

# SENATE BILL NO. 555

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

2116S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 191.500, 191.505, 191.510, 191.515, 191.520, 191.525, 191.530, 191.535, 191.540, 191.545, 191.550, and 191.600, RSMo, and to enact in lieu thereof six new sections relating to the health professional loan repayment program.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 191.500, 191.505, 191.510, 191.515, 2 191.520, 191.525, 191.530, 191.535, 191.540, 191.545, 191.550, 3 and 191.600, RSMo, are repealed and six new sections enacted in 4 lieu thereof, to be known as sections 191.500, 191.505, 191.510, 5 191.520, 191.530, and 191.600, to read as follows:

191.500. [As used in sections 191.500 to 191.550, 2 unless the context clearly indicates otherwise, the 3 following terms mean:

4 (1) "Area of defined need", a community or section of 5 an urban area of this state which is certified by the 6 department of health and senior services as being in need of 7 the services of a physician to improve the patient-doctor 8 ratio in the area, to contribute professional physician 9 services to an area of economic impact, or to contribute 10 professional physician services to an area suffering from 11 the effects of a natural disaster;

12 (2) "Department", the department of health and senior 13 services;

14 (3) "Eligible student", a full-time student accepted 15 and enrolled in a formal course of instruction leading to a

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

16 degree of doctor of medicine or doctor of osteopathy,  
17 including psychiatry, at a participating school, or a doctor  
18 of dental surgery, doctor of dental medicine, or a bachelor  
19 of science degree in dental hygiene;

20 (4) "Financial assistance", an amount of money paid by  
21 the state of Missouri to a qualified applicant pursuant to  
22 sections 191.500 to 191.550;

23 (5) "Participating school", an institution of higher  
24 learning within this state which grants the degrees of  
25 doctor of medicine or doctor of osteopathy, and which is  
26 accredited in the appropriate degree program by the American  
27 Medical Association or the American Osteopathic Association,  
28 or a degree program by the American Dental Association or  
29 the American Psychiatric Association, and applicable  
30 residency programs for each degree type and discipline;

31 (6) "Primary care", general or family practice,  
32 internal medicine, pediatric , psychiatric, obstetric and  
33 gynecological care as provided to the general public by  
34 physicians licensed and registered pursuant to chapter 334,  
35 dental practice, or a dental hygienist licensed and  
36 registered pursuant to chapter 332;

37 (7) "Resident", any natural person who has lived in  
38 this state for one or more years for any purpose other than  
39 the attending of an educational institution located within  
40 this state;

41 (8) "Rural area", a town or community within this  
42 state which is not within a standard metropolitan  
43 statistical area, and has a population of six thousand or  
44 fewer inhabitants as determined by the last preceding  
45 federal decennial census or any unincorporated area not  
46 within a standard metropolitan statistical area.] 1. **There**

47 **is hereby established within the department of health and**

48 senior services the "Health Professional Loan Repayment  
49 Program" to provide forgivable loans for the purpose of  
50 repaying existing loans related to applicable educational  
51 expenses for health care, mental health, and public health  
52 professionals. The department of health and senior services  
53 shall be the administrative agency for the implementation of  
54 the program established by this section.

55 2. The department of health and senior services shall  
56 prescribe the form and the time and method of filing  
57 applications and supervise the processing thereof, including  
58 oversight and monitoring of the program, and shall  
59 promulgate rules to implement the provisions of this  
60 section. All rules shall be promulgated pursuant to the  
61 provisions of this section and chapter 536. Any rule or  
62 portion of a rule, as that term is defined in section  
63 536.010, that is created under the authority delegated in  
64 this section shall become effective only if it complies with  
65 and is subject to all of the provisions of chapter 536 and,  
66 if applicable, section 536.028. This section and chapter  
67 536 are nonseverable and if any of the powers vested with  
68 the general assembly pursuant to chapter 536 to review, to  
69 delay the effective date, or to disapprove and annul a rule  
70 are subsequently held unconstitutional, then the grant of  
71 rulemaking authority and any rule proposed or adopted after  
72 August 28, 2023, shall be invalid and void.

73 3. The director of the department of health and senior  
74 services shall have the discretion to determine the health  
75 professionals and practitioners who shall receive a  
76 forgivable health professional loan from the department to  
77 pay an applicant's existing loans. Determinations shall be  
78 made each fiscal year based on evidence associated with the  
79 greatest need in the best interest of the public. The

80 health care, mental health, and public health professionals  
81 or disciplines funded on any given year shall be contingent  
82 upon consultation with the division of workforce development  
83 within the department of economic development and the  
84 department of mental health or their successor agencies.

85 4. The department shall enter into a contract with  
86 each selected applicant who receives a health professional  
87 loan. Each selected applicant shall apply the loan award to  
88 their educational debt. The contract shall detail the  
89 methods of forgiveness associated with a service obligation  
90 and the terms associated with principal and interest  
91 accruing on their loan at the time of the award. The  
92 contract shall contain details concerning how forgiveness is  
93 earned, including when partial forgiveness is earned through  
94 a service obligation and the terms and conditions associated  
95 with repayment of their loans for any obligation not served.

96 5. All loans shall be made from funds appropriated to  
97 the health professional loan incentive fund under section  
98 191.520 by the general assembly.

191.505. [The department of health and senior services  
2 shall be the administrative agency for the implementation of  
3 the program established by sections 191.500 to 191.550. The  
4 department shall promulgate reasonable rules and regulations  
5 for the exercise of its functions in the effectuation of the  
6 purposes of sections 191.500 to 191.550. It shall prescribe  
7 the form and the time and method of filing applications and  
8 supervise the processing thereof.] The department shall  
9 designate counties, communities, or sections of Missouri  
10 areas as areas of defined need for health care, mental  
11 health, and public health services. Designations shall be  
12 made when such county, community, or section of an area has  
13 been designated or determined as a professional shortage

14 area, a shortage area, or a health care, mental health, or  
15 public health professional shortage area by the federal  
16 Department of Health and Human Services or its successor  
17 agency. Designations may be made when a county, community,  
18 or section of an area has been determined by the director of  
19 the department of health and senior services to have an  
20 extraordinary need for health care professional services,  
21 without a corresponding supply of such professionals.

191.510. [The department shall enter into a contract  
2 with each applicant receiving a state loan under sections  
3 191.500 to 191.550 for repayment of the principal and  
4 interest and for forgiveness of a portion thereof for  
5 participation in the service areas as provided in sections  
6 191.500 to 191.550.] 1. The department of health and senior  
7 services shall enter into a contract with each individual  
8 qualifying for repayment of educational loans under sections  
9 191.500 to 191.530. The written contract between the  
10 department and an individual shall contain, but not be  
11 limited to, the following:

12 (1) An agreement that the state agrees to pay loans on  
13 behalf of the individual and the individual agrees to serve  
14 for a time period equal to two years, or a longer period as  
15 the individual may agree to, in an area of defined need as  
16 designated by the department, with such service period to  
17 begin on the date identified on the signed contract;

18 (2) A provision that any financial obligations arising  
19 out of a contract entered into and any obligation of the  
20 individual which is conditioned thereon is contingent upon  
21 funds being appropriated for loan repayments;

22 (3) The area of defined need where the person will  
23 practice;

24 (4) A statement of the damages to which the state is  
25 entitled for the individual's breach of the contract;

26 (5) Such other statements of the rights and  
27 liabilities of the department and of the individual not  
28 inconsistent with this section.

29 2. The department of health and senior services may  
30 stipulate specific practice sites contingent upon department-  
31 generated health care, mental health, and public health  
32 professional need priorities where applicants shall agree to  
33 practice for the duration of their participation in the  
34 program.

191.520. [No loan to any eligible student shall exceed  
2 twenty-five thousand dollars for each academic year, which  
3 shall run from August first of any year through July thirty-  
4 first of the following year. All loans shall be made from  
5 funds appropriated to the medical school loan and loan  
6 repayment program fund created by section 191.600, by the  
7 general assembly.] 1. The "Health Professional Loan

8 Incentive Fund" is hereby created in the state treasury.  
9 All funds recovered from an individual pursuant to section  
10 191.500 and all funds generated by loan repayments and  
11 penalties received pursuant to the section shall be credited  
12 to the fund. The fund shall include moneys appropriated to  
13 it by the general assembly. The moneys in the fund shall be  
14 used by the department of health and senior services to  
15 provide loan repayments pursuant to section 191.500 in  
16 accordance with sections 191.500 to 191.530 and to provide  
17 loans pursuant to sections 191.500 to 191.530.

18 2. The state treasurer shall be custodian of the  
19 fund. In accordance with sections 30.170 and 30.180, the  
20 state treasurer may approve disbursements. Notwithstanding  
21 the provisions of section 33.080 to the contrary, any moneys

22 remaining in the fund at the end of the biennium shall not  
23 revert to the credit of the general revenue fund. The state  
24 treasurer shall invest moneys in the fund in the same manner  
25 as other funds are invested. Any interest and moneys earned  
26 on such investments shall be credited to the fund.

191.530. [Interest at the rate of nine and one-half  
2 percent per year shall be charged on all loans made under  
3 sections 191.500 to 191.550 but one-fourth of the interest  
4 and principal of the total loan at the time of the awarding  
5 of the degree shall be forgiven for each year of  
6 participation by an applicant in the practice of his  
7 profession in a rural area or an area of defined need. The  
8 department shall grant a deferral of interest and principal  
9 payments to a loan recipient who is pursuing an internship  
10 or a residency in primary care. The deferral shall not  
11 exceed three years. The status of each loan recipient  
12 receiving a deferral shall be reviewed annually by the  
13 department to ensure compliance with the intent of this  
14 provision. The loan recipient will repay the loan beginning  
15 with the calendar year following completion of his  
16 internship or his primary care residency in accordance with  
17 the loan contract.] 1. An individual who enters into a  
18 written contract with the department of health and senior  
19 services under section 191.510 who fails to maintain an  
20 acceptable employment status shall be liable to the state  
21 for the amount paid by the department directly to the  
22 individual who entered into the contract.

23 2. Failure to maintain an acceptable employment status  
24 under this section shall include when the contracted  
25 individual involuntarily or voluntarily terminates  
26 qualifying employment, as determined by the department in  
27 rules, or is dismissed from such employment before

28 completion of the contractual service obligation within the  
29 specific timeframe outlined in the contract, or fails to  
30 respond to requests made by the department.

31 3. If an individual breaches the written contract of  
32 the individual by failing either to begin such individual's  
33 contractual service obligation or to complete such service  
34 obligation, the state shall be entitled to recover from the  
35 individual an amount equal to the sum of:

36 (1) The total of the amounts prepaid by the department  
37 on behalf of the individual;

38 (2) The interest on the amounts which would be payable  
39 if at the time the amounts were paid they were loans bearing  
40 interest at the maximum prevailing rate as determined by the  
41 Treasurer of the United States;

42 (3) An amount equal to any damages incurred by the  
43 department as a result of the breach; and

44 (4) Any legal fees or associated costs incurred by the  
45 department or the state of Missouri in the collection of  
46 damages.

191.600. 1. Sections 191.600 to 191.615 establish a  
2 loan repayment program for graduates of approved medical  
3 schools, schools of osteopathic medicine, schools of  
4 dentistry and accredited chiropractic colleges who practice  
5 in areas of defined need and shall be known as the "Health  
6 Professional Student Loan Repayment Program". Sections  
7 191.600 to 191.615 shall apply to graduates of accredited  
8 chiropractic colleges when federal guidelines for  
9 chiropractic shortage areas are developed.

10 2. The "Health Professional Student Loan and Loan  
11 Repayment Program Fund" is hereby created in the state  
12 treasury. All funds recovered from an individual pursuant  
13 to section 191.614 and all funds generated by loan



14 repayments and penalties received pursuant to section  
15 191.540 shall be credited to the fund. The moneys in the  
16 fund shall be used by the department of health and senior  
17 services to provide loan repayments pursuant to section  
18 191.611 in accordance with sections 191.600 to 191.614 [and  
19 to provide loans pursuant to sections 191.500 to 191.550].

2 [191.515. An eligible student may apply to  
3 the department for a loan under sections 191.500  
4 to 191.550 only if, at the time of his  
5 application and throughout the period during  
6 which he receives the loan, he has been formally  
7 accepted as a student in a participating school  
8 in a course of study leading to the degree of  
9 doctor of medicine or doctor of osteopathy,  
10 including psychiatry, or a doctor of dental  
11 surgery, a doctor of dental medicine, or a  
12 bachelor of science degree in dental hygiene,  
and is a resident of this state.]

2 [191.525. No more than twenty-five loans  
3 shall be made to eligible students during the  
4 first academic year this program is in effect.  
5 Twenty-five new loans may be made for the next  
6 three academic years until a total of one  
7 hundred loans are available. At least one-half  
8 of the loans shall be made to students from  
9 rural areas as defined in section 191.500. An  
10 eligible student may receive loans for each  
11 academic year he is pursuing a course of study  
12 directly leading to a degree of doctor of  
13 medicine or doctor of osteopathy, doctor of  
14 dental surgery, or doctor of dental medicine, or  
a bachelor of science degree in dental hygiene.]

2 [191.535. If a student ceases his study  
3 prior to receiving a degree, interest at the  
4 rate specified in section 191.530 shall be  
5 charged on the amount received from the state  
6 under the provisions of sections 191.500 to  
191.550.]

2 [191.540. 1. The department shall  
3 establish schedules and procedures for repayment  
4 of the principal and interest of any loan made  
5 under the provisions of sections 191.500 to  
6 191.550 and not forgiven as provided in section  
7 191.530.  
8 2. A penalty shall be levied against a  
9 person in breach of contract. Such penalty shall  
10 be twice the sum of the principal and the  
accrued interest.]

2 [191.545. When necessary to protect the  
interest of the state in any loan transaction

3 under sections 191.500 to 191.550, the board may  
4 institute any action to recover any amount due.]

2 [191.550. The contracts made with the  
3 participating students shall be approved by the  
attorney general.]

