

# SENATE BILL No. 1045

November 29, 1988, Introduced by Senator SEDERBURG and referred to the Committee on Health Policy.

A bill to amend Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," as amended, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, by adding part 27.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 368 of the Public Acts of 1978, as  
2 amended, being sections 333.1101 to 333.25211 of the Michigan  
3 Compiled Laws, is amended by adding part 27 to read as follows:

### 4 PART 27. HEALTH PROFESSIONS RECRUITMENT STRATEGY

5 SEC. 2701. AS USED IN THIS PART:

6 (A) "CERTIFIED NURSE MIDWIFE" MEANS A REGISTERED PROFES-  
7 SIONAL NURSE WHO HAS BEEN ISSUED A SPECIALTY CERTIFICATION IN THE  
8 PRACTICE OF NURSE MIDWIFERY BY THE BOARD OF NURSING UNDER SECTION  
9 17210.

1 (B) "DESIGNATED PHYSICIAN" MEANS A PHYSICIAN PRACTICING IN 1  
2 OF THE PHYSICIAN SPECIALTY AREAS IDENTIFIED IN SECTION 2711.

3 (C) "HEALTH RESOURCE SHORTAGE AREA" MEANS A GEOGRAPHIC AREA,  
4 POPULATION GROUP, OR HEALTH FACILITY DESIGNATED BY THE DEPARTMENT  
5 UNDER SECTION 2719.

6 (D) "MEDICAID" MEANS BENEFITS UNDER THE FEDERAL MEDICAID  
7 PROGRAM ESTABLISHED UNDER TITLE XIX OF THE SOCIAL SECURITY ACT,  
8 42 U.S.C. 1396 TO 1396d, 1396f TO 1396s.

9 (E) "MEDICAL SCHOOL" MEANS AN ACCREDITED PROGRAM FOR THE  
10 TRAINING OF INDIVIDUALS TO BECOME PHYSICIANS.

11 (F) "MEDICARE" MEANS BENEFITS UNDER THE FEDERAL MEDICARE  
12 PROGRAM ESTABLISHED UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT,  
13 42 U.S.C. 1395 TO 1395l, 1395n TO 1395cc, 1395ff TO 1395zz.

14 (G) "MINORITY" MEANS BLACKS, HISPANICS, NATIVE AMERICANS,  
15 ASIAN AND PACIFIC ISLANDERS, AND ARAB-AMERICANS.

16 (H) "NATIONAL HEALTH SERVICE CORPS" MEANS THE AGENCY CREATED  
17 BY SECTION 331 OF TITLE 3 OF THE PUBLIC HEALTH SERVICE ACT, 42  
18 U.S.C. 254d.

19 (I) "NURSE" MEANS AN INDIVIDUAL LICENSED TO ENGAGE IN THE  
20 PRACTICE OF NURSING UNDER PART 172.

21 (J) "NURSING SCHOOL" MEANS AN ACCREDITED PROGRAM FOR THE  
22 TRAINING OF INDIVIDUALS TO BECOME NURSES.

23 (K) "PHYSICIAN" MEANS AN INDIVIDUAL LICENSED AS A PHYSICIAN  
24 OR AN OSTEOPATHIC PHYSICIAN UNDER ARTICLE 15.

25 (L) "SERVICE OBLIGATION" MEANS THE CONTRACTUAL OBLIGATION  
26 UNDERTAKEN BY AN INDIVIDUAL UNDER SECTION 2705 OR SECTION 2707 TO

1 PROVIDE HEALTH CARE SERVICES FOR A DETERMINABLE TIME PERIOD AT A  
2 SITE DESIGNATED BY THE DEPARTMENT.

3 SEC. 2703. (1) THE HEALTH PROFESSIONS RECRUITMENT STRATEGY  
4 IS CREATED IN THE DEPARTMENT TO FACILITATE THE PLACEMENT AND  
5 RETENTION OF DESIGNATED PHYSICIANS AND NURSES IN HEALTH RESOURCE  
6 SHORTAGE AREAS.

7 (2) IN OPERATING THE HEALTH PROFESSIONS RECRUITMENT STRATE-  
8 GY, THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

9 (A) RECRUIT AND PLACE DESIGNATED PHYSICIANS AND NURSES IN  
10 HEALTH RESOURCE SHORTAGE AREAS, ACCORDING TO THIS PART.

11 (B) COORDINATE WITH THE NATIONAL HEALTH SERVICE CORPS ACTIV-  
12 ITIES IN THIS STATE.

13 (C) PROVIDE CONSULTATION TO COMMUNITIES AND HEALTH RESOURCE  
14 SHORTAGE AREAS IN SECURING, PLACING, AND RETAINING DESIGNATED  
15 PHYSICIANS AND NURSES.

16 (D) PERFORM OTHER DUTIES AS SET FORTH IN THIS PART.

17 (E) ENGAGE IN OTHER ACTIVITIES APPROPRIATE TO THE PURPOSES  
18 OF THE PROGRAM.

19 SEC. 2705. (1) THE DEPARTMENT SHALL ADMINISTER A LOAN  
20 REPAYMENT PROGRAM FOR DESIGNATED PHYSICIANS WHO HAVE INCURRED A  
21 DEBT AS A RESULT OF A LOAN TAKEN TO ATTEND A MEDICAL SCHOOL. THE  
22 DEPARTMENT MAY EACH YEAR REPAY ALL OR PART OF A DESIGNATED  
23 PHYSICIAN'S DEBT IN AN AMOUNT NOT TO EXCEED THE AMOUNT SET FORTH  
24 IN SUBSECTION (3) FOR EACH YEAR, UP TO A MAXIMUM OF 4 YEARS. THE  
25 DEPARTMENT SHALL REPAY LOANS ONLY FOR A DESIGNATED PHYSICIAN WHO  
26 HAS ENTERED INTO A WRITTEN CONTRACT WITH THE DEPARTMENT WHICH  
27 REQUIRES THAT THE DESIGNATED PHYSICIAN ENGAGE IN THE FULL-TIME

1 PRACTICE OF HEALTH CARE SERVICES IN THE PHYSICIAN'S SPECIALTY  
2 AREA AT A SITE TO WHICH HE OR SHE IS ASSIGNED BY THE DEPARTMENT  
3 FOR A PERIOD EQUAL IN YEARS TO THE NUMBER OF YEARS FOR WHICH THE  
4 DEPARTMENT HAS AGREED TO MAKE A LOAN REPAYMENT OR 2 YEARS, WHICH-  
5 EVER IS GREATER.

6 (2) A LOAN REPAYMENT TO A PHYSICIAN UNDER SUBSECTION (1) FOR  
7 FULFILLING A SERVICE OBLIGATION FOR A PARTICULAR YEAR SHALL BE  
8 PAID TO THE PHYSICIAN IN A LUMP SUM AT THE COMPLETION OF THE  
9 SERVICE OBLIGATION FOR THAT YEAR. A PHYSICIAN WHO DOES NOT FUL-  
10 FILL A SERVICE OBLIGATION FOR A PARTICULAR YEAR FORFEITS HIS OR  
11 HER RIGHT TO RECEIVE THE LOAN REPAYMENT OR ANY PART OF IT FOR  
12 THAT YEAR AND THE DEPARTMENT MAY TREAT AN AGREEMENT FOR FURTHER  
13 LOAN REPAYMENT IN A SUBSEQUENT YEAR, IF ANY, AS VOID. IN ITS  
14 SOLE DISCRETION, THE DEPARTMENT MAY PAY A PRO RATA AMOUNT OF AN  
15 AGREED LOAN REPAYMENT TO A PHYSICIAN OR HIS OR HER ESTATE IF 1 OF  
16 THE FOLLOWING OCCURS PRIOR TO THE COMPLETION OF THE PHYSICIAN'S  
17 SERVICE OBLIGATION:

18 (A) THE PHYSICIAN OBLIGATED DIES.

19 (B) THE PHYSICIAN OBLIGATED IS UNABLE, BY REASON OF PER-  
20 MANENT DISABILITY, TO RENDER THE SERVICE.

21 (C) OTHER CIRCUMSTANCES PREVAIL THAT ARE CONSIDERED BY THE  
22 DEPARTMENT TO CONSTITUTE A COMPELLING REASON TO CONSIDER THE  
23 SERVICE OBLIGATION FULFILLED.

24 (3) FOR THE FIRST YEAR OF THE LOAN REPAYMENT PROGRAM, THE  
25 MAXIMUM AMOUNT OF A LOAN REPAYMENT IS \$25,000.00 PER YEAR. AFTER  
26 THE FIRST YEAR, THE MAXIMUM AMOUNT SHALL BE INCREASED BY 5% IN  
27 EACH SUCCEEDING YEAR.

1 (4) THE DEPARTMENT MAY ACCEPT FUNDS FROM ANY SOURCE FOR THE  
2 OPERATION OF THE LOAN REPAYMENT PROGRAM, AND SHALL DISTRIBUTE  
3 THOSE FUNDS IN A MANNER CONSISTENT WITH THIS SECTION.

4 (5) THE DEPARTMENT SHALL GIVE THE LOAN REPAYMENT PROGRAM FOR  
5 PHYSICIANS CREATED BY THIS SECTION PRIORITY OVER THE OTHER PRO-  
6 GRAMS CREATED UNDER THIS PART.

7 SEC. 2707. (1) THE DEPARTMENT SHALL ADMINISTER A GRANT PRO-  
8 GRAM FOR MINORITY STUDENTS ENROLLED IN MEDICAL SCHOOLS OR NURSING  
9 SCHOOLS.

10 (2) THE DEPARTMENT MAY AWARD A GRANT TO A MINORITY STUDENT  
11 ENROLLED IN AN ACCREDITED MEDICAL SCHOOL OR NURSING SCHOOL. AS A  
12 CONDITION FOR THE AWARD OF THE GRANT, THE RECIPIENT OF THE GRANT  
13 SHALL ENTER INTO A WRITTEN CONTRACT WITH THE DEPARTMENT WHICH  
14 REQUIRES THAT THE RECIPIENT PROVIDE, UPON COMPLETION OF TRAINING,  
15 FULL-TIME HEALTH CARE SERVICES IN A DESIGNATED PHYSICIAN SPE-  
16 CIALTY AREA OR IN NURSING AT A SITE TO WHICH HE OR SHE IS  
17 ASSIGNED BY THE DEPARTMENT FOR A PERIOD EQUAL TO THE NUMBER OF  
18 YEARS FOR WHICH A GRANT IS ACCEPTED OR 2 YEARS, WHICHEVER IS  
19 GREATER. IN AWARDING GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY  
20 TO STUDENTS WHO ARE RESIDENTS OF THIS STATE AND ENROLLED IN A  
21 MEDICAL SCHOOL OR NURSING SCHOOL IN THIS STATE.

22 (3) THE DEPARTMENT SHALL DETERMINE AN APPROPRIATE GRANT  
23 AMOUNT FOR EACH ACADEMIC YEAR FOR EACH HEALTH CARE PROFESSION.

24 (4) A PERSON WHO INCURS A SERVICE OBLIGATION UNDER  
25 SUBSECTION (2) AND WHO FAILS TO FULFILL THE SERVICE OBLIGATION  
26 SHALL REPAY TO THE DEPARTMENT AN AMOUNT EQUAL TO 3 TIMES THE  
27 AMOUNT OF ALL GRANTS ACCEPTED PLUS INTEREST. THE INTEREST SHALL

1 BE AT A RATE DETERMINED BY THE STATE TREASURER TO REFLECT THE  
2 CUMULATIVE ANNUAL PERCENTAGE CHANGE IN THE DETROIT CONSUMER PRICE  
3 INDEX. REPAYMENT TO THE DEPARTMENT UNDER THIS SUBSECTION SHALL  
4 BE MADE WITHIN 3 YEARS AFTER FAILURE TO FULFILL THE OBLIGATION.  
5 AMOUNTS REPAID UNDER THIS SUBSECTION SHALL BE DEPOSITED WITH THE  
6 STATE TREASURER AND CREDITED TO THE MINORITY HEALTH PROFESSION  
7 GRANT FUND CREATED IN SECTION 2723.

8 (5) A SERVICE OBLIGATION INCURRED UNDER SUBSECTION (2) SHALL  
9 BE CONSIDERED FULFILLED IF:

10 (A) SERVICE HAS BEEN RENDERED FOR THE OBLIGATED PERIOD.

11 (B) THE PERSON OBLIGATED DIES.

12 (C) THE PERSON OBLIGATED IS UNABLE, BY REASON OF PERMANENT  
13 DISABILITY, TO RENDER THE SERVICE.

14 (D) THE PERSON OBLIGATED FAILS TO SATISFY THE ACADEMIC  
15 REQUIREMENTS FOR COMPLETION OF THE EDUCATIONAL PROGRAM IN WHICH  
16 HE OR SHE IS ENROLLED AFTER HAVING MADE A GOOD FAITH EFFORT.

17 (E) THE PERSON OBLIGATED FAILS TO SATISFY THE REQUIREMENTS  
18 FOR LICENSURE, CERTIFICATION, OR OTHER FORM OF AUTHORIZATION TO  
19 PRACTICE THE PROFESSION FOR WHICH HE OR SHE HAS BEEN TRAINED.

20 (F) OTHER CIRCUMSTANCES PREVAIL WHICH ARE CONSIDERED BY THE  
21 DEPARTMENT TO CONSTITUTE A COMPELLING REASON TO CONSIDER THE  
22 SERVICE OBLIGATION FULFILLED.

23 (6) THE DEPARTMENT MAY ACCEPT FUNDS FOR THE OPERATION OF THE  
24 GRANT PROGRAM FROM ANY SOURCE AND DISTRIBUTE THOSE FUNDS IN A  
25 MANNER CONSISTENT WITH THIS SECTION.

26 (7) AS USED IN THIS SECTION, "DETROIT CONSUMER PRICE INDEX"  
27 MEANS THE MOST COMPREHENSIVE INDEX OF CONSUMER PRICES AVAILABLE

1 FOR THE DETROIT AREA FROM THE BUREAU OF LABOR STATISTICS OF THE  
2 UNITED STATES DEPARTMENT OF LABOR.

3 SEC. 2709. THE DEPARTMENT MAY DEVELOP AND ADMINISTER A PRO-  
4 GRAM TO ENCOURAGE PARTICIPATION BY CERTIFIED NURSE MIDWIVES IN  
5 THE HEALTH PROFESSIONS RECRUITMENT STRATEGY, WHICH PROGRAM MAY  
6 INCLUDE LOAN REPAYMENT UNDER SECTION 2705 OR GRANTS UNDER  
7 SECTION 2707 IN EXCHANGE FOR A SERVICE OBLIGATION. IN DEVELOPING  
8 AND ADMINISTERING THE PROGRAM, THE DEPARTMENT MAY COOPERATE WITH  
9 AN INSTITUTION PROVIDING AN ACCREDITED PROGRAM OF NURSE MIDWIFERY  
10 TRAINING.

11 SEC. 2711. (1) ALL OF THE FOLLOWING ARE THE DESIGNATED PHY-  
12 SICIAN SPECIALTY AREAS FOR WHICH THE DEPARTMENT MAY RECRUIT FOR  
13 THE PROGRAMS CREATED IN SECTIONS 2705 AND 2707:

14 (A) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
15 GENERAL PRACTICE.

16 (B) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
17 FAMILY PRACTICE.

18 (C) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
19 OBSTETRICS.

20 (D) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
21 PEDIATRICS.

22 (E) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
23 EMERGENCY MEDICINE.

24 (F) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
25 INTERNAL MEDICINE.

26 (G) BOARD CERTIFIED, OR ELIGIBLE FOR BOARD CERTIFICATION, IN  
27 PREVENTIVE MEDICINE.

1 (2) WHEN ENROLLING PERSONS TO PARTICIPATE IN THE PROGRAMS  
2 CREATED IN SECTIONS 2705 AND 2707, THE DEPARTMENT MAY GIVE PREF-  
3 ERENCE TO PERSONS PRACTICING OR STUDYING IN 1 OR MORE SPECIFIC  
4 DESIGNATED PHYSICIAN SPECIALTY AREAS OVER PERSONS PRACTICING OR  
5 STUDYING IN ANOTHER DESIGNATED PHYSICIAN SPECIALTY AREA.

6 SEC. 2713. (1) THE DEPARTMENT SHALL DETERMINE WHEN A PAR-  
7 TICIPANT IN THE GRANT OR LOAN REPAYMENT PROGRAMS SHALL BEGIN TO  
8 FULFILL A SERVICE OBLIGATION. THE FULFILLMENT OF A SERVICE OBLI-  
9 GATION SHALL COMMENCE NOT MORE THAN 3 YEARS AFTER THE COMPLETION  
10 OF TRAINING REQUIRED FOR LICENSURE OR SPECIALTY CERTIFICATION,  
11 UNLESS A LONGER DELAY IS APPROVED BY THE DEPARTMENT, BASED ON A  
12 COMPELLING REASON.

13 (2) THE DEPARTMENT SHALL PREPARE AND ANNUALLY REVISE GUIDE-  
14 LINES FOR THE ASSIGNMENT OF DESIGNATED PHYSICIANS AND NURSES WITH  
15 SERVICE OBLIGATIONS TO PRACTICE SITES LOCATED IN HEALTH RESOURCE  
16 SHORTAGE AREAS.

17 (3) AS A CONDITION FOR THE PLACEMENT OF A DESIGNATED PHYSI-  
18 CIAN OR A CERTIFIED NURSE MIDWIFE IN THE HEALTH RESOURCE SHORTAGE  
19 AREA, THE DEPARTMENT MAY REQUIRE A REASONABLE DEMONSTRATION OF  
20 THE INTENT AND THE ABILITY OF THE COMMUNITY TO SUPPORT AND RETAIN  
21 A DESIGNATED PHYSICIAN OR A CERTIFIED NURSE MIDWIFE.

22 SEC. 2715. A PERSON WHO PARTICIPATES IN THE NATIONAL HEALTH  
23 SERVICE CORPS SCHOLARSHIP PROGRAM UNDER SECTION 751 OF TITLE 7 OF  
24 THE PUBLIC HEALTH SERVICE ACT, 42 U.S.C. 294t, OR HAS ENTERED  
25 INTO AN AGREEMENT THAT LIMITS THE PERSON'S ABILITY TO SERVE IN A  
26 MICHIGAN HEALTH RESOURCE SHORTAGE AREA IS NOT ELIGIBLE TO RECEIVE  
27 FUNDS UNDER SECTIONS 2705 AND 2707.



1        SEC. 2717. (1) THE DEPARTMENT SHALL PROMULGATE RULES  
2 NECESSARY FOR THE IMPLEMENTATION OF THE DEPARTMENT'S FUNCTIONS  
3 UNDER THIS PART.

4        (2) THE DEPARTMENT BIENNIALY SHALL REPORT TO THE LEGISLA-  
5 TURE, THE GOVERNOR, AND THE PUBLIC HEALTH ADVISORY COUNCIL ON THE  
6 STATUS OF THE HEALTH PROFESSIONS RECRUITMENT STRATEGY FOR THE  
7 PRECEDING YEARS. IN ADDITION TO THE STATUS REPORT, THE REPORT  
8 SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL OF THE FOLLOWING:

9        (A) REVIEW OF STATE AND FEDERAL LEGISLATION, RULES, GUIDE-  
10 LINES, AND POLICY DIRECTIVES AFFECTING THE HEALTH PERSONNEL OF  
11 HEALTH RESOURCE SHORTAGE AREAS.

12        (B) RECOMMENDATIONS CONCERNING PHYSICIAN SPECIALTY AREAS OR  
13 OTHER HEALTH PROFESSIONS FOR INCLUSION IN THE HEALTH PROFESSIONS  
14 RECRUITMENT STRATEGY BASED UPON A DETERMINATION OF THE NEED FOR  
15 VARIOUS TYPES OF HEALTH CARE PROVIDERS IN THIS STATE.

16        SEC. 2719. (1) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR  
17 THE IDENTIFICATION AND DESIGNATION OF A GEOGRAPHICAL AREA, POPU-  
18 LATION GROUP, OR HEALTH FACILITY AS A HEALTH RESOURCE SHORTAGE  
19 AREA. THE CRITERIA MAY INCLUDE, BUT NOT BE LIMITED TO, ALL OF  
20 THE FOLLOWING:

21        (A) INFANT MORTALITY RATE.

22        (B) PERCENTAGE OF POPULATION BELOW 100% OF THE POVERTY  
23 LINE.

24        (C) PERCENTAGE OF POPULATION AGE 65 AND OVER.

25        (D) PRIMARY CARE PHYSICIAN TO POPULATION RATIO.

26        (E) PERCENTAGE OF POPULATION ELIGIBLE FOR MEDICAID.

1 (F) AGGREGATE UNEMPLOYMENT RATE.

2 (G) PERCENTAGE OF PRACTICING PHYSICIANS WHO ACCEPT MEDICARE  
3 OR MEDICAID ASSIGNMENT.

4 (2) THE DEPARTMENT, ON THE BASIS OF THE CRITERIA SET FORTH  
5 IN SUBSECTION (1), SHALL IDENTIFY AND DESIGNATE GEOGRAPHICAL  
6 AREAS, POPULATION GROUPS, AND HEALTH FACILITIES AS HEALTH  
7 RESOURCE SHORTAGE AREAS FOR 1 OR MORE DESIGNATED PHYSICIANS OR  
8 NURSES.

9 (3) A HEALTH MANPOWER SHORTAGE AREA LOCATED IN THIS STATE,  
10 AS DESIGNATED UNDER SECTION 332 OF TITLE 3 OF THE PUBLIC HEALTH  
11 SERVICE ACT, 42 U.S.C. 254e, SHALL BE CONSIDERED A HEALTH  
12 RESOURCE SHORTAGE AREA.

13 SEC. 2721. THE DEPARTMENT SHALL EXERCISE ITS DISCRETION IN  
14 SELECTING A HEALTH RESOURCE SHORTAGE AREA FOR ASSIGNMENT OF A  
15 HEALTH CARE PROFESSIONAL. THE DEPARTMENT MAY ESTABLISH GUIDE-  
16 LINES FOR PRIORITY AMONG HEALTH RESOURCE SHORTAGE AREAS IN  
17 ASSIGNMENTS OF HEALTH CARE PROFESSIONALS TO THOSE AREAS.

18 SEC. 2723. (1) THERE IS CREATED THE MINORITY HEALTH PROFES-  
19 SION GRANT FUND AS A SEPARATE FUND IN THE STATE TREASURY, TO BE  
20 ADMINISTERED BY THE DEPARTMENT. THE DEPARTMENT SHALL DEPOSIT  
21 AMOUNTS REPAID UNDER SECTION 2707(4) WITH THE STATE TREASURER,  
22 WHO SHALL CREDIT THE AMOUNTS TO THE FUND. THE FUND SHALL BE USED  
23 TO FUND GRANTS MADE UNDER SECTION 2707.

24 (2) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE  
25 FUND MONEY AND SHALL CREDIT EARNINGS TO THE FUND.

26 SEC. 2725. THIS PART SHALL BE KNOWN AND MAY BE CITED AS THE  
27 "HEALTH PROFESSIONS RECRUITMENT STRATEGY ACT".

1        SEC. 2727.    THIS PART SHALL TAKE EFFECT OCTOBER 1, 1989.