

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2781

AN ACT

AMENDING TITLE 36, CHAPTER 21, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2176; MAKING APPROPRIATIONS; RELATING TO MEDICALLY UNDERSERVED AREAS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 36, chapter 21, article 1, Arizona Revised Statutes,
3 is amended by adding section 36-2176, to read:
4 36-2176. Hospital loan program; residencies; fund; program
5 termination
6 A. THE DEPARTMENT SHALL ESTABLISH A HOSPITAL LOAN PROGRAM TO FUND
7 START-UP COSTS FOR RESIDENCY PROGRAMS IN ACCREDITED HOSPITALS THAT ARE
8 PARTNERED WITH ARIZONA-BASED ACCREDITED ALLOPATHIC OR OSTEOPATHIC MEDICAL
9 SCHOOLS IN COUNTIES WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND
10 PERSONS.
11 B. INTEREST-FREE LOANS MAY BE PROVIDED IN AN AMOUNT OF UP TO FIVE
12 HUNDRED THOUSAND DOLLARS PER YEAR FOR ONE HOSPITAL PER COUNTY IF THE HOSPITAL
13 ESTABLISHES A NEW RESIDENCY PROGRAM OF AT LEAST SIX RESIDENTS OR ADDS A NEW
14 SPECIALTY AREA TO AN EXISTING RESIDENCY PROGRAM WITH AT LEAST FOUR NEW
15 RESIDENTS.
16 C. REPAYMENT OF LOANS SHALL BEGIN EITHER AT THE TIME FEDERAL MEDICARE
17 REIMBURSEMENTS BEGIN OR FIVE YEARS AFTER THE DATE OF THE LOAN, WHICHEVER IS
18 EARLIER, AND SHALL BE COMPLETED NO MORE THAN TEN YEARS AFTER THE DATE OF THE
19 LOAN.
20 D. THE HOSPITAL LOAN RESIDENCY FUND IS ESTABLISHED CONSISTING OF
21 LEGISLATIVE APPROPRIATIONS AND LOAN REPAYMENT MONIES. THE DIRECTOR SHALL
22 ADMINISTER THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF
23 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS, EXCEPT THAT LOAN
24 REPAYMENT MONIES REVERT TO THE STATE GENERAL FUND.
25 E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2017
26 PURSUANT TO SECTION 41-3102.
27 Sec. 2. Appropriations; hospital residency program
28 The sum of \$2,000,000 is appropriated from the state general fund in
29 each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the department
30 of health services for deposit in the hospital loan residency fund
31 established by section 36-2176, Arizona Revised Statutes, as added by this
32 act.