



General Assembly

Substitute Bill No. 405

February Session, 2012

* SB00405CE 032712 *

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 shall be eligible for assistance through said program
30 if, as of the effective date of this section, such physician: (1) Is engaged
31 in the active practice of primary care for adults or children or any
32 needed medical specialty identified pursuant to section 1 of this act,
33 and (2) practices in a municipality designated as a targeted health area
34 pursuant to section 1 of this act. A physician office providing primary
35 care services shall be eligible for assistance through said program if, as
36 of the effective date of this section, such office: (A) Provides primary
37 care services to adults or children or any needed medical specialty
38 identified pursuant to section 1 of this act, (B) is located in an area
39 designated as a targeted health area pursuant to section 1 of this act,
40 and (C) is in good standing with the payment of all state and local
41 taxes and with all state agencies.

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

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

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

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

96 (3) Any such licensed physician or physician office meeting the
97 eligibility criteria in subsection (a) of this section may apply for
98 assistance from the revolving loan fund, but the commissioner shall
99 give priority to such licensed physicians or physician offices that best
100 address the health needs of the targeted health areas.

101 (e) (1) There is established as part of the Targeted Health Area
102 program a licensed physician hiring incentive component to provide
103 loans for hiring licensed physicians for physician offices providing
104 primary care services or any needed medical specialty identified
105 pursuant to section 1 of this act meeting the eligibility criteria in
106 subsection (a) of this section, with the option of loan forgiveness based
107 on the retention of any licensed physician hired and retained for not
108 less than twelve consecutive months. Such loans may be used for
109 training, marketing, working capital or other expenses, as approved by
110 the commissioner, that support hiring such licensed physician.

111 (2) Loans under the licensed physician hiring incentive component
112 may be in amounts from ten thousand dollars to a maximum of two
113 hundred fifty thousand dollars. Payments on such loans may be
114 deferred, and all or part of any such loan may be forgiven, based upon
115 the commissioner's assessment of the physician office's attainment of
116 hiring goals. The department shall review and approve loan terms,
117 conditions and collateral requirements in a manner that prioritizes
118 hiring licensed physicians that best address the health needs of the
119 targeted health areas.

120 (f) (1) There is established as part of the Targeted Health Area

121 program a matching grant component to provide grants for capital to
122 physician offices providing primary care services or any needed
123 medical specialty identified pursuant to section 1 of this act meeting
124 the eligibility criteria in subsection (a) of this section. Such physician
125 offices shall match any state funds awarded under this program. Grant
126 funds may be used for ongoing or new training, working capital,
127 acquisition of medical equipment, construction or leasehold
128 improvements or other business-related expenses authorized by the
129 commissioner.

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

135 (g) Not later than June 30, 2013, and every six months thereafter, the
136 commissioner shall provide a report, in accordance with the provisions
137 of section 11-4a of the general statutes, to the joint standing committees
138 of the General Assembly having cognizance of matters relating to
139 finance, revenue and bonding, appropriations, commerce, public
140 health and human services. Such report shall include available data on
141 (1) the number of licensed physicians or physician offices providing
142 primary care services or any needed medical specialty identified
143 pursuant to section 1 of this act that applied to the Targeted Health
144 Area program, (2) the number of such licensed physicians or physician
145 offices that received assistance under said program, (3) the amounts
146 and types of assistance provided, and (4) the total number of licensed
147 physicians employed at such physician offices on the date of
148 application and the number proposed to be hired, if any. The contents
149 of such report shall also be included in the department's annual report.

150 Sec. 3. (NEW) (*Effective July 1, 2012*) (a) For the purposes described
151 in subsection (b) of this section, the State Bond Commission shall have
152 the power, from time to time, to authorize the issuance of bonds of the
153 state in one or more series and in principal amounts not exceeding in

154 the aggregate ten million dollars, provided five million dollars of said
155 authorization shall be effective July 1, 2013.

156 (b) The proceeds of the sale of said bonds, to the extent of the
157 amount stated in subsection (a) of this section, shall be used by the
158 Department of Economic and Community Development for the
159 purpose of the Targeted Health Area program established pursuant to
160 section 2 of this act, provided (1) two million dollars of the amount
161 stated in subsection (a) of this section may be used, in each of fiscal
162 years 2013 and 2014, for the revolving loan fund established pursuant
163 to subsection (d) of section 2 of this act, (2) one million dollars of the
164 amount stated in subsection (a) of this section may be used, in each of
165 fiscal years 2013 and 2014, for the licensed physician hiring incentive
166 component established pursuant to subsection (e) of section 2 of this
167 act, and (3) two million dollars of the amount stated in subsection (a)
168 of this section may be used, in each of fiscal years 2013 and 2014, for
169 the matching grant component established pursuant to subsection (f)
170 of section 2 of this act. Any time at which an amount in subdivision (1),
171 (2) or (3) of this subsection is used for a component of the Targeted
172 Health Area program other than that specified in said subdivision (1),
173 (2) or (3), the Commissioner of Economic and Community
174 Development shall report, in accordance with the provisions of section
175 11-4a of the general statutes, to the joint standing committees of the
176 General Assembly having cognizance of matters relating to finance,
177 revenue and bonding, appropriations, commerce, public health and
178 human services, detailing the amount of the proceeds of the sale of
179 said bonds that was so used and how such amount was divided
180 among said components.

181 (c) All provisions of section 3-20 of the general statutes, or the
182 exercise of any right or power granted thereby, which are not
183 inconsistent with the provisions of this section are hereby adopted and
184 shall apply to all bonds authorized by the State Bond Commission
185 pursuant to this section, and temporary notes in anticipation of the
186 money to be derived from the sale of any such bonds so authorized
187 may be issued in accordance with said section 3-20 and from time to

188 time renewed. Such bonds shall mature at such time or times not
 189 exceeding twenty years from their respective dates as may be provided
 190 in or pursuant to the resolution or resolutions of the State Bond
 191 Commission authorizing such bonds. None of said bonds shall be
 192 authorized except upon a finding by the State Bond Commission that
 193 there has been filed with it a request for such authorization which is
 194 signed by or on behalf of the Secretary of the Office of Policy and
 195 Management and states such terms and conditions as said commission,
 196 in its discretion, may require. Said bonds issued pursuant to this
 197 section shall be general obligations of the state and the full faith and
 198 credit of the state of Connecticut are pledged for the payment of the
 199 principal of and interest on said bonds as the same become due, and
 200 accordingly and as part of the contract of the state with the holders of
 201 said bonds, appropriation of all amounts necessary for punctual
 202 payment of such principal and interest is hereby made, and the State
 203 Treasurer shall pay such principal and interest as the same become
 204 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 Legislative Commissioners:

In subsection (a) of section 2, "shall be" and ", such office" were inserted for clarity, in subsections (b), (c), (d)(3), (e)(2) and (g) of section 2, "or any needed medical specialty identified pursuant to section 1 of this act" was deleted to avoid redundancy and repetition, in subsection (c) of section 2, ", which meets" was inserted for clarity, and in subsection (g) "employed at" was inserted for clarity.

CE *Joint Favorable Subst.-LCO*