide for a different maximum loan amount for applicants in different categories.

4. Allocation of loan fund. The loan fund must be allocated as follows.

A. Ninety percent of the loan fund designated for loans must be available for students of allopathic medicine and osteopathic medicine.

B. Up to 10% of the loan fund designated for loans is available for Maine residents studying optometry, veterinary and dental medicine.

5. Loan agreement. The student shall enter into a loan agreement that provides for the following.

A. Upon completion of professional education the student shall repay the loan in accordance with the following schedule.

(1) A loan recipient who does not obtain loan forgiveness pursuant to this section shall repay the entire principal portion of the loan plus simple interest at a rate to be determined by rule of the authority. Interest does not begin to accrue until the loan recipient completes medical education, including residency and internship. The authority may establish differing interest rates to encourage loan recipients to practice primary health care medicine in the State.

(2) Primary health care physicians and dentists practicing in a designated health professional shortage area, any physician practicing in an underserved specialty or any physician providing services to a designated underserved group are forgiven the larger of 25% of the original outstanding indebtedness plus any accrued interest or \$7,500 for each year of practice.

(3) Veterinarians providing services to Maine residents with insufficient veterinary services are forgiven the larger of 25% of the original outstanding indebtedness plus any accrued interest or \$7,500 for each year of practice.

(4) Any student electing to complete an entire residency at any family practice residency program in the State is forgiven 50% of the original outstanding indebtedness for each year of practice in a designated health professional shortage area or as a physician practicing in an underserved specialty or as a physician providing services to an underserved group.

B. Loans must be repaid over a term no greater than 10 years, except that the chief executive officer may extend an individual's term as necessary to ensure repayment of the loan. Repayment must commence when the loan recipient completes, withdraws from or otherwise fails to continue medical education.

C. Any loan recipient requesting forgiveness or an interest rate reduction under this section, excluding veterinarians, shall report annually to the Department of Human Services, Office of Rural Health the following:

(1) The number of Medicaid patients served by the loan recipient and the percentage of the loan recipient's overall service provided to Medicaid patients;

(2) The number of instances in which a loan recipient accepted a Medicare assignment and the number of and

2 basis for any rejections during the period of the
3 report; and

4 (3) The amount of time devoted by the loan recipient
5 to practice in a public health clinic during the period
6 of the report.

8 The Department of Human Services, Office of Rural Health and
9 the Finance Authority of Maine shall determine whether the
10 level of service provided by the loan recipient to Medicaid
11 and Medicare patients and in public health clinics was
12 reasonable. If the Office of Rural Health and the Finance
13 Authority of Maine determine that the level of service
14 provided was not reasonable or if the loan recipient fails
15 to provide the report by the date required, the loan
16 recipient is not entitled to any loan forgiveness or
17 interest rate reduction under this section for the year of
18 the report.

20 6. Deferments. Deferments may be granted for causes
21 established by rule of the authority. Interest at a rate to be
22 determined by rule of the authority must be assessed during the
23 deferment. The student's total debt to the authority, including
24 principal and interest, must be repaid either through return
25 service or cash payments. The chief executive officer shall make
26 determinations of deferment on a case-by-case basis. The
27 decision of the chief executive officer is final.

28 **§12105. Nonlapsing fund**

30
31 1. Fund created. A nonlapsing, interest-earning, revolving
32 fund under the jurisdiction of the authority is created to carry
33 out the purposes of this chapter. Any unexpended balance in the
34 fund carries over for continued use under this chapter. The
35 authority may receive, invest and expend, on behalf of the fund,
36 money from gifts, grants, bequests and donations, in addition to
37 money appropriated or allocated by the State. Loan repayments
38 under this chapter or other repayments to the authority must be
39 invested by the authority, as provided by law, with the earned
40 income to be added to the fund. Money received by the authority
41 on behalf of the fund, except interest income, must be used for
42 the designated purpose; interest income may be used for the
43 designated purpose or to pay student financial assistance
44 administrative costs incurred by the authority.

46 2. Separate account authorized. The authority may divide
47 the fund into separate accounts it determines necessary or
48 convenient for implementing this chapter, including, but not
49 limited to, accounts reserved for the purchase of positions and
50 accounts reserved for loans.

2 3. Allocation of repayments. The authority may allocate a
4 portion of the annual loan repayments for the purpose of
6 recruiting primary health care physicians for designated health
8 professional shortage areas. That portion may be used:

10 A. To generate additional matching funds for recruitment of
12 physicians for designated health professional shortage
14 areas; or

16 B. In accordance with criteria established by the
18 authority, to encourage primary health care physicians to
20 practice medicine in health professional shortage areas.

22 §12106. Advisory Committee on Medical Education

24 1. Committee. The Advisory Committee on Medical Education,
26 established pursuant to Title 5, section 12004-I, subsection 7,
28 shall assist the chief executive officer in evaluating and
30 improving the programs established by this chapter.

32 2. Members. The Advisory Committee on Medical Education
34 consists of the following 21 members:

36 A. Ten members appointed by the chief executive officer and
38 subject to approval by the joint standing committee of the
40 Legislature having jurisdiction over education matters. Of
42 these members:

44 (1) One must be a representative of a major statewide
46 agency representing allopathic physicians;

48 (2) One must be a representative of a major statewide
50 agency representing osteopathic physicians;

(3) One must be a representative of a major statewide
 agency representing family physicians;

(4) One must be a member of the major statewide agency
 representing hospitals;

(5) One must be a representative of the major
 statewide agency representing community health centers;

(6) One must be a representative of a nonprofit
 hospital medical services organization;

(7) One must be a representative of an association of
 commercial health insurance companies doing business in
 the State;

(8) One must be a representative of a statewide area health education center program; and

(9) Two must be at-large members;

B. The Commissioner of Human Services or the commissioner's designee;

C. The Executive Director of the Maine Health Care Finance Commission or the executive director's designee;

D. Three at-large members from areas of the State lacking reasonable access to health care: one appointed by the Governor; one appointed by the President of the Senate; and one appointed by the Speaker of the House of Representatives, all of whom are subject to approval by the joint standing committee of the Legislature having jurisdiction over education matters; and

E. Six nonvoting members to be appointed by the chief executive officer and subject to approval by the joint standing committee of the Legislature having jurisdiction over education matters. These members must include:

(1) A chief executive of a family practice residency in the State;

(2) A representative of an institution of allopathic medical education at which the authority secures positions for students;

(3) A representative of an institution of osteopathic medical education at which the authority secures positions for students;

(4) A Maine student who has obtained a position secured by the authority at an institution of allopathic medical education;

(5) A Maine student who has obtained a position secured by the authority at an institution of osteopathic medical education;

(6) A representative of a major teaching hospital in the State.

3. Vacancies. In the case of vacancies or resignations, appointments must be made as for a new member to fill the vacancies until the expiration of the terms.

2 4. Terms. The terms of office for all appointees is 2
4 years.

6 §12107. Rules

8 The authority shall establish rules necessary to implement
10 this chapter. The Commissioner of Human Services shall develop
12 rules for determining health professional shortage areas for the
14 practice of primary health care medicine and dentistry, for
16 determining the reasonableness of the service provided by loan
18 recipients to Medicaid and Medicare patients and participation by
 loan recipients in public health clinics, for determining
 underserved groups and for determining underserved specialties.
 The Commissioner of Agriculture, Food and Rural Resources shall
 develop rules for the determination of insufficient veterinary
 services. The rules authorized by this section must be adopted
 in accordance with Title 5, chapter 375, subchapter II.

20 Further amend the bill by striking out all of section 11 and
22 inserting in its place the following:

24 'Sec. 11. 22 MRSA §396-R is enacted to read:

26 §396-R. Approval of primary care resident spaces

28 The commission, after seeking advice from the Advisory
30 Committee on Medical Education described in Title 20-A, section
32 12106, shall approve the addition of a primary care resident
34 space by a hospital if the commission finds that the additional
 space is consistent with the comprehensive programs developed by
 the Finance Authority of Maine under Title 20-A, chapter 424 or,
 in the absence of any such comprehensive programs, with the
 orderly development of primary care training and recruitment
 programs in the State.'

36 Further amend the bill by renumbering the sections to read
38 consecutively.

40 Further amend the bill by inserting at the end before the
42 statement of fact the following:

44 **'FISCAL NOTE**

46 The changes proposed in the medical education programs
48 administered by the Finance Authority of Maine will allow greater
 flexibility to the authority to operate these programs within
 existing resources. The authority can absorb any additional
 program administration costs and the costs associated with new

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loan forgiveness and interest rate reduction provisions, as well
as the costs of the request for proposals process and rulemaking
within existing resources.

Any diversion of funds from contracts for medical school
positions used to promote improvements in the curricula of
primary care residency programs, as proposed in the bill, will
not significantly affect future General Fund appropriations to
the Finance Authority of Maine. No surplus funds are currently
available.

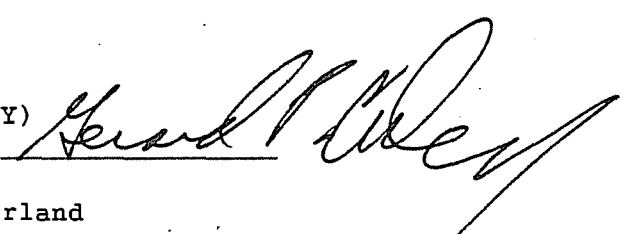
The Department of Agriculture, Food and Rural Resources will
incur some minor additional administrative costs to develop rules
for the determination of inadequate veterinary services. These
costs can be absorbed within the department's existing budgeted
resources.

The Department of Human Services will incur some minor
additional administrative costs to develop rules to determine
health professional shortage areas and to make determinations,
with the Authority, on new loan forgiveness and interest rate
reduction provisions. These costs can be absorbed within the
department's existing budgeted resources.

The Maine Health Care Finance Commission will incur some
minor additional administrative costs to approve the
establishment of new primary care resident spaces by Maine
hospitals. These costs can be absorbed within the commission's
existing budgeted resources.' '

STATEMENT OF FACT

This amendment replaces the original committee amendment.
This amendment proposes language identical to that proposed in
section 10 of L.D. 2408, "An Act to Implement the Recommendations
of the Advisory Committee on Medical Education," as amended, in
order to make the 2 bills consistent. It makes other technical
changes to the original bill to make it consistent with L.D.
2408, as amended. This amendment also replaces the fiscal note
with a new one that reflects the combined fiscal impact of both
bills.

(Senator CONLEY)
SPONSORED BY: 

COUNTY: Cumberland

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