

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 32.1-122.5:1 and 32.1-122.6 of the Code of Virginia, relating to conditional grants for certain medical students.

[H 716]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-122.5:1 and 32.1-122.6 of the Code of Virginia are amended and reenacted as follows:

§ 32.1-122.5:1. Conditional grants for certain medical students.

A. With such funds as are appropriated for this purpose, the Board of Health shall establish, in addition to the scholarships established pursuant to § 32.1-122.6, annual medical scholarships for students who (i) ~~are domiciled in Southwest Virginia~~, (ii) intend to enter one of the designated specialties of family practice medicine, general internal medicine, pediatrics, and obstetrics/gynecology; and (iii) (ii) commit to practicing in a medically underserved area of Southwest Virginia. Such scholarships shall be awarded to students in good standing at the Quillen School of Medicine of East Tennessee State University, *with preference being given to bona fide residents of Virginia, as determined by § 23-7.4 and specifically for bona fide residents of Southwest Virginia*. The Board of Health shall request the governing board of East Tennessee State University to submit to the Commissioner the names of those eligible applicants who are most qualified as determined by the regulations of the Board for these medical scholarships. The Commissioner shall award the scholarships to applicants whose names are submitted by the governing board.

B. The provisions of § 32.1-122.6 and all regulations of the Board promulgated pursuant to § 32.1-122.6 shall apply to the award of the scholarships established herein and to the applicants for and recipients of such scholarships. In addition to the regulations established pursuant to § 32.1-122.6, the Board shall define Southwest Virginia by designating *Planning Districts one, two, and three* as those jurisdictions in which eligible students shall be ~~domiciled~~ *required to serve*.

§ 32.1-122.6. Conditional grants for certain medical students.

A. With such funds as are appropriated for this purpose, the Board of Health shall establish annual medical scholarships for students who intend to enter the designated specialties of family practice medicine, general internal medicine, pediatrics, and obstetrics/gynecology for students in good standing at the Medical College of Virginia of Virginia Commonwealth University, the University of Virginia School of Medicine, and the Medical College of Hampton Roads. No recipient shall be awarded more than five scholarships. The amount and number of such scholarships and the apportionment of the scholarships among the medical schools shall be determined annually as provided in the appropriations act; *however, the Board shall reallocate annually any remaining funds from awards made pursuant to this section and § 32.1-122.5:1 among the schools participating in these scholarship programs, proportionally to their need, for additional medical scholarships for eligible students*. The Commissioner shall act as fiscal agent for the Board in administration of the scholarship funds.

The governing boards of Virginia Commonwealth University, the University of Virginia, and the Medical College of Hampton Roads shall submit to the Commissioner the names of those eligible applicants who are most qualified as determined by the regulations of the Board for these medical scholarships. The Commissioner shall award the scholarships to the applicants whose names are submitted by the governing boards.

B. The Board, after consultation with the Medical College of Virginia, the University of Virginia School of Medicine, and the Medical College of Hampton Roads, shall promulgate regulations to administer this scholarship program which shall include, but not be limited to:

1. Qualifications of applicants;
2. Criteria for award of the scholarships to assure that recipients will fulfill the practice obligations established in this section;
3. Standards to assure that these scholarships increase access to primary health care for individuals who are indigent or who are recipients of public assistance;
4. Assurances that bona fide residents of Virginia, as determined by § 23-7.4, are given preference over nonresidents in determining scholarship eligibility and awards;
5. Assurances that scholarship recipients will begin medical practice in one of the designated specialties in an underserved area of the Commonwealth within two years following completion of their residencies;
6. Methods for reimbursement of the Commonwealth by recipients who fail to complete medical

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58 school or who fail to honor the obligation to engage in medical practice for a period of years equal to
59 the number of annual scholarships received;

60 7. Procedures for reimbursing any recipient who has repaid the Commonwealth for part or all of any
61 scholarship and who later fulfills the terms of his contract;

62 8. Procedures for transferring unused funds upon the recommendation of the Commissioner and the
63 approval of the Department of Planning and Budget in the event any of the medical schools has not
64 recommended the award of its full complement of scholarships by January of each year and one or both
65 of the other medical schools has a demonstrated need for additional scholarships for that year; and

66 9. Reporting of data related to the recipients of the scholarships by the medical schools.

67 C. Prior to the award of any scholarship, the applicant shall sign a contract in which he agrees to
68 pursue the medical course of the school nominating him for the award until his graduation or to pursue
69 his first year of postgraduate training at the hospital or institution approved by the school nominating
70 him for the award and upon completing a term not to exceed three years, or four years for the
71 obstetric/gynecology specialty, as an intern or resident at an approved institution or facility intends to
72 promptly begin and thereafter engage continuously in one of the designated specialties of medical
73 practice in an underserved area in Virginia for a period of years equal to the number of annual
74 scholarships received. The contract shall specify that no form of medical practice such as military
75 service or public health service may be substituted for the obligation to practice in one of the designated
76 specialties in an underserved area in the Commonwealth.

77 The contract shall provide that the applicant will not voluntarily obligate himself for more than the
78 minimum period of military service required for physicians by the laws of the United States and that,
79 upon completion of this minimum period of obligatory military service, the applicant will promptly
80 begin to practice in an underserved area in one of the designated specialties for the requisite number of
81 years. The contract shall include other provisions as considered necessary by the Attorney General and
82 the Commissioner.

83 The contract may be terminated by the recipient while the recipient is enrolled in medical school
84 upon providing notice and immediate repayment of the total amount of scholarship funds received plus
85 interest at the prevailing bank rate for similar amounts of unsecured debt.

86 D. In the event the recipient fails to maintain a satisfactory scholastic standing, the recipient may,
87 upon certification of the Commissioner, be relieved of the obligations under the contract to engage in
88 medical practice in an underserved area upon repayment to the Commonwealth of the total amount of
89 scholarship funds received plus interest at the prevailing bank rate for similar amounts of unsecured
90 debt.

91 E. In the event the recipient dies or becomes permanently disabled so as not to be able to engage in
92 the practice of medicine, the recipient or his estate may, upon certification of the Commissioner, be
93 relieved of the obligation under the contract to engage in medical practice in an underserved area upon
94 repayment to the Commonwealth of the total amount of scholarship funds plus interest on such amount
95 computed at eight percent per annum from the date of receipt of scholarship funds. This obligation may
96 be waived in whole or in part by the Commissioner in his discretion upon application by the recipient or
97 his estate to the Commissioner with proof of hardship or inability to pay.

98 F. Except as provided in subsections D and E, any recipient of a scholarship who fails or refuses to
99 fulfill his obligation to practice medicine in one of the designated specialties in an underserved area for
100 a period of years equal to the number of annual scholarships received shall reimburse the
101 Commonwealth three times the total amount of the scholarship funds received plus interest at the
102 prevailing bank rate for similar amounts of unsecured debt. If the recipient has fulfilled part of his
103 contractual obligations by serving in an underserved area in one of the designated specialties, the total
104 amount of the scholarship funds received shall be reduced by the amount of the annual scholarship
105 multiplied by the number of years served.

106 G. The Commissioner shall collect all repayments required by this section and may establish a
107 schedule of payments for reimbursement consistent with the regulations of the Board. No schedule of
108 payments shall amortize the total amount due for a period of longer than two years following the
109 completion of the recipient's postgraduate training or the recipient's entrance into the full-time practice of
110 medicine, whichever is later. All such funds shall be transmitted to the Comptroller for deposit in the
111 general fund. If any recipient fails to make any payment when and as due, the Commissioner shall
112 notify the Attorney General. The Attorney General shall take such action as he deems proper. In the
113 event court action is required to collect a delinquent scholarship account, the recipient shall be
114 responsible for the court costs and reasonable attorneys' fees incurred by the Commonwealth in such
115 collection.