

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.

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AN ACT

To enact Part XL-A of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 40:1300.8.1 through 1300.8.2, relative to a scholarship or loan program for certain students who enroll in certain out-of-state medical education programs which are not offered in the state; to provide for the creation and uses of a medical and Allied Health Professional Education Scholarship and Loan Fund; to provide for administration of the fund; to provide for qualifications and requirements of the applicants for the scholarship or loan; to provide for rules and regulations; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part XL-A of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:1300.8.1 through 1300.8.2, is hereby enacted to read as follows:

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

**PROFESSIONAL EDUCATION SCHOLARSHIP AND LOAN PROGRAM**

**§1300.8.1. Scholarship and loan program**

**A. It is the intent of the legislature to ensure that there are an adequate number of health care providers who practice in the state in areas of medicine for which there are no associated medical educational programs offered in the state.**

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

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_