



Health Care Availability and Access Committee

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LRB095 03426 RAS 33219 a

1 AMENDMENT TO HOUSE BILL 494

2 AMENDMENT NO. _____. Amend House Bill 494 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Psychiatry Practice Incentive Act.

6 Section 5. Purpose. The purpose of this Act is to establish
7 a program in the Department of Public Health to ensure access
8 to psychiatric health care services for all citizens of the
9 State, by establishing programs of grants, loans, and loan
10 forgiveness to recruit and retain psychiatric service
11 providers in designated areas of the State for physicians who
12 will agree to establish and maintain psychiatric practice in
13 areas of the State demonstrating the greatest need for more
14 psychiatric care. The program shall encourage licensed
15 psychiatrists to locate in areas where shortages exist and to
16 increase the total number of such physicians in the State.

1 Section 10. Definitions. In this Act, unless the context
2 otherwise requires:

3 "Department" means the Department of Public Health.

4 "Director" means the Director of Public Health.

5 "Designated shortage area" means an area designated by the
6 Director as a psychiatric or mental health physician shortage
7 area, as defined by the United States Department of Health and
8 Human Services or as further defined by the Department to
9 enable it to effectively fulfill the purpose stated in Section
10 5 of this Act. Such areas may include the following:

11 (1) an urban or rural area that is a rational area for
12 the delivery of health services;

13 (2) a population group; or

14 (3) a public or nonprofit private medical facility.

15 "Eligible medical student" means a person who meets all of
16 the following qualifications:

17 (1) He or she is an Illinois resident at the time of
18 application for assistance under the program established
19 by this Act.

20 (2) He or she is studying medicine in a medical school
21 located in Illinois.

22 (3) He or she exhibits financial need, as determined by
23 the Department.

24 (4) He or she agrees to practice full time in a
25 designated shortage area as a psychiatrist for one year for

1 each year that he or she receives assistance under this
2 Act.

3 "Medical facility" means a facility for the delivery of
4 health services. "Medical facility" includes a hospital, State
5 mental health institution, public health center, outpatient
6 medical facility, rehabilitation facility, long-term care
7 facility, federally-qualified health center, migrant health
8 center, a community health center, or a State correctional
9 institution.

10 "Psychiatric physician" means a person licensed to
11 practice medicine in all of its branches under the Medical
12 Practice Act of 1987 with board eligibility or certification in
13 the specialty of Psychiatry, as defined by recognized standards
14 of professional medical practice.

15 "Psychiatric practice residency program" means a program
16 accredited by the Residency Review Committee for Psychiatry of
17 the Accreditation Council for Graduate Medical Education or the
18 American Osteopathic Association.

19 Section 15. Powers and duties of the Department. The
20 Department shall have all of the following powers and duties:

21 (1) To allocate funds to psychiatric practice
22 residency and child and adolescent fellowship programs
23 according to the following priorities:

24 (A) to increase the number of psychiatric
25 physicians in designated shortage areas;

1 (B) to increase the percentage of psychiatric
2 physicians establishing practice within the State upon
3 completion of residency;

4 (C) to increase the number of accredited
5 psychiatric practice residencies within the State; and

6 (D) to increase the percentage of psychiatric
7 practice physicians establishing practice within the
8 State upon completion of residency.

9 (2) To determine the procedures for the distribution of
10 the funds to psychiatric residency programs, including the
11 establishment of eligibility criteria in accordance with
12 the following guidelines:

13 (A) preference for programs that are to be
14 established at locations that exhibit potential for
15 extending psychiatric practice physician availability
16 to designated shortage areas;

17 (B) preference for programs that are located away
18 from communities in which medical schools are located;
19 and

20 (C) preference for programs located in hospitals
21 that have affiliation agreements with medical schools
22 located within the State.

23 In distributing such funds, the Department may also
24 consider as secondary criteria whether or not a psychiatric
25 practice residency program has (i) adequate courses of
26 instruction in the child and adolescent behavioral

1 disorder sciences; (ii) availability and systematic
2 utilization of opportunities for residents to gain
3 experience through local health departments, community
4 mental health centers, or other preventive or occupational
5 medical facilities; (iii) a continuing program of
6 community oriented research in such areas as risk factors
7 in community populations; (iv) sufficient mechanisms for
8 maintenance of quality training, such as peer review,
9 systematic progress reviews, referral system, and
10 maintenance of adequate records; and (v) an appropriate
11 course of instruction in societal, institutional, and
12 economic conditions affecting psychiatric practice.

13 (3) To receive and disburse federal funds in accordance
14 with the purpose stated in Section 5 of this Act.

15 (4) To enter into contracts or agreements with any
16 agency or department of this State or the United States to
17 carry out the provisions of this Act.

18 (5) To coordinate the psychiatric residency grants
19 program established under this Act with other student
20 assistance and residency programs administered by the
21 Department and the Board of Higher Education under the
22 Health Services Education Grants Act, including, but not be
23 limited to, the establishment of criteria, standards and
24 procedures that enable a person who has qualified and
25 received assistance under the Family Practice Residency
26 Act to receive credit under that Act for any additional

1 training in the specialty of psychiatry recognized under
2 this Act and who practices as a psychiatrist in a
3 designated shortage area. Creditable training and practice
4 under this Act shall be considered sufficient evidence in
5 meeting the service obligations under the Family Practice
6 Residency Act.

7 (6) To design and coordinate a study for the purpose of
8 assessing the characteristics of practice resulting from
9 the psychiatric practice residency programs including, but
10 not limited to, information regarding the nature and scope
11 of practices, location of practices, years of active
12 practice following completion of residency and other
13 information deemed necessary for the administration of
14 this Act.

15 (7) To establish a program, and the criteria for such
16 program, for the repayment of the educational loans of
17 physicians who agree to serve in designated shortage areas
18 for a specified period of time, no less than 3 years.
19 Payments under this program may be made for the principal,
20 interest, and related expenses of government and
21 commercial loans received by the individual for tuition
22 expenses and all other reasonable educational expenses
23 incurred by the individual. Payments made under this
24 provision are exempt from State income tax, as provided by
25 law.

26 (8) To require psychiatric practice residency programs

1 seeking grants under this Act to make application according
2 to procedures consistent with the priorities and
3 guidelines established in items (1) and (2) of this
4 Section.

5 (9) To adopt rules and regulations that are necessary
6 for the establishment and maintenance of the programs
7 required by this Act.

8 Section 20. Application requirement; ratio of State
9 support to local support. Residency programs seeking funds
10 under this Act must make application to the Department. The
11 application shall include evidence of local support for the
12 program, either in the form of funds, services, or other
13 resources. The ratio of State support to local support shall be
14 determined by the Department in a manner that is consistent
15 with the purposes of this Act, as set forth in Section 5 of
16 this Act. In establishing such ratio of State support to local
17 support, the Department may vary the amount of the required
18 local support depending upon the criticality of the need for
19 more professional health care services, the geographic
20 location, and the economic base of the designated shortage
21 area.

22 Section 25. Study participation. Residency programs
23 qualifying for grants under this Act shall participate in the
24 study required in item (6) of Section 15 of this Act.

1 Section 30. Illinois Administrative Procedure Act. The
2 Illinois Administrative Procedure Act is hereby expressly
3 adopted and incorporated herein as if all of the provisions of
4 such Act were included in this Act.

5 Section 35. Annual report. The Department shall annually
6 report to the General Assembly and the Governor the results and
7 progress of all programs established under this Act on or
8 before March 15.

9 The annual report to the General Assembly and the Governor
10 must include the impact of programs established under this Act
11 on the ability of designated shortage areas to attract and
12 retain physicians and other health care personnel. The report
13 shall include recommendations to improve that ability.

14 The requirement for reporting to the General Assembly shall
15 be satisfied by filing copies of the report with the Speaker,
16 the Minority Leader, and the Clerk of the House of
17 Representatives and the President, the Minority Leader and the
18 Secretary of the Senate and the Legislative Research Unit, as
19 required by Section 3.1 of the General Assembly Organization
20 Act, and by filing such additional copies with the State
21 Government Report Distribution Center for the General Assembly
22 as is required under paragraph (t) of Section 7 of the State
23 Library Act.

1 Section 40. Penalty for failure to fulfill obligation. Any
2 recipient of assistance under this Act who fails to fulfill his
3 or her obligation to practice full-time in a designated
4 shortage area as a psychiatrist for one year for each year that
5 he or she is a recipient of assistance shall pay to the
6 Department a sum equal to 3 times the amount of the assistance
7 provided for each year that the recipient fails to fulfill such
8 obligation. A recipient of assistance who fails to fulfill his
9 or her practice obligation shall have 30 days after the date on
10 which that failure begins to enter into a contract with the
11 Department that sets forth the manner in which that sum is
12 required to be paid. The amounts paid to the Department under
13 this Section shall be deposited into the Community Health
14 Center Care Fund and shall be used by the Department to improve
15 access to primary health care services as authorized by
16 subsection (a) of Section 2310-200 of the Department of Public
17 Health Powers and Duties Law of the Civil Administrative Code
18 of Illinois (20 ILCS 2310/2310-200).

19 The Department may transfer to the Illinois Finance
20 Authority, into an account outside of the State treasury,
21 moneys in the Community Health Center Care Fund as needed, but
22 not to exceed an amount established by rule by the Department
23 to establish a reserve or credit enhancement escrow account to
24 support a financing program or a loan or equipment leasing
25 program to provide moneys to support the purposes of subsection
26 (a) of Section 2310-200 of the Department of Public Health

1 Powers and Duties Law of the Civil Administrative Code of
2 Illinois (20 ILCS 2310/2310-200). The disposition of moneys at
3 the conclusion of any financing program under this Section
4 shall be determined by an interagency agreement.

5 Section 90. The Family Practice Residency Act is amended by
6 changing Section 10 as follows:

7 (110 ILCS 935/10) (from Ch. 144, par. 1460)

8 Sec. 10. (a) Scholarship recipients who fail to fulfill the
9 obligation described in subsection (d) of Section 3.07 of this
10 Act shall pay to the Department a sum equal to 3 times the
11 amount of the annual scholarship grant for each year the
12 recipient fails to fulfill such obligation. A scholarship
13 recipient who fails to fulfill the obligation described in
14 subsection (d) of Section 3.07 shall have 30 days from the date
15 on which that failure begins in which to enter into a contract
16 with the Department that sets forth the manner in which that
17 sum is required to be paid. If the contract is not entered into
18 within that 30 day period or if the contract is entered into
19 but the required payments are not made in the amounts and at
20 the times provided in the contract, the scholarship recipient
21 also shall be required to pay to the Department interest at the
22 rate of 9% per annum on the amount of that sum remaining due
23 and unpaid. The amounts paid to the Department under this
24 Section shall be deposited into the Community Health Center

1 Care Fund and shall be used by the Department to improve access
2 to primary health care services as authorized by subsection (a)
3 of Section 2310-200 of the Department of Public Health Powers
4 and Duties Law (20 ILCS 2310/2310-200).

5 (b) Any monetary penalties, including accumulated interest
6 fees, imposed under this Section after December 31, 1999 and
7 before the effective date of this amendatory Act of the 95th
8 General Assembly upon a scholarship recipient who has been
9 found by the Department to have failed to fulfill the
10 obligation set forth in subsection (d) of Section 3.07 of this
11 Act, but who has been practicing as a psychiatrist within a
12 Designated Shortage Area after December 31, 1999 and before the
13 effective date of this amendatory Act of the 95th General
14 Assembly, must be declared null and void by the Department, and
15 any payments made to the Department by the scholarship
16 recipient must be returned to that scholarship recipient within
17 a reasonable amount of time, as determined by the Department.

18 (c) The Department may transfer to the Illinois Finance
19 Authority, into an account outside the State treasury, moneys
20 in the Community Health Center Care Fund as needed, but not to
21 exceed an amount established, by rule, by the Department to
22 establish a reserve or credit enhancement escrow account to
23 support a financing program or a loan or equipment leasing
24 program to provide moneys to support the purposes of subsection
25 (a) of Section 2310-200 of the Department of Public Health
26 Powers and Duties Law (20 ILCS 2310/2310-200). The disposition

1 of moneys at the conclusion of any financing program under this
2 Section shall be determined by an interagency agreement.
3 (Source: P.A. 93-205, eff. 1-1-04.)".