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**CS FOR HOUSE BILL NO. 204( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES DAHLSTROM, Kerttula

**A BILL****FOR AN ACT ENTITLED**

1 "An Act increasing the number of students pursuing a medical education who are  
2 provided postsecondary educational services and programs; providing student loan  
3 forgiveness for residents who received a medical education degree under an agreement  
4 with the Alaska Commission on Postsecondary Education and who provide medical  
5 services in a qualified practice in the state; and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* **Section 1.** AS 14.42.033 is amended to read:

8 **Sec. 14.42.033. Agreements for medical education.** The commission shall  
9 enter into agreements with government or postsecondary education officials of this  
10 state or other states to provide postsecondary educational services and programs to  
11 Alaska residents pursuing a medical education degree sufficient to accommodate 24  
12 [AT LEAST 20] new program participants each year. An agreement with another state  
13 must be limited to services and programs that are unavailable in Alaska. The

commission shall require a person participating in a medical education program offered under this section to agree to the repayment condition imposed under AS 14.43.510.

\* Sec. 2. AS 14.43.510(b) is amended to read:

(b) If a program participant under (a) of this section has graduated from the medical education program for which the financial support was received and is employed in the state in the field for which the person received the financial support, including employment in the state in a medical residency program, the repayment obligation shall be forgiven and considered a grant in an amount equal to the following percentages plus accrued interest:

(1) for employment in rural areas of or for services provided in a qualified practice in the state,

(A) one year employment or practice, 33 1/3 percent;

(B) two years employment or practice, an additional 33 1/3 percent;

(C) three years employment or practice, an additional 33 1/3 percent;

(2) for employment or practice in [AREAS OF] the state that does not qualify under (1) of this subsection [ARE NOT RURAL],

(A) one year employment, 20 percent;

(B) two years employment, an additional 20 percent;

(C) three years employment, an additional 20 percent;

(D) four years employment, an additional 20 percent;

(E) five years employment, an additional 20 percent.

\* Sec. 3. AS 14.43.510(e) is amended to read:

(e) Except as provided in (j) of this section, for [FOR] purposes of qualifying for forgiveness under this section, a person must be a full-time employee or practitioner for a period of at least six months in order to qualify for a prorated forgiveness benefit. In this subsection, "full-time employee" does not include seasonal or temporary employment.

\* Sec. 4. AS 14.43.510(i) is amended to read:

(i) In this section,

**(1) "qualified practice" means a health care office, clinic, or other facility in which medical services are provided by a physician who received a medical education under an agreement provided under AS 14.42.033 that**

**(A) can demonstrate that patients who are uninsured or who are covered under Medicare or medical assistance constitute a significant percentage of the total number of patients it serves, and that it openly advertises itself as serving these patients; or**

**(B) is located in a medically underserved area of the state as determined by the commissioner of health and social services;**

**(2) "rural"** means a community with a population of 7,500 or less that is not connected by road or rail to Anchorage or Fairbanks or with a population of 3,500 or less that is connected by road or rail to Anchorage or Fairbanks.

\* **Sec. 5.** AS 14.43.510 is amended by adding a new subsection to read:

(j) The Department of Health and Social Services may establish in regulation standards for a qualified practice that provides services under (b)(1) of this section. The standards must

(1) define "medically underserved area"; and

(2) specify what constitutes a "significant percentage" of patients for purposes of qualifying a practice for loan forgiveness under (i)(1)(A) of this section.

\* **Sec. 6.** This Act takes effect July 1, 2010.