

LFC Requester:

Conor Jorgensen

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/17/25

Check all that apply:

Bill Number: SB411Original Correction Amendment Substitute Agency Name
and Code

HCA-630

Number:

Sponsor: Sen BrandtShort Title: Physician Loan Repayment

Person Writing

Kresta OppermanPhone: 505-231-8752Email Kresta.opperman@hca**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------------|------------------------------|----------------------------------|
| FY25 | FY26 | | |
| \$0.0 | \$15,000.0 | NR | physician loan repayment fund |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------------|-------|---------------------------------|------------------|
| FY25 | FY26 | FY27 | | |
| \$0.0 | \$15,000.0 | \$0.0 | NA | NA |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------|-------|-------|-------------------------|------------------------------|------------------|
| Total | \$0.0 | \$0.0 | \$0.0 | \$0.0 | NA | NA |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB 411 enacts Physician Loan Repayment Act

SB 411 defines "department" means the higher education department. The Higher Education Department is responsible for selecting eligible physicians, determining award amounts, and assisting physicians in finding practice positions in underserved areas.

In addition, the department creates a non-reverting "physician loan repayment fund" in the state treasury, consisting of income from investment of the fund and any specified distributions, appropriations, gifts, grants and donations to the fund. The department shall assess a penalty of up to three times the amount of award disbursed plus eighteen percent interest, unless the department finds acceptable extenuating circumstances for why the recipient cannot serve or comply with the terms of the contract.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

SB 411, if enacted, provides loan repayment assistance to physicians who commit to working in underserved areas, the bill encourages more doctors to serve communities with high Medicaid populations. This can potentially enhance quality and availability of healthcare for Medicaid patients by addressing the critical need for physicians in underserved areas.

ADMINISTRATIVE IMPLICATIONS

SB 411 requires the Higher Education Department to submit an annual report to the legislature detailing the program's progress, including the number of physicians participating, the amount of loan repayment assistance provided, and the impact on healthcare access in underserved areas. A detailed financial report must be submitted to account for the appropriated funds, including how the funds were allocated and spent.

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 411 is similar to HB 118 similar to Professional Recruitment & Retention Act.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

Research demonstrates loan repayment incentives can be effective in addressing physician shortages in underserved areas. Research indicates that loan repayment programs can significantly increase the number of healthcare providers practicing in rural or high-need communities. For example, programs like the National Health Service Corps (NHSC) have successfully recruited physicians to underserved regions, with many participants staying beyond their service commitments due to personal and professional satisfaction with their practice environments.

Additionally, studies have shown that physicians who receive loan repayment assistance are more likely to remain in underserved areas long-term, improving healthcare access and outcomes.

Politzer, R. M., Yoon, J., & Dresser, M. (2003). *The National Health Service Corps and access to care for underserved populations: A review of the literature*. *Journal of Rural Health*, 19(3), 273–281.

Rittenhouse, D. R., Shortell, S. M., & Fisher, E. S. (2008). *Primary care and accountable care—two essential elements of value-based health care*. *New England Journal of Medicine*, 359(26), 2693–2697.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None