

Regular Session, 2011

SENATE BILL NO. 178

BY SENATOR HEITMEIER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MEDICAID. Creates a fund for the purpose of funding the out-of-state tuition of certain students enrolled in certain medical education programs when such medical education programs are not offered in Louisiana. (gov sig)

1 AN ACT

2 To enact Part XL-A of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, to

3 be comprised of R.S. 40:1300.8.1 through 1300.8.2, relative to a scholarship or loan

4 program for certain students who enroll in certain out-of-state medical education

5 programs which are not offered in the state; to provide for the creation and uses of

6 a medical and Allied Health Professional Education Scholarship and Loan Fund; to

7 provide for administration of the fund; to provide for qualifications and requirements

8 of the applicants for the scholarship or loan; to provide for rules and regulations; and

9 to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Part XL-A of Chapter 5 of Title 40 of the Louisiana Revised Statutes of

12 1950, comprised of R.S. 40:1300.8.1 through 1300.8.2, is hereby enacted to read as follows:

13 **PART XL-A. MEDICAL AND ALLIED HEALTH**

14 **PROFESSIONAL EDUCATION SCHOLARSHIP AND LOAN PROGRAM**

15 **§1300.8.1. Scholarship and loan program**

16 **A. It is the intent of the legislature to insure that there are an adequate**

17 **number of health care providers who practice in the state in areas of medicine**

1 for which there are no associated medical educational programs offered in the
2 state.

3 B. The Board of Regents is hereby authorized to develop and administer
4 through the promulgation of rules and regulations, pursuant to the
5 Administrative Procedure Act, the Medical and Allied Health Professional
6 Education Scholarship and Loan Program for students who choose to pursue
7 certain out-of-state medical education because similar medical education
8 programs are not offered in the state. The Board of Regents shall provide for
9 the qualifications of the students and for the medical education programs to
10 include in the program. The Board of Regents shall require that all recipients
11 of scholarship or loan funds, pursuant to this program, agree in writing to
12 return to the state to practice for a minimum of one and one-half years for each
13 year the scholarship or loan is received and to maintain enrollment as a
14 Medicaid provider during their service.

15 C. The Board of Regents is hereby authorized to enter agreements with
16 a public trust and public corporation duly organized pursuant to R.S. 9:2341
17 et seq., having for its beneficiary the state for the purpose of administering and
18 providing for a loan program to provide low interest loans to students seeking
19 medical education for which there are no associated medical educational
20 programs offered in the state. Notwithstanding any provision of law to the
21 contrary, the public trust and public corporation duly organized pursuant to
22 R.S. 9:2341 et seq., having for its beneficiary the state, may issue bonds, notes,
23 or other obligations to the public and others for the purposes of this Part.

24 D. The Board of Regents may access state, federal, or grant funding
25 made available to the Board of Regents for the purpose of fulfilling the
26 scholarships offered in accordance with this Part.

27 §1300.8.2. Medical and Allied Health Professional Education Scholarship and
28 Loan Fund

29 A. There is hereby created, as a special fund in the state treasury, the

1 **Medical and Allied Health Professional Education Scholarship and Loan Fund,**
2 **hereinafter sometimes referred to as "the fund". The Department of Health**
3 **and Hospitals shall deposit into the state treasury on a quarterly basis at least**
4 **twenty-five percent of all monies, not to exceed two hundred thousand dollars**
5 **in any fiscal year, retained by the Department of Health and Hospitals from**
6 **local intergovernmental transfers which are transferred for the purpose of**
7 **making supplemental payments to physicians.**

8 **B.(1) Notwithstanding any other provision of law, after compliance with**
9 **the requirements of Article VII, Section 9(B) of the Constitution of Louisiana**
10 **relative to the Bond Security and Redemption Fund, and after a sufficient**
11 **amount is allocated from that fund to pay all of the obligations secured by the**
12 **full faith and credit of the state which become due and payable within any fiscal**
13 **year, the treasurer shall deposit into the fund those monies transferred to the**
14 **treasurer from the Department of Health and Hospitals which were generated**
15 **by the Department of Health and Hospitals through the use of any Medicaid**
16 **upper payment limit financing mechanism created or maintained for**
17 **physicians.**

18 **(2) The monies in this fund shall be used solely for the provision of the**
19 **Medical and Allied Health Professional Education and Loan Scholarship**
20 **Program as provided for by this Part and only in the amounts appropriated by**
21 **the legislature. All unexpended and unencumbered monies in the fund at the**
22 **end of the fiscal year shall remain in the fund. The monies in the fund shall be**
23 **invested by the state treasurer in the same manner as monies in the state**
24 **general fund, and interest earned on the investment of these monies shall be**
25 **credited to the fund following compliance with the requirements of Article VII,**
26 **Section 9(B) relative to the Bond Security and Redemption Fund.**

27 Section 2. This Act shall become effective upon signature by the governor or, if not
28 signed by the governor, upon expiration of the time for bills to become law without signature
29 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Greg Waddell.

DIGEST

Heitmeier (SB 178)

Proposed law creates the Medical and Allied Health Professional Education Scholarship and Loan Program to be created and administered by the Board of Regents.

Proposed law provides that the Board of Regents shall require that all recipients of scholarship or loan funds, pursuant to this program, agree in writing to return to the state to practice for a minimum of one and one-half years for each year receiving the scholarship and to maintain enrollment in the Medicaid program during their service.

Proposed law provides that the Board of Regents may access state, federal, or grant funding made available to the department for the purpose of fulfilling the scholarships or loans offered in accordance with the provisions of proposed law.

Proposed law authorizes the Board of Regents to enter agreements with a public trust and public corporation duly organized pursuant to present law, having for its beneficiary the state for purpose of administering and providing for a loan program to provide low interest loans to students seeking medical education for which there are no associated medical educational programs offered in the state. Proposed law further provides that the public trust and public corporation duly organized pursuant to present law, having for its beneficiary the State, may issue bonds, notes, or other obligations to the public and others for the purposes of proposed law.

Proposed law creates, as a special fund in the state treasury, the Medical and Allied Health Professional Education Scholarship and Loan Fund.

Proposed law provides that the DHH shall deposit into the state treasury an amount no less than 25 percent of the monies, not to exceed two hundred thousand dollars in any fiscal year, retained by the DHH from local intergovernmental transfers which are transferred for the purpose of making supplemental payments to physicians.

Proposed law provides that monies in this fund shall be used solely for the provision of the Medical and Allied Health Professional Education Scholarship and Loan Program as provided for by proposed law and only in the amounts appropriated by the legislature.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 40:1300.8.1 - 1300.8.2)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill.

1. Removes requirement that scholarship and loan recipients maintain an open panel for Medicaid, Medicare, and uninsured patients and replaces it with the requirement that the recipient maintain enrollment as a provider in the Medicaid program.

2. Limits the annual deposit made by the Department of Health and Hospitals to \$200,000.