

House Bill 998 (AS PASSED HOUSE AND SENATE)

By: Representatives Hatchett of the 150th, Parrish of the 158th, Cooper of the 43rd, Watson of the 166th, Nimmer of the 178th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 6 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia
2 Annotated, relating to medical scholarships, so as to revise provisions relating to medical
3 scholarships and loans; to revise provisions relating to the areas to be served as a condition
4 of receiving a scholarship or loan; to revise provisions relating to immediate liability for
5 repayment; to repeal a population act provision; to revise legislative purpose; to provide for
6 related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Part 6 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
10 relating to medical scholarships, is amended by revising Code Section 20-3-512, relating to
11 powers of the Georgia Board for Physician Workforce as to medical student loans and
12 scholarships, as follows:

13 "20-3-512.

14 (a) It shall be the duty of the board to receive and pass upon, allow or disallow all
15 applications for loans made to or scholarships given to students who are bona fide citizens
16 and residents of the State of Georgia and who desire to become doctors of medicine and
17 who are acceptable for enrollment in an accredited ~~four-year~~ medical school in the United
18 States which has received accreditation or provisional accreditation by the Liaison
19 Committee on Medical Education ~~of the American Medical Association~~ or the Bureau of
20 Professional Education of the American Osteopathic Association for a program in medical
21 education designed to qualify the graduate for licensure by the Georgia Composite Medical
22 Board. The purpose of such loans shall be to enable such applicants to obtain a standard
23 four-year medical education from a medical school in the United States which has received
24 accreditation or provisional accreditation by the Liaison Committee on Medical Education
25 or the Bureau of Professional Education of the American Osteopathic Association which
26 will qualify them to become licensed to practice medicine in the State of Georgia. It shall

27 be the duty of the board to make a careful and full investigation of the ability, character,
 28 and qualifications of each applicant and determine the applicant's fitness to become the
 29 recipient of such loan or scholarship, and for ~~that~~ such purpose the board may propound
 30 such examination to each applicant which it deems proper. The board may also prescribe
 31 such rules and regulations as it deems necessary and proper to carry out the purpose and
 32 intention of this part. The investigation of the applicant shall include an investigation of
 33 the ability of the applicant, and of the parents of such applicant, to pay his or her own
 34 tuition at such medical school, and the board in granting such loans and scholarships shall
 35 give preference to qualified applicants who, and whose parents, are unable to pay the
 36 applicant's tuition at such a medical school.

37 (b) The board shall have authority to grant to each applicant deemed by the board to be
 38 qualified to receive the same a loan or scholarship on a one-year renewable basis for the
 39 purpose of acquiring a ~~standard four-year~~ medical education from a medical school in the
 40 United States which has received accreditation or provisional accreditation by the Liaison
 41 Committee on Medical Education or the Bureau of Professional Education of the American
 42 Osteopathic Association, upon such terms and conditions as in the judgment of the board
 43 may be necessary or desirable. The board is authorized to consider, among other criteria,
 44 the home area of the student and the likelihood, if determinable, that the student will
 45 practice medicine in an area of this state which may entitle the student to repay the loan
 46 through services rendered as provided in this part."

47 **SECTION 2.**

48 Said part is further amended by repealing and reenacting Code Section 20-3-513, relating to
 49 determination of amount by board, terms and conditions, and repayment in services, as
 50 follows:

51 "20-3-513.

52 Students whose applications are approved shall receive a loan or scholarship in an amount
 53 to be determined by the board to defray the tuition and other expenses of the applicant in
 54 an accredited medical school in the United States which has received accreditation or
 55 provisional accreditation by the Liaison Committee on Medical Education or the Bureau
 56 of Professional Education of the American Osteopathic Association for a program in
 57 medical education designed to qualify the graduate for licensure by the Georgia Composite
 58 Medical Board. The loans and scholarships shall be paid in such manner as the Georgia
 59 Board for Physician Workforce shall determine and may be prorated so as to pay to the
 60 medical college or school to which any applicant is admitted such funds as are required by
 61 such college or school with the balance being paid directly to the applicant; all of which
 62 shall be under such terms and conditions as may be provided under rules and regulations

63 of the board. The loans or scholarships to be granted to each applicant shall be based
 64 upon the condition that the full amount of the loans or scholarships shall be repaid to the
 65 State of Georgia in services to be rendered by the applicant by practicing his or her
 66 profession in an area of this state which is rural and underserved by primary care
 67 physicians as determined by the board, in a regional area of this state composed of rural
 68 counties where an unmet need for certain primary care and other critical need specialty
 69 physicians exists as determined by the board and approved by the commissioners of
 70 community health and public health, or at any hospital or facility operated by or under
 71 the jurisdiction of the Department of Public Health, the Department of Behavioral Health
 72 and Developmental Disabilities, the Department of Corrections, or the Department of
 73 Juvenile Justice. For each year of practicing his or her profession in such board approved
 74 location, the applicant shall receive credit for the amount of the scholarship received
 75 during any one year in medical school, with the interest due on such amount."

76

SECTION 3.

77 Said part is further amended by revising Code Section 20-3-514, relating to contract
 78 provisions for loan or scholarship, as follows:

79 "20-3-514.

80 (a) Each applicant before being granted a loan or scholarship shall enter into a contract
 81 with the State of Georgia agreeing to the terms and conditions upon which the loan or
 82 scholarship is granted, including such terms and provisions as will carry out the full
 83 purpose and intent of this part. The form of such contract shall be prepared and approved
 84 by the Attorney General, and each contract shall be signed by the chairperson of the board,
 85 countersigned by the executive director of the board, and shall be signed by the applicant.
 86 For the purposes of this part, the disabilities of minority of all applicants granted loans or
 87 scholarships pursuant to this part are removed, and ~~the said~~ such applicants are declared
 88 to be of full lawful age for the purpose of entering into the contract provided for in this
 89 Code section; and such contract so executed by an applicant is declared to be a valid and
 90 binding contract the same as though ~~the said~~ such applicant were of the full age of majority.
 91 The board is vested with full and complete authority to bring an action in its own name
 92 against any applicant for any balance due the board on any such contract.

93 (b) An applicant who has entered into a loan or scholarship contract with the board and
 94 who:

- 95 (1) Is dismissed for either academic or disciplinary reasons from the college or school
 96 of medicine he or she is attending; ~~or~~
 97 (2) Voluntarily terminates his or her training and education in ~~that~~ such institution for
 98 any reason prior to completion of training; ~~or~~

99 (3) Is unable to obtain licensure from the Georgia Composite Medical Board to practice
 100 medicine
 101 shall be immediately liable to the board for all sums advanced with interest at the minimum
 102 rate of 12 percent per annum from the date of each payment by the board and compounded
 103 annually to the date the scholarship or loan is paid in full; provided, however, that the
 104 board may consent or agree to a lesser measure of damages for compelling reasons as
 105 determined by the board. The board is authorized to increase annually ~~said~~ such rate of
 106 interest due on loans granted to new recipients; provided, however, that the increased rate
 107 of interest shall not exceed by more than 2 percent the prime rate published by the Board
 108 of Governors of the Federal Reserve System and in effect at the time of the increase.

109 (c) An applicant who has entered into a loan or scholarship contract with the board and
 110 who breaches ~~that~~ such contract by either failing to begin or failing to complete his or her
 111 service obligation under such loan or scholarship contract or who fails to obtain licensure
 112 from the Georgia Composite Medical Board to practice medicine shall be immediately
 113 liable to the board for three times the total uncredited amount of all such scholarship or
 114 loan payments paid to the applicant, such uncredited sums to be prorated on a monthly
 115 basis respecting the applicant's actual service and total service obligation. The board may
 116 consent or agree to a lesser measure of damages for compelling reasons as determined by
 117 the board.

118 (d) The board shall have the authority to cancel the loan or scholarship contract of any
 119 applicant at any time for any cause deemed sufficient by the board, provided that such
 120 authority may not be arbitrarily or unreasonably exercised. Upon such cancellation by the
 121 board, the total uncredited amount of the scholarship paid to the applicant shall at once
 122 become due and payable to the board in cash with interest at the minimum rate of 12
 123 percent per annum from the date of each payment by the board and compounded annually
 124 to the date the scholarship or loan is paid in full. The board is authorized to increase
 125 annually such rate of interest, subject to the limitations set forth in subsection (b) of this
 126 Code section."

127 **SECTION 4.**

128 Said part is further amended by revising Code Section 20-3-518, relating to legislative
 129 purpose, as follows:

130 "20-3-518.

131 It is the purpose and intent of this part to bring about an adequate supply of persons
 132 licensed to practice medicine in the more sparsely populated areas of the State of Georgia
 133 by increasing the number of medical students from Georgia in with scholarships awarded
 134 by the board pursuant to this part attending the various medical schools and inducing a

135 sufficient number of the graduates from medical schools to return to Georgia and practice
136 their profession in rural and underserved areas, thus affording adequate medical care to the
137 people of Georgia."

138 **SECTION 5.**

139 All laws and parts of laws in conflict with this Act are repealed.