

SENATE BILL NO. 178

BY SENATOR HEITMEIER AND REPRESENTATIVE KATZ

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

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 ensure that there are an adequate
17 number of health care providers who practice in the state in areas of medicine
18 for which there are no associated medical educational programs offered in the
19 state.

20 B. The Board of Regents is hereby authorized to develop and administer
21 through the promulgation of rules and regulations, pursuant to the
22 Administrative Procedure Act, the Medical and Allied Health Professional
23 Education Scholarship and Loan Program for students who choose to pursue
24 certain out-of-state medical education because similar medical education
25 programs are not offered in the state. The Board of Regents shall provide for
26 the qualifications of the students and for the medical education programs to be

1 included in the program. The Board of Regents shall require that all recipients
2 of scholarship or loan funds, pursuant to this program, agree in writing to
3 return to the state to practice for a minimum of one and one-half years for each
4 year the scholarship or loan is received and to maintain enrollment as a
5 Medicaid provider during their service.

6 C. The Board of Regents is hereby authorized to enter into agreements
7 with a public trust and public corporation duly organized pursuant to R.S.
8 9:2341 et seq., having for its beneficiary the state for the purpose of
9 administering and providing for a loan program to provide low interest loans
10 to students seeking medical education for which there are no associated medical
11 educational programs offered in the state. Notwithstanding any provision of
12 law to the contrary, the public trust and public corporation duly organized
13 pursuant to R.S. 9:2341 et seq., having for its beneficiary the state, may issue
14 bonds, notes, or other obligations to the public and others for the purposes of
15 this Part.

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

19 §1300.8.2. Medical and Allied Health Professional Education Scholarship and
20 Loan Fund

21 A. There is hereby created, as a special fund in the state treasury, the
22 Medical and Allied Health Professional Education Scholarship and Loan Fund,
23 hereinafter sometimes referred to as "the fund". The Department of Health
24 and Hospitals shall deposit into the state treasury on a quarterly basis at least
25 twenty-five percent of all monies, not to exceed two hundred thousand dollars
26 in any fiscal year, retained by the Department of Health and Hospitals from
27 local intergovernmental transfers which are transferred for the purpose of
28 making supplemental payments to physicians.

29 B.(1) Notwithstanding any other provision of law, after compliance with
30 the requirements of Article VII, Section 9(B) of the Constitution of Louisiana

1 relative to the Bond Security and Redemption Fund, and after a sufficient
 2 amount is allocated from that fund to pay all of the obligations secured by the
 3 full faith and credit of the state which become due and payable within any fiscal
 4 year, the treasurer shall deposit into the fund those monies transferred to the
 5 treasurer from the Department of Health and Hospitals which were generated
 6 by the Department of Health and Hospitals through the use of any Medicaid
 7 upper payment limit financing mechanism created or maintained for
 8 physicians.

9 (2) The monies in this fund shall be used solely for the provision of the
 10 Medical and Allied Health Professional Education and Loan Scholarship
 11 Program as provided for by this Part and only in the amounts appropriated by
 12 the legislature. All unexpended and unencumbered monies in the fund at the
 13 end of the fiscal year shall remain in the fund. The monies in the fund shall be
 14 invested by the state treasurer in the same manner as monies in the state
 15 general fund, and interest earned on the investment of these monies shall be
 16 credited to the fund following compliance with the requirements of Article VII,
 17 Section 9(B) relative to the Bond Security and Redemption Fund.

18 Section 2. This Act shall become effective upon signature by the governor or, if not
 19 signed by the governor, upon expiration of the time for bills to become law without signature
 20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 22 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____