



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB5053

Introduced 1/25/2010, by Rep. John E. Bradley

#### SYNOPSIS AS INTRODUCED:

New Act  
110 ILCS 935/10

from Ch. 144, par. 1460

Creates the Psychiatry Practice Incentive Act. Provides for the establishment by the Department of Public Health of a program under which programs of grants, loans, and loan forgiveness are established to recruit and retain psychiatric service providers in designated shortage areas of the State. Sets forth the powers and duties of the Department in the establishment and administration of the programs. Requires the Department to annually report to the General Assembly and the Governor the results and progress of all programs established under the Act. Sets forth penalties for a recipient of assistance under a program who fails to fulfill his or her practice obligation under the Act. Amends the Family Practice Residency Act. Provides that any monetary penalties imposed after December 31, 2009 and before the effective date of the amendatory Act upon a scholarship recipient who has been found by the Department of Public Health to have failed to fulfill his or her obligation under the Act, but who has been practicing as a psychiatrist within a designated shortage area during that time, must be declared null and void by the Department, and any payments made to the Department by the scholarship recipient must be returned to that scholarship recipient within a reasonable amount of time, as determined by the Department.

LRB096 18045 ASK 33417 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 WHEREAS, The General Assembly finds and recognizes that  
3 there is a shortage of psychiatrists in designated shortage  
4 areas within this State; therefore

5 **Be it enacted by the People of the State of Illinois,**  
6 **represented in the General Assembly:**

7 Section 1. Short title. This Act may be cited as the  
8 Psychiatry Practice Incentive Act.

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

20 Section 10. Definitions. In this Act, unless the context  
21 otherwise requires:

1 "Department" means the Department of Public Health.

2 "Director" means the Director of Public Health.

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

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

11 (2) a population group; or

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

13 "Eligible medical student" means a person who meets all of  
14 the following qualifications:

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

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

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

22 (4) He or she agrees to practice full time in a  
23 designated shortage area as a psychiatrist for one year for  
24 each year that he or she receives assistance under this  
25 Act.

26 "Medical facility" means a facility for the delivery of

1 health services. "Medical facility" includes a hospital, State  
2 mental health institution, public health center, outpatient  
3 medical facility, rehabilitation facility, long-term care  
4 facility, federally-qualified health center, migrant health  
5 center, a community health center, or a State correctional  
6 institution.

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

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

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

18 (1) To allocate funds to psychiatric practice  
19 residency and child and adolescent fellowship programs  
20 according to the following priorities:

21 (A) to increase the number of psychiatric  
22 physicians in designated shortage areas;

23 (B) to increase the percentage of psychiatric  
24 physicians establishing practice within the State upon  
25 completion of residency;

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

3 (D) to increase the percentage of psychiatric  
4 practice physicians establishing practice within the  
5 State upon completion of residency.

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

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

14 (B) preference for programs that are located away  
15 from communities in which medical schools are located;  
16 and

17 (C) preference for programs located in hospitals  
18 that have affiliation agreements with medical schools  
19 located within the State.

20 In distributing such funds, the Department may also  
21 consider as secondary criteria whether or not a psychiatric  
22 practice residency program has (i) adequate courses of  
23 instruction in the child and adolescent behavioral  
24 disorder sciences; (ii) availability and systematic  
25 utilization of opportunities for residents to gain  
26 experience through local health departments, community

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

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

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

15 (5) To coordinate the psychiatric residency grants  
16 program established under this Act with other student  
17 assistance and residency programs administered by the  
18 Department and the Board of Higher Education under the  
19 Health Services Education Grants Act, including, but not be  
20 limited to, the establishment of criteria, standards and  
21 procedures that enable a person who has qualified and  
22 received assistance under the Family Practice Residency  
23 Act to receive credit under that Act for any additional  
24 training in the specialty of psychiatry recognized under  
25 this Act and who practices as a psychiatrist in a  
26 designated shortage area. Creditable training and practice

1 under this Act shall be considered sufficient evidence in  
2 meeting the service obligations under the Family Practice  
3 Residency Act.

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

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

23 (8) To require psychiatric practice residency programs  
24 seeking grants under this Act to make application according  
25 to procedures consistent with the priorities and  
26 guidelines established in items (1) and (2) of this

1 Section.

2 (9) To adopt rules and regulations that are necessary  
3 for the establishment and maintenance of the programs  
4 required by this Act.

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

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

22 Section 30. Illinois Administrative Procedure Act. The  
23 Illinois Administrative Procedure Act is hereby expressly



1 adopted and incorporated herein as if all of the provisions of  
2 such Act were included in this Act.

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

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

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

22 Section 40. Penalty for failure to fulfill obligation. Any  
23 recipient of assistance under this Act who fails to fulfill his  
24 or her obligation to practice full-time in a designated

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

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

1 shall be determined by an interagency agreement.

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

4 (110 ILCS 935/10) (from Ch. 144, par. 1460)

5 Sec. 10. (a) Scholarship recipients who fail to fulfill the  
6 obligation described in subsection (d) of Section 3.07 of this  
7 Act shall pay to the Department a sum equal to 3 times the  
8 amount of the annual scholarship grant for each year the  
9 recipient fails to fulfill such obligation. A scholarship  
10 recipient who fails to fulfill the obligation described in  
11 subsection (d) of Section 3.07 shall have 30 days from the date  
12 on which that failure begins in which to enter into a contract  
13 with the Department that sets forth the manner in which that  
14 sum is required to be paid. If the contract is not entered into  
15 within that 30 day period or if the contract is entered into  
16 but the required payments are not made in the amounts and at  
17 the times provided in the contract, the scholarship recipient  
18 also shall be required to pay to the Department interest at the  
19 rate of 9% per annum on the amount of that sum remaining due  
20 and unpaid. The amounts paid to the Department under this  
21 Section shall be deposited into the Community Health Center  
22 Care Fund and shall be used by the Department to improve access  
23 to primary health care services as authorized by subsection (a)  
24 of Section 2310-200 of the Department of Public Health Powers

1 and Duties Law (20 ILCS 2310/2310-200).

2 (b) Any monetary penalties, including accumulated interest  
3 fees, imposed under this Section after December 31, 2009 and  
4 before the effective date of this amendatory Act of the 96th  
5 General Assembly upon a scholarship recipient who has been  
6 found by the Department to have failed to fulfill the  
7 obligation set forth in subsection (d) of Section 3.07 of this  
8 Act, but who has been practicing as a psychiatrist within a  
9 Designated Shortage Area after December 31, 2009 and before the  
10 effective date of this amendatory Act of the 96th General  
11 Assembly, must be declared null and void by the Department, and  
12 any payments made to the Department by the scholarship  
13 recipient must be returned to that scholarship recipient within  
14 a reasonable amount of time, as determined by the Department.

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

26 (Source: P.A. 93-205, eff. 1-1-04.)