



General Assembly

February Session, 2012

Raised Bill No. 405

LCO No. 1825

01825_____CE_

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING TARGETED HEALTH AREAS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) On or after October 1,
2 2012, the Commissioner of Economic and Community Development,
3 in consultation with the Commissioners of Public Health and Social
4 Services, and a representative designated by the Connecticut State
5 Medical Society shall, within available resources, designate as targeted
6 health areas not more than ten municipalities that have (1) a medically-
7 underserved population, or (2) a population with a high rate of chronic
8 disease. Said commissioners and representative shall identify any
9 needed medical specialty in any municipality designated as a targeted
10 health area.

11 (b) Not later than October 1, 2017, and annually thereafter, the
12 Commissioner of Economic and Community Development, in
13 consultation with the Commissioners of Public Health and Social
14 Services, shall evaluate whether any municipality designated as a
15 targeted health area pursuant to subsection (a) of this section still
16 meets the criteria for such designation. The Commissioner of Economic

17 and Community Development may remove the designation of any
18 municipality that no longer meets the criteria for such designation,
19 provided no such designation shall be removed less than five years
20 after the original date of the municipality's designation as a targeted
21 health area.

22 Sec. 2. (NEW) (*Effective October 1, 2012*) (a) There is established
23 within the Department of Economic and Community Development the
24 Targeted Health Area program. Said program shall provide licensed
25 physicians and physician offices providing primary care services or
26 any needed medical specialty identified pursuant to section 1 of this
27 act, with various forms of financial assistance, using a streamlined
28 application process to expedite the delivery of such assistance. A
29 licensed physician eligible for assistance through said program shall,
30 as of the effective date of this section: (1) Be engaged in the active
31 practice of primary care for adults or children, or any needed medical
32 specialty identified pursuant to section 1 of this act, and (2) practice in
33 a municipality designated as a targeted health area pursuant to section
34 1 of this act. A physician office providing primary care services eligible
35 for assistance through said program shall, as of the effective date of
36 this section: (A) Provide primary care services to adults or children, or
37 any needed medical specialty identified pursuant to section 1 of this
38 act, (B) be located in an area designated as a targeted health area
39 pursuant to section 1 of this act, and (C) be in good standing with the
40 payment of all state and local taxes and with all state agencies.

41 (b) The Targeted Health Area program shall consist of various
42 components, including (1) a revolving loan fund, as described in
43 subsection (d) of this section, to support licensed physicians and
44 physician offices providing primary care services, or any needed
45 medical specialty identified pursuant to section 1 of this act, or any
46 needed medical specialty identified pursuant to section 1 of this act, (2)
47 a licensed physician hiring incentive component, as described in
48 subsection (e) of this section, to support the hiring of licensed
49 physicians by physician offices providing primary care services, or any

50 needed medical specialty identified pursuant to section 1 of this act,
51 and (3) a matching grant component, as described in subsection (f) of
52 this section, to provide capital to licensed physicians or physician
53 offices providing primary care services that can match the state grant
54 amount. The Commissioner of Economic and Community
55 Development shall work with eligible licensed physicians and
56 physician offices providing primary care services or any needed
57 medical specialty identified pursuant to section 1 of this act, to provide
58 a package of assistance using not only the financial assistance provided
59 by the Targeted Health Area program, but also any other appropriate
60 tax credit or state program. Notwithstanding the provisions of section
61 32-5a of the general statutes, regarding relocation limits, the
62 department may require as a condition of receiving financial assistance
63 pursuant to this section, that a licensed physician or physician offices
64 providing primary care services or any needed medical specialty
65 identified pursuant to section 1 of this act receiving such assistance
66 shall not relocate, as defined in said section 32-5a, for five years after
67 receiving such assistance. All other conditions and penalties imposed
68 pursuant to said section 32-5a shall continue to apply to such licensed
69 physician or physician offices providing primary care services or any
70 needed medical specialty identified pursuant to section 1 of this act.

71 (c) The commissioner, in consultation with the officers of the
72 Connecticut State Medical Society shall establish a streamlined
73 application process for the Targeted Health Area program. The
74 licensed physician or physician offices providing primary care services
75 or any needed medical specialty identified pursuant to section 1 of this
76 act may receive assistance pursuant to said program not later than
77 thirty days after submitting a completed application to the
78 department. Any licensed physician or physician offices providing
79 primary care services or any needed medical specialty identified
80 pursuant to section 1 of this act meeting the eligibility criteria in
81 subsection (a) of this section may apply to said program. The
82 commissioner shall give priority for available funding to licensed
83 physicians and physician offices providing primary care services or

84 any needed medical specialty identified pursuant to section 1 of this
85 act in a manner that best addresses the health needs of the targeted
86 health areas.

87 (d) (1) There is established as part of the Targeted Health Area
88 program a revolving loan fund to provide loans to licensed physicians
89 and physician offices providing primary care services or any needed
90 medical specialty identified pursuant to section 1 of this act. Such loans
91 shall be used for acquisition of medical equipment, construction or
92 leasehold improvements, working capital or other business-related
93 expenses, as authorized by the commissioner.

94 (2) Loans from the revolving loan fund may be in amounts from ten
95 thousand dollars to a maximum of one hundred thousand dollars,
96 shall carry a maximum repayment rate of four per cent and shall be for
97 a term of not more than ten years. The department shall review and
98 approve loan terms, conditions and collateral requirements in a
99 manner that best addresses the health needs of the targeted health
100 areas.

101 (3) Any eligible licensed physician or physician offices providing
102 primary care services or any needed medical specialty identified
103 pursuant to section 1 of this act meeting the eligibility criteria in
104 subsection (a) of this section may apply for assistance from the
105 revolving loan fund, but the commissioner shall give priority to
106 licensed physicians or physician offices providing primary care
107 services or any needed medical specialty identified pursuant to section
108 1 of this act that best address the health needs of the targeted health
109 areas.

110 (e) (1) There is established as part of the Targeted Health Area
111 program a licensed physician hiring incentive component to provide
112 loans for hiring licensed physicians for physician offices providing
113 primary care services or any needed medical specialty identified
114 pursuant to section 1 of this act meeting the eligibility criteria in
115 subsection (a) of this section, with the option of loan forgiveness based

116 on the retention of any licensed physician hired and retained for not
117 less than twelve consecutive months. Such loans may be used for
118 training, marketing, working capital or other expenses, as approved by
119 the commissioner, that support hiring such licensed physician.

120 (2) Loans under the licensed physician hiring incentive component
121 may be in amounts from ten thousand dollars to a maximum of two
122 hundred fifty thousand dollars. Payments on such loans may be
123 deferred, and all or part of any such loan may be forgiven, based upon
124 the commissioner's assessment of the physician office providing
125 primary care services or any needed medical specialty identified
126 pursuant to section 1 of this act's attainment of hiring goals. The
127 department shall review and approve loan terms, conditions and
128 collateral requirements in a manner that prioritizes hiring licensed
129 physicians that best address the health needs of the targeted health
130 areas.

131 (f) (1) There is established as part of the Targeted Health Area
132 program a matching grant component to provide grants for capital to
133 physician offices providing primary care services or any needed
134 medical specialty identified pursuant to section 1 of this act meeting
135 the eligibility criteria in subsection (a) of this section. Such physician
136 offices shall match any state funds awarded under this program. Grant
137 funds may be used for ongoing or new training, working capital,
138 acquisition of medical equipment, construction or leasehold
139 improvements or other business-related expenses authorized by the
140 commissioner.

141 (2) Matching grants provided under the matching grant component
142 may be in amounts from ten thousand dollars to a maximum of one
143 hundred thousand dollars. The commissioner shall prioritize
144 applicants for matching grants in a manner that best address the health
145 needs of the applicant's targeted health area.

146 (g) Not later than June 30, 2013, and every six months thereafter, the
147 commissioner shall provide a report, in accordance with the provisions

148 of section 11-4a of the general statutes, to the joint standing committees
149 of the General Assembly having cognizance of matters relating to
150 finance, revenue and bonding, appropriations, commerce, public
151 health and human services. Such report shall include available data on
152 (1) the number of licensed physicians or physician offices providing
153 primary care services or any needed medical specialty identified
154 pursuant to section 1 of this act that applied to the Targeted Health
155 Area program, (2) the number of licensed physicians or physician
156 offices providing primary care services or any needed medical
157 specialty identified pursuant to section 1 of this act that received
158 assistance under said program, (3) the amounts and types of assistance
159 provided, and (4) the total number of licensed physicians at physician
160 offices providing primary care services or any needed medical
161 specialty identified pursuant to section 1 of this act on the date of
162 application and the number proposed to be hired, if any. The contents
163 of such report shall also be included in the department's annual report.

164 Sec. 3. (NEW) (*Effective July 1, 2012*) (a) For the purposes described
165 in subsection (b) of this section, the State Bond Commission shall have
166 the power, from time to time, to authorize the issuance of bonds of the
167 state in one or more series and in principal amounts not exceeding in
168 the aggregate ten million dollars, provided five million dollars of said
169 authorization shall be effective July 1, 2013.

170 (b) The proceeds of the sale of said bonds, to the extent of the
171 amount stated in subsection (a) of this section, shall be used by the
172 Department of Economic and Community Development for the
173 purpose of the Targeted Health Area program established pursuant to
174 section 2 of this act, provided (1) two million dollars of the amount
175 stated in subsection (a) of this section may be used, in each of fiscal
176 years 2013 and 2014, for the revolving loan fund established pursuant
177 to subsection (d) of section 2 of this act, (2) one million dollars of the
178 amount stated in subsection (a) of this section may be used, in each of
179 fiscal years 2013 and 2014, for the licensed physician hiring incentive
180 component established pursuant to subsection (e) of section 2 of this

181 act, and (3) two million dollars of the amount stated in subsection (a)
182 of this section may be used, in each of fiscal years 2013 and 2014, for
183 the matching grant component established pursuant to subsection (f)
184 of section 2 of this act. Any time at which an amount in subdivision (1),
185 (2) or (3) of this subsection is used for a component of the Targeted
186 Health Area program other than that specified in said subdivision (1),
187 (2) or (3), the Commissioner of Economic and Community
188 Development shall report, in accordance with the provisions of section
189 11-4a of the general statutes, to the joint standing committees of the
190 General Assembly having cognizance of matters relating to finance,
191 revenue and bonding, appropriations, commerce, public health and
192 human services, detailing the amount of the proceeds of the sale of
193 said bonds that was so used and how such amount was divided
194 among said components.

195 (c) All provisions of section 3-20 of the general statutes, or the
196 exercise of any right or power granted thereby, which are not
197 inconsistent with the provisions of this section are hereby adopted and
198 shall apply to all bonds authorized by the State Bond Commission
199 pursuant to this section, and temporary notes in anticipation of the
200 money to be derived from the sale of any such bonds so authorized
201 may be issued in accordance with said section 3-20 and from time to
202 time renewed. Such bonds shall mature at such time or times not
203 exceeding twenty years from their respective dates as may be provided
204 in or pursuant to the resolution or resolutions of the State Bond
205 Commission authorizing such bonds. None of said bonds shall be
206 authorized except upon a finding by the State Bond Commission that
207 there has been filed with it a request for such authorization which is
208 signed by or on behalf of the Secretary of the Office of Policy and
209 Management and states such terms and conditions as said commission,
210 in its discretion, may require. Said bonds issued pursuant to this
211 section shall be general obligations of the state and the full faith and
212 credit of the state of Connecticut are pledged for the payment of the
213 principal of and interest on said bonds as the same become due, and
214 accordingly and as part of the contract of the state with the holders of

215 said bonds, appropriation of all amounts necessary for punctual
216 payment of such principal and interest is hereby made, and the State
217 Treasurer shall pay such principal and interest as the same become
218 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2012</i>	New section
Sec. 3	<i>July 1, 2012</i>	New section

Statement of Purpose:

To establish a Targeted Health Area program and provide economic incentives to licensed physicians and physician offices providing primary care services or needed medical specialties in such targeted health areas.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]