

1 SB206
2 173630-1
3 By Senators Melson, Reed, Pittman, Bussman, Dial, Holley and
4 Marsh
5 RFD: Finance and Taxation Education
6 First Read: 11-FEB-16

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8 SYNOPSIS: This bill would create the Alabama
9 Physician's Assistants Service Program, to be
10 administered by the Board of Medical Scholarship
11 Awards, and would provide for the funding of the
12 Program by the Education Trust Fund. This bill
13 would also provide a state income tax credit for
14 participants in the Program.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

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20 To create the Alabama Physician's Assistants Service
21 Program; to establish and describe the program, to be
22 administered by the Board of Medical Scholarship Awards; to
23 provide that the program will be funded by direct
24 appropriation from the Education Trust Fund; to provide
25 definitions; to outline the procedure for the Board to award
26 loans and require loan repayment through work in medically
27 underserved areas, called areas of critical need; to define

1 areas of critical need; to establish provisions for default or
2 other failure to honor loan-repayment contracts between
3 participants and the Board; to provide a state income-tax
4 credit for participants; and to further provide requirements
5 and powers of the Board for operating the program.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. For the purposes of this act, the
8 following words shall have the following meanings, unless the
9 context clearly indicates otherwise:

10 (1) AREA OF CRITICAL NEED. An area with a critical
11 need for more physician's assistants, as determined by the
12 Board, where participants may work to repay loans received
13 under the Program.

14 (2) BOARD. The Alabama Board of Medical Scholarship
15 Awards created in Section 16-47-121, Code of Alabama 1975.

16 (3) PARTICIPANT. Any person awarded a loan under
17 the Program.

18 (4) PROGRAM. The Alabama Physician's Assistants
19 Service Program.

20 Section 2. There is hereby created and established
21 the Alabama Physician's Assistant Service Program. The program
22 shall be administered by the Board of Medical Scholarship
23 Awards created in Section 16-47-121, Code of Alabama 1975. The
24 Program shall be funded by direct appropriation from the
25 Education Trust Fund.

26 Section 3. (a) The Board shall establish and award,
27 according to the judgment of the Board, loans to provide for

1 the training of qualified applicants for admission or students
2 in any accredited master's degree program for physician
3 assistant studies at a medical school or college. The Board
4 may permit eligible people to apply for a loan under the
5 Alabama Physician's Assistants Service Program in any
6 scholastic year and for any previously completed scholastic
7 year. The Board's awarding of loans shall be done after
8 consultation with the physician's assistant advisory committee
9 of the Alabama Board of Medical Examiners.

10 (b) The Board may award to an eligible person a loan
11 or loans totaling in value as much as the average in-state
12 tuition and required fees charged at public institutions in
13 Alabama for completing on time a master's degree program for
14 physician assistant studies. But a loan or loans may be
15 awarded only to people who have signed contracts with the
16 Board to work following graduation in full-time clinical
17 practice for three years as licensed physician's assistants in
18 areas of critical need.

19 (c) Each participant's loan or loans shall be repaid
20 by the participant fulfilling the terms of the contract he or
21 she signed with the Board for work in an area of critical need
22 for three years.

23 (d) The Board shall make a careful and thorough
24 investigation of the ability, character and qualifications of
25 each applicant, and award a loan or loans according to the
26 judgment of the board and the requirements of this act.

1 (e) A participant, subject to approval by the Board,
2 may change the area of critical need where he or she will work
3 to repay loans under this Program, but in no case shall the
4 participant work in full-time practice for less than three
5 years in a new area of critical need.

6 Section 4. An area of critical need shall be in
7 Alabama and shall be a medically underserved area as defined
8 by the Board. The Board shall give preference in awarding
9 loans to applicants who agree to repay their loans by working
10 in an area of critical need that is within a primary-care
11 health professional shortage area (HPSA) for a geographic
12 area, recognized by the Health Resources and Services
13 Administration, or its successor organization, and by the
14 Alabama Office of Primary Care and Rural Health, or its
15 successor organization.

16 Section 5. (a) If a participant defaults on or
17 otherwise fails to honor a loan-repayment contract with the
18 Board, the individual shall be liable for immediate repayment
19 of the total principal loan amount plus interest at the rate
20 of 8 percent, or the prime lending rate, whichever is greater,
21 accruing from the date of default or other failure to honor
22 the contract. In addition, the participant shall pay an
23 additional penalty as specified:

24 (1) For default or other failure to honor a contract
25 before graduation with a master's degree in physician
26 assistant studies, a penalty equal to 30 percent of the total

1 principal amount of the loan or loans received by the
2 participant.

3 (2) For default or other failure to honor a contract
4 after graduation with a master's degree in physician assistant
5 studies but prior to completion of the repayment obligation
6 set forth in Section 3, a penalty equal to 100 percent of the
7 total principal amount of all loans received by the
8 participant from the Program.

9 (b) The failure of a participant to honor his or her
10 contract with the Board or to pay the amount he or she is
11 liable for under this section shall constitute a ground for
12 the revocation of his or her license to work as a physician's
13 assistant in Alabama.

14 (c) The Board may excuse repayment of a loan, in
15 whole or in part, upon the death of a participant, or upon the
16 participant becoming disabled to the extent that he or she is
17 no longer able to work as a physician's assistant, or upon
18 some other extreme hardship not the fault of the participant.

19 Section 6. (a) The Board annually shall report on
20 the condition and accomplishments of the Program to the
21 Governor, lieutenant governor, speaker of the House, president
22 pro-tem of the Senate and the chairs of the House and Senate
23 health committees. The report shall include for the reporting
24 year the locations where participants agreed to serve or where
25 they were serving to repay loans. The report also shall
26 outline the finances of the program.

1 (b) The Board shall make reasonable rules and
2 regulations to implement and administer the Program.

3 (c) The Board shall use any monies it receives from
4 or for the operation of the Program, including repayments,
5 interest and penalties paid because of default or other
6 failure to honor a contract, to fund loans.

7 Section 7. A participant working in full-time
8 clinical practice in an area of critical need to repay a loan
9 or loans from the Program shall be allowed a credit against
10 the tax imposed by Section 40-18-2 in the sum of \$5,000 per
11 tax year. After a participant has repaid his or her loan
12 through work in an area of critical need, he or she may
13 continue to claim the tax credit as long as he or she
14 continues to work in full-time clinical practice in the same
15 area of critical need, except that the tax credit may not be
16 used in more than 10 total tax years. The Department of
17 Revenue shall promulgate any rules and regulations necessary
18 to implement and administer the provisions of this section.

19 Section 8. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.