Session of 2025

HOUSE BILL No. 2374

By Committee on Appropriations

Requested by Representative Francis on behalf of the University of Kansas

2-11

AN ACT relating to healthcare professions; creating a specialty practice student loan program; establishing the specialty medical loan repayment fund; allowing for transfers from the psychiatry medical loan repayment fund and the OBGYN medical loan repayment fund to the specialty medical loan repayment fund; abolishing the psychiatry medical loan repayment fund and the OBGYN medical loan repayment fund; amending K.S.A. 76-384and K.S.A. 2024 Supp. 76-381, 76-382 and 76-385 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) There is hereby established a specialty practice student loan program. Subject to appropriations and the terms set forth in K.S.A. 76-383, and amendments thereto, the university of Kansas school of medicine may enter into medical student loan agreements with undergraduate students who intend to pursue practice in an approved specialty and commit to satisfy obligations to engage in the full-time practice of medicine and surgery in a service commitment area, pursuant to this act.

(b) The chancellor of the university of Kansas has authority to administer the medical specialty student loan program, including discretion to determine workforce needs and allocate which specialties are eligible for the non-primary care allotment of agreements.

(c) The chancellor of the university of Kansas may determine the new specialties to add to approved specialties, as defined in section 2, and amendments thereto, if such specialties are underserved in Kansas and evaluate or update which locations are compliant as service commitment areas based on population, comorbidity, community needs and other relevant data. The university of Kansas school of medicine shall submit a report annually to the senate committee on public health and welfare, senate committee on ways and means, house committee on health and human services and house committee on appropriations relating to any changes made to specialties or compliant service commitment areas.

(d) In any one fiscal year, any unawarded specialty agreements may be used for primary care agreements. Unawarded primary care agreements may not be used for specialty agreements.

Sec. 2. K.S.A. 76-380 is hereby amended to read as follows: 76-380. The provisions of K.S.A. 76-380 through 76-386*, and amendments thereto, and section 1, and amendments thereto,* shall be known and may be cited as the medical student loan act.

Sec. 3. K.S.A. 2024 Supp. 76-381 is hereby amended to read as follows: 76-381. As used in ~~K.S.A. 76-380 through 76-386, and amendments thereto~~ *the medical student loan act*:

(a) "Act" means the medical student loan act;

(b) "approved postgraduate residency training program" means a residency training program in general pediatrics, general internal medicine, family medicine, family practice, emergency medicine, obstetrics and gynecology, general psychiatry, child psychiatry or fellowship training in geriatric medicine*, or any other residency or fellowship training in an approved specialty*;

(c) "service commitment area" means:

(1) Any community within any county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county;

(2) any state medical care facility or institution;

(3) any medical center operated by the veterans administration of the United States;

(4) the university of Kansas school of medicine if serving as full-time faculty as provided in K.S.A. 76-384(c), and amendments thereto; or

(5) any community within Wyandotte county for purposes of any practice obligation under an agreement entered into by a person who is enrolled for the first time after July 1, 2004, in a course of study leading to the medical degree*. "Service commitment area" for approved specialty providers means any community within any county in Kansas, other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte*; ~~and~~

(d) "state medical care facility or institution" includes, but is not limited to, the Kansas state school for the blind, the Kansas state school for the deaf, any institution under the secretary for aging and disability services, as defined in K.S.A. 76-12a01, and amendments thereto, any institution as defined in K.S.A. 38-2302, and amendments thereto, the Kansas soldiers' home, the Kansas veterans' home and any correctional institution under the secretary of corrections, as defined in K.S.A. 75-5202, and amendments thereto, but shall not include any state educational institution under the state board of regents, as defined in K.S.A. 76-711, and amendments thereto, except as specifically provided by statute.

(e) "approved specialty" means gynecology, general psychiatry and any specialty approved by the chancellor of the university of Kansas; and

(f) "primary care" means general pediatrics, general internal medicine, family medicine, family practice and emergency medicine.

Sec. 4. K.S.A. 2024 Supp. 76-382 is hereby amended to read as

follows: 76-382. (a) There is hereby established the medical student loan program at the university of Kansas school of medicine.

(b) Subject to ~~the provisions of appropriation acts~~ *appropriations*, the university of Kansas school of medicine may make medical student loans in accordance with the provisions of the medical student loan act to undergraduate students enrolled in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine who enter into a written medical student loan agreement with the university of Kansas school of medicine in accordance with K.S.A. 76-383, and amendments thereto.

(c) Each medical student loan agreement under the medical student loan act shall provide to the person receiving the loan the payment of all tuition and a stipend for living expenses in an amount of up to $2,000 per month for ~~each month enrolled in such school during a year~~ *a 12-month period*. Subject to the maximum amount, the amount of the monthly stipend shall be determined on an annual basis by the student receiving the loan.

(d) Subject to ~~the provisions of appropriation acts~~ *appropriations*, medical student loan agreements under the medical student loan act may be entered into on an annual basis and shall provide the payment of the amounts specified under subsection (c) for one year unless otherwise terminated before such period of time. Subject to ~~the provisions of appropriation acts~~ *appropriations*, an undergraduate student enrolled in or admitted to the university of Kansas school of medicine in a course of instruction leading to the degree of doctor of medicine may receive a separate loan under the medical student loan act for each separate year the student enters into a written medical student loan agreement with the university of Kansas school of medicine in accordance with K.S.A. 76-383, and amendments thereto. Loans may be awarded retroactively for any academic year that a student has completed successfully at the university of Kansas medical school but for which a loan had not previously been awarded. Retroactive loans shall be in an amount equal to the amount of tuition paid by the student, plus a stipend in an amount not to exceed the maximum amount of the stipend for ~~such academic year multiplied by the number of months for which the student was enrolled at the medical school during such year~~ *the 12-month period*. For each separate year a student receives a loan under the medical student loan act, the student shall engage in the full-time practice of medicine and surgery in an appropriate service commitment area for a period of 12 months unless such obligation is otherwise satisfied as provided in K.S.A. 76-386, and amendments thereto.

(e) Medical student loans shall be awarded on a priority basis as follows: First, to qualified applicants who are Kansas residents at the time

of entry into the university of Kansas school of medicine; and second, to qualified applicants who are not Kansas residents at the time of entry into the university of Kansas school of medicine. As used in this subsection, "Kansas residents" means persons who meet the residence requirements established in K.S.A. 76-729, and amendments thereto.

(f) ~~Subject to appropriations, the university of Kansas school of medicine shall enter into medical student loan agreements with up to 12 individuals who commit to satisfy obligations to engage in the full-time practice of medicine and surgery in a service commitment area by:~~

~~(1) Serving as a full-time faculty member of the university of Kansas school of medicine in general psychiatry or child psychiatry pursuant to K.S.A. 76-384(c), and amendments thereto; or~~

~~(2) performing at least 100 hours per month of on-site mental healthcare pursuant to K.S.A. 76-384(d), and amendments thereto~~.

~~(g) For~~ Any student who has entered into a medical student loan agreement pursuant to the medical student loan act, the university of Kansas school of medicine shall not prohibit or otherwise create any substantial impediment to such student switching between approved postgraduate residency training programs.

Sec. 5. K.S.A. 76-384 is hereby amended to read as follows: 76-384. (a) Upon the selection of a service commitment area for the purposes of satisfying a service obligation under a medical student loan agreement entered into under this act, the person so selecting shall inform the university of Kansas school of medicine of the service commitment area selected.

(b) A person serving in a service commitment area pursuant to any agreement under this act may serve all or part of any commitment in the service commitment area initially selected by such person. If such person moves from one service commitment area to another service commitment area, such person shall notify the university of Kansas school of medicine of such person's change of service commitment area. Service in any such service commitment area shall be deemed to be continuous for the purpose of satisfying any agreement entered into under this act.

(c) A person receiving a medical student loan under this act *in primary care*, may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area if the person serves as a full-time faculty member of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine~~,~~ *or* family practice~~, general psychiatry or child psychiatry~~ and serves two years for each one year of such obligation, or the equivalent thereof on a two-for-one basis, except that, at the time any person commences satisfying such service obligation as a full-time faculty member pursuant to this subsection, the number of persons satisfying service commitments

or service obligations, pursuant to agreements under the medical student loan act, as full-time faculty members pursuant to this subsection shall not exceed the number equal to 25% of the total number of full-time faculty members of the university of Kansas school of medicine in general internal medicine, general pediatrics, family medicine~~,~~ *or* family practice~~, general psychiatry or child psychiatry~~.

(d) A person may satisfy the obligation to engage in the full-time practice of medicine and surgery in a service commitment area by performing at least 100 hours per month of on-site primary care or mental health care at a medical facility operated by a local health department or nonprofit organization in this state serving medically indigent persons or at a community mental health center or at Larned state hospital, Osawatomie state hospital or any facility that provides mental health services and that is operated by a state agency. As used in this subsection, "medically indigent" means a person *who is*:

(1) ~~Who is~~ Unable to secure health care because of inability to pay for all or a part of the costs thereof due to inadequate personal resources, being uninsured, being underinsured, being ineligible for governmental health benefits; or

(2) ~~who is~~ eligible for governmental benefits but is unable to obtain medical services; and "primary care" means general pediatrics, general internal medicine, family medicine and family practice.

Sec. 6. K.S.A. 2024 Supp. 76-385 is hereby amended to read as follows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2) through (6) or in K.S.A. 76-386, and amendments thereto, upon the failure of any person to satisfy the obligation to engage in the full-time practice of medicine and surgery within a service commitment area of this state for the required period of time under any medical student loan agreement entered into under this act, such person shall repay to the university of Kansas school of medicine in accordance with subsection (b) an amount equal to the total of: (A) The amount of money received by such person pursuant to such agreement, or the amount of money determined under rules and regulations of the university of Kansas; plus (B) annual interest at a rate of 15% from the date such money was received.

(2) Any person who fails to apply for and enter an approved postgraduate residency training program shall be required to repay all moneys received pursuant to an agreement entered into for any such medical student loan, plus accumulated interest at an annual rate of 15% and shall commence such repayment in accordance with subsection (b) within 90 days of graduation from the school of medicine or upon termination or completion of a residency training program that does not comply with the provisions of this act, whichever is later.

(3) If at any time a person is failing to satisfy an obligation to engage

in the full-time practice of medicine and surgery in Kansas for the required period of time under an agreement entered into under this act because such person is engaged in the full-time practice of medicine and surgery in a state other than Kansas, or within Kansas in an area that is not a service commitment area or in the practice of medicine and surgery which does not otherwise comply with the agreement entered into under this act, and if such person is subject to or currently making repayments under this section and if such person subsequently commences the practice of medicine and surgery in this state which is in a service commitment area or which otherwise complies with the agreement entered into under this act, the balance of the repayment amount, including interest thereon, from the time of such commencement of practice until the obligation of such person is satisfied, or until the time such person again becomes subject to repayments, shall be waived. All repayment amounts due prior to such commencement of practice, including interest thereon, shall continue to be payable as provided in this section. If subsequent to such commencement of practice, the person fails to satisfy such obligation, the person again shall be subject to repayments, including interest thereon, as otherwise provided in this section.

(4) If, during the time a person is satisfying the service requirement of an agreement entered into under this act, such person desires to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state and remain in satisfaction of such service requirement, such person may make application to the chancellor of the university of Kansas or the designee of the chancellor for permission to engage in less than such full-time practice of medicine and surgery. Upon a finding of exceptional circumstances made by the chancellor of the university of Kansas, or the designee of the chancellor, such person may be authorized to engage in less than the full-time practice of medicine and surgery within a service commitment area of the state for the remaining required period of time under such agreement and for an additional period of time which shall be equal to the length of the originally required period of time multiplied by the decimal fraction which is equal to the reduction of the full-time practice of medicine and surgery to be authorized hereunder, multiplied by two. In any such determination of the period required to be engaged in the less than full-time practice of medicine and surgery, the decimal fraction utilized shall not exceed 0.5 and any person granted permission to engage in less than the full-time practice of medicine and surgery in accordance with the provisions of this paragraph shall be required to engage in at least the half-time practice of medicine and surgery.

(5) Any person who enters but fails to complete an approved postgraduate residency training program, or who enters and completes an

approved postgraduate residency training program but fails to satisfy the obligation to engage in the full-time practice of medicine and surgery within a service commitment area of this state for the required period of time shall be required to repay all money received pursuant to an agreement entered into under this act for any such medical student loan, plus accumulated interest at an annual rate of 15%, and shall commence such repayment in accordance with subsection (b) within 90 days of failure to complete an approved postgraduate residency training program or 90 days of failure to commence qualifying practice, whichever occurs first. Any person who fails to satisfy the obligation to engage in the full-time practice of medicine and surgery in accordance with this section due to active military service of such person or such person's spouse shall not be required to pay the 15% annual interest rate on any moneys received under such agreement.

(6) For any person who entered and completed an approved postgraduate residency training program in obstetrics and gynecology, if during the time such person is satisfying the service requirement of an agreement entered into pursuant to this act, such person is employed by, provides services at or establishes any clinic or facility as such terms are defined in K.S.A. 65-4a01, and amendments thereto, or performs or induces, or attempts to perform or induce, an abortion, except in the case of a medical emergency as defined in K.S.A. 65-6701, and amendments thereto, or in the case of a pregnancy resulting from rape or incest, such person shall be deemed to have failed to complete such person's service requirement and shall be required to repay all money received pursuant to an agreement entered into under this act for any such medical student loan, plus accumulated interest at an annual rate of 15%, and shall commence such repayment in accordance with subsection (b).

(b) For any repayment requirement under this section, the person shall repay an amount totaling the entire amount to be repaid under all such agreements for which such obligations are not satisfied, including all amounts of interest at the rate prescribed. The repayment shall be made in not more than 10 equal annual installment payments.

(c) All installment payments under this section shall commence six months after the date of the action or circumstance that causes the failure of the person to satisfy the obligations of such agreements, as determined by the university of Kansas school of medicine based upon the circumstances of each individual case. In all cases, if an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all amounts of interest at the rate prescribed.

(d) The total repayment obligation imposed under all agreements entered into under this act may be satisfied by the person who entered into

the agreements at any time prior to graduation from the university of Kansas school of medicine by making a single lump-sum payment equal to the total of: (1) The entire amount to be repaid under all such agreements upon failure to satisfy the obligations under such agreements to practice in Kansas; plus (2) all amounts of interest thereon at the rate prescribed to the date of payment.

(e) The university of Kansas school of medicine shall remit all moneys received under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the medical loan repayment fund.

(f) There is hereby created in the state treasury the medical loan repayment fund. All expenditures from the medical loan repayment fund shall be for medical student loans under the medical student loan act and for the expenses of administration of the medical student loan act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or by a person designated by the chancellor, except that expenditures shall not be made from the medical loan repayment fund for medical student loans for medical students who intend to enter and complete an approved postgraduate residency training program in *an approved specialty, including, but not limited to,* obstetrics and gynecology, general psychiatry or child psychiatry. On the effective date of this act, the director of accounts and reports shall transfer all moneys in the medical scholarship and loan repayment fund to the medical loan repayment fund. On the effective date of this act, all liabilities of the medical scholarship and loan repayment fund are hereby imposed on the medical loan repayment fund and the medical scholarship and loan repayment fund is hereby abolished. Whenever the medical scholarship and loan repayment fund, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the medical loan repayment fund. *The chancellor of the university of Kansas may transfer funds from the medical loan repayment fund to the specialty loan repayment fund for the purposes of medical student loans for students in an approved specialty program under the medical student loan act. The chancellor of the university of Kansas shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each certification to the director of legislative research and the director of the budget.*

(g) There is hereby established in the state treasury the ~~psychiatry~~ *specialty* medical loan repayment fund. All moneys credited to the ~~psychiatry~~ *specialty* medical loan repayment fund shall be expended only

for medical student loans for ~~general psychiatry or child psychiatry~~ students *in an approved specialty program* under the medical student loan act and for the expenses of administration of the medical student loan act associated with such students. *If in any one year, not all specialty agreements are awarded, such funds may be used for primary care agreements.* All expenditures from the ~~psychiatry~~ *specialty* medical loan repayment fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or the chancellor's designee. *On July 1, 2025, the director of accounts and reports shall transfer all moneys in the psychiatry medical loan repayment fund and the OBGYN medical loan repayment fund to the specialty medical loan repayment fund. On the effective date of this act, all liabilities of the psychiatry medical loan fund and the OBGYN medical loan repayment fund are hereby transferred to and imposed on the specialty medical loan repayment fund. The psychiatry medical loan repayment fund and the OBGYN medical loan repayment fund are hereby abolished*.

(h) ~~There is hereby established in the state treasury the OBGYN medical loan repayment fund. All moneys credited to the OBGYN medical loan repayment fund shall be expended only for medical student loans for medical students who intend to enter and complete an approved postgraduate residency training program in obstetrics and gynecology under the medical student loan act and for the expenses of administration of the medical student loan act associated with such students. All expenditures from the OBGYN medical loan repayment fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or the chancellor's designee~~.

~~(i)~~ Notwithstanding any other provision of law to the contrary, no moneys shall be transferred from the comprehensive grant program account of the state board of regents to the medical loan repayment fund, the ~~OBGYN~~ *specialty* medical loan repayment fund ~~or the psychiatry medical loan repayment fund~~ or expended for any purposes related thereto.

Sec. 7. K.S.A. 76-380 and 76-384 and K.S.A. 2024 Supp. 76-381, 76-382 and 76-385 are hereby repealed.

Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.