

As Amended by House Committee

Session of 2025

HOUSE BILL No. 2374

By Committee on Appropriations

Requested by Representative Francis on behalf of the University of Kansas

2-11

1 AN ACT relating to healthcare professions; creating a specialty practice
2 student loan program; establishing the specialty medical loan
3 repayment fund; allowing for transfers from the psychiatry medical
4 loan repayment fund and the OBGYN medical loan repayment fund to
5 the specialty medical loan repayment fund; abolishing the psychiatry
6 medical loan repayment fund and the OBGYN medical loan repayment
7 fund; amending K.S.A.~~—76-384~~ and **76-380** and K.S.A.~~—2024~~ **2025**
8 Supp. 76-381, 76-382, **76-384** and 76-385 and repealing the existing
9 sections.

10

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

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

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

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

34 (d) In any one fiscal year, any unawarded specialty agreements may
35 be used for primary care agreements. Unawarded primary care agreements

1 may not be used for specialty agreements.

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

6 Sec. 3. K.S.A. ~~2024 2025~~ Supp. 76-381 is hereby amended to read as
7 follows: 76-381. As used in ~~K.S.A. 76-380 through 76-386, and~~
8 ~~amendments thereto~~ *the medical student loan act*:

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

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

16 (c) "service commitment area" means:

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

19 (2) any state medical care facility or institution;

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

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

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

30 (d) "state medical care facility or institution" includes, but is not
31 limited to, the Kansas state school for the blind, the Kansas state school for
32 the deaf, any institution under the secretary for aging and disability
33 services, as defined in K.S.A. 76-12a01, and amendments thereto, any
34 institution as defined in K.S.A. 38-2302, and amendments thereto, the
35 Kansas soldiers' home, the Kansas veterans' home and any correctional
36 institution under the secretary of corrections, as defined in K.S.A. 75-
37 5202, and amendments thereto, but shall not include any state educational
38 institution under the state board of regents, as defined in K.S.A. 76-711,
39 and amendments thereto, except as specifically provided by statute.

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

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

1 Sec. 4. K.S.A. ~~2024~~ 2025 Supp. 76-382 is hereby amended to read as
2 follows: 76-382. (a) There is hereby established the medical student loan
3 program at the university of Kansas school of medicine.

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

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

19 (d) Subject to ~~the provisions of appropriation acts appropriations~~,
20 medical student loan agreements under the medical student loan act may
21 be entered into on an annual basis and shall provide the payment of the
22 amounts specified under subsection (c) for one year unless otherwise
23 terminated before such period of time. Subject to ~~the provisions of~~
24 ~~appropriation acts appropriations~~, an undergraduate student enrolled in or
25 admitted to the university of Kansas school of medicine in a course of
26 instruction leading to the degree of doctor of medicine may receive a
27 separate loan under the medical student loan act for each separate year the
28 student enters into a written medical student loan agreement with the
29 university of Kansas school of medicine in accordance with K.S.A. 76-
30 383, and amendments thereto. Loans may be awarded retroactively for any
31 academic year that a student has completed successfully at the university
32 of Kansas medical school but for which a loan had not previously been
33 awarded. Retroactive loans shall be in an amount equal to the amount of
34 tuition paid by the student, plus a stipend in an amount not to exceed the
35 maximum amount of the stipend for ~~such academic year multiplied by the~~
36 ~~number of months for which the student was enrolled at the medical~~
37 ~~school during such year the 12-month period~~. For each separate year a
38 student receives a loan under the medical student loan act, the student shall
39 engage in the full-time practice of medicine and surgery in an appropriate
40 service commitment area for a period of 12 months unless such obligation
41 is otherwise satisfied as provided in K.S.A. 76-386, and amendments
42 thereto.

43 (e) Medical student loans shall be awarded on a priority basis as

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

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

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

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

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

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

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

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

1 to this subsection, the number of persons satisfying service commitments
2 or service obligations, pursuant to agreements under the medical student
3 loan act, as full time faculty members pursuant to this subsection shall not
4 exceed the number equal to 25% of the total number of full time faculty
5 members of the university of Kansas school of medicine in general internal
6 medicine, general pediatrics, family medicine, or family practice, general
7 psychiatry or child psychiatry.

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

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

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

24 Sec. 5. K.S.A. 2025 Supp. 76-384 is hereby amended to read as
25 follows: 76-384. (a) Upon the selection of a service commitment area
26 for the purposes of satisfying a service obligation under a medical
27 student loan agreement entered into under this act, the person so
28 selecting shall inform the university of Kansas school of medicine of
29 the service commitment area selected.

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

39 (c) A person receiving a medical student loan under this act, in
40 primary care may satisfy the obligation to engage in the full-time
41 practice of medicine and surgery in a service commitment area if the
42 person serves as a full-time faculty member of the university of
43 Kansas school of medicine in general internal medicine, general

1 pediatrics, family medicine; *or* family practice, general psychiatry or
2 child psychiatry and serves two years for each one year of such
3 obligation, or the equivalent thereof on a two-for-one basis, except
4 that, at the time any person commences satisfying such service
5 obligation as a full-time faculty member pursuant to this subsection,
6 the number of persons satisfying service commitments or service
7 obligations, pursuant to agreements under the medical student loan
8 act, as full-time faculty members pursuant to this subsection shall not
9 exceed the number equal to 25% of the total number of full-time
10 faculty members of the university of Kansas school of medicine in
11 general internal medicine, general pediatrics, family medicine; *or*
12 family practice, general psychiatry or child psychiatry.

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

23 (1) "Medically indigent" means a person who is:
24 (A) Unable to secure healthcare because of inability to pay for all
25 or a part of the costs thereof due to inadequate personal resources,
26 being uninsured, being underinsured, being ineligible for
27 governmental health benefits; or
28 (B) eligible for governmental benefits but is unable to obtain
29 medical services; and
30 (2) "primary care" means general pediatrics, general internal
31 medicine, family medicine and family practice.

32 Sec. 6. K.S.A. 2024 2025 Supp. 76-385 is hereby amended to read as
33 follows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2)
34 through (6) or in K.S.A. 76-386, and amendments thereto, upon the failure
35 of any person to satisfy the obligation to engage in the full-time practice of
36 medicine and surgery within a service commitment area of this state for
37 the required period of time under any medical student loan agreement
38 entered into under this act, such person shall repay to the university of
39 Kansas school of medicine in accordance with subsection (b) an amount
40 equal to the total of: (A) The amount of money received by such person
41 pursuant to such agreement, or the amount of money determined under
42 rules and regulations of the university of Kansas; plus (B) annual interest
43 at a rate of 15% from the date such money was received.

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

9 (3) If at any time a person is failing to satisfy an obligation to engage
10 in the full-time practice of medicine and surgery in Kansas for the required
11 period of time under an agreement entered into under this act because such
12 person is engaged in the full-time practice of medicine and surgery in a
13 state other than Kansas, or within Kansas in an area that is not a service
14 commitment area or in the practice of medicine and surgery which does
15 not otherwise comply with the agreement entered into under this act, and if
16 such person is subject to or currently making repayments under this
17 section and if such person subsequently commences the practice of
18 medicine and surgery in this state which is in a service commitment area
19 or which otherwise complies with the agreement entered into under this
20 act, the balance of the repayment amount, including interest thereon, from
21 the time of such commencement of practice until the obligation of such
22 person is satisfied, or until the time such person again becomes subject to
23 repayments, shall be waived. All repayment amounts due prior to such
24 commencement of practice, including interest thereon, shall continue to be
25 payable as provided in this section. If subsequent to such commencement
26 of practice, the person fails to satisfy such obligation, the person again
27 shall be subject to repayments, including interest thereon, as otherwise
28 provided in this section.

29 (4) If, during the time a person is satisfying the service requirement
30 of an agreement entered into under this act, such person desires to engage
31 in less than the full-time practice of medicine and surgery within a service
32 commitment area of the state and remain in satisfaction of such service
33 requirement, such person may make application to the chancellor of the
34 university of Kansas or the designee of the chancellor for permission to
35 engage in less than such full-time practice of medicine and surgery. Upon
36 a finding of exceptional circumstances made by the chancellor of the
37 university of Kansas, or the designee of the chancellor, such person may
38 be authorized to engage in less than the full-time practice of medicine and
39 surgery within a service commitment area of the state for the remaining
40 required period of time under such agreement and for an additional period
41 of time which shall be equal to the length of the originally required period
42 of time multiplied by the decimal fraction which is equal to the reduction
43 of the full-time practice of medicine and surgery to be authorized

1 hereunder, multiplied by two. In any such determination of the period
2 required to be engaged in the less than full-time practice of medicine and
3 surgery, the decimal fraction utilized shall not exceed 0.5 and any person
4 granted permission to engage in less than the full-time practice of
5 medicine and surgery in accordance with the provisions of this paragraph
6 shall be required to engage in at least the half-time practice of medicine
7 and surgery.

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

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

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

43 (c) All installment payments under this section shall commence six

1 months after the date of the action or circumstance that causes the failure
2 of the person to satisfy the obligations of such agreements, as determined
3 by the university of Kansas school of medicine based upon the
4 circumstances of each individual case. In all cases, if an installment
5 payment becomes 91 days overdue, the entire amount outstanding shall
6 become immediately due and payable, including all amounts of interest at
7 the rate prescribed.

8 (d) The total repayment obligation imposed under all agreements
9 entered into under this act may be satisfied by the person who entered into
10 the agreements at any time prior to graduation from the university of
11 Kansas school of medicine by making a single lump-sum payment equal to
12 the total of: (1) The entire amount to be repaid under all such agreements
13 upon failure to satisfy the obligations under such agreements to practice in
14 Kansas; plus (2) all amounts of interest thereon at the rate prescribed to the
15 date of payment.

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

22 (f) There is hereby created in the state treasury the medical loan
23 repayment fund. All expenditures from the medical loan repayment fund
24 shall be for medical student loans under the medical student loan act and
25 for the expenses of administration of the medical student loan act and shall
26 be made in accordance with appropriation acts upon warrants of the
27 director of accounts and reports issued pursuant to vouchers approved by
28 the chancellor of the university of Kansas or by a person designated by the
29 chancellor, except that expenditures shall not be made from the medical
30 loan repayment fund for medical student loans for medical students who
31 intend to enter and complete an approved postgraduate residency training
32 program in *an approved specialty, including, but not limited to*, obstetrics
33 and gynecology, general psychiatry or child psychiatry. On the effective
34 date of this act, the director of accounts and reports shall transfer all
35 moneys in the medical scholarship and loan repayment fund to the medical
36 loan repayment fund. On the effective date of this act, all liabilities of the
37 medical scholarship and loan repayment fund are hereby imposed on the
38 medical loan repayment fund and the medical scholarship and loan
39 repayment fund is hereby abolished. Whenever the medical scholarship
40 and loan repayment fund, or words of like effect, is referred to or
41 designated by any statute, contract or other document, such reference or
42 designation shall be deemed to apply to the medical loan repayment fund.
43 *The chancellor of the university of Kansas may transfer funds from the*

1 *medical loan repayment fund to the specialty loan repayment fund for the*
2 *purposes of medical student loans for students in an approved specialty*
3 *program under the medical student loan act. The chancellor of the*
4 *university of Kansas shall certify each such transfer to the director of*
5 *accounts and reports and shall transmit a copy of each certification to the*
6 *director of legislative research and the director of the budget.*

7 (g) There is hereby established in the state treasury the ~~psychiatry~~
8 *specialty* medical loan repayment fund. All moneys credited to the ~~psychiatry~~
9 *specialty* medical loan repayment fund shall be expended only
10 for medical student loans for ~~general psychiatry or child psychiatry~~
11 students in an approved specialty program under the medical student loan
12 act and for the expenses of administration of the medical student loan act
13 associated with such students. *If in any one year, not all specialty*
14 *agreements are awarded, such funds may be used for primary care*
15 *agreements.* All expenditures from the ~~psychiatry~~ *specialty* medical loan
16 repayment fund shall be made in accordance with appropriation acts upon
17 warrants of the director of accounts and reports issued pursuant to
18 vouchers approved by the chancellor of the university of Kansas or the
19 chancellor's designee. *On July 1, 2025 2026, the director of accounts and*
20 *reports shall transfer all moneys in the psychiatry medical loan repayment*
21 *fund and the OBGYN medical loan repayment fund to the specialty*
22 *medical loan repayment fund. On the effective date of this act, all*
23 *liabilities of the psychiatry medical loan fund and the OBGYN medical*
24 *loan repayment fund are hereby transferred to and imposed on the*
25 *specialty medical loan repayment fund. The psychiatry medical loan*
26 *repayment fund and the OBGYN medical loan repayment fund are hereby*
27 *abolished.*

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

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

1 Sec. 7. K.S.A. 76-380 and ~~76-384~~ and K.S.A. ~~2024~~ **2025** Supp. 76-
2 381, 76-382, **76-384** and 76-385 are hereby repealed.

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