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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

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

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

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

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

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

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

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

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

20 (A) one year employment, 20 percent;

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

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

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

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

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

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

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

1 (i) In this section,

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

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

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

11 **(2) "rural" means a community with a population of 7,500 or less that**
12 **is not connected by road or rail to Anchorage or Fairbanks or with a population of**
13 **3,500 or less that is connected by road or rail to Anchorage or Fairbanks.**

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

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

18 (1) define "medically underserved area"; and

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

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