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SENATE BILL

**55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

INTRODUCED BY

DISCUSSION DRAFT

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO HEALTH; ENACTING THE RURAL PRIMARY CARE CLINICIAN  
LOAN REPAYMENT ACT; PROVIDING FOR A LOAN REPAYMENT PROGRAM TO  
ASSIST RURAL PRIMARY CARE ORGANIZATIONS TO RECRUIT AND RETAIN  
ELIGIBLE CLINICIANS; CREATING A FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
cited as the "Rural Primary Care Clinician Loan Repayment Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
Rural Primary Care Clinician Loan Repayment Act:

A. "award" means a written commitment from the  
department to an eligible organization agreeing to repay or  
reduce the loan of an eligible clinician hired by the eligible  
organization;

B. "department" means the department of health;

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C. "eligible clinician" means:

- (1) a medical doctor;
- (2) an osteopathic physician;
- (3) a physician assistant;
- (4) a nurse practitioner;
- (5) a dentist;
- (6) a dental hygienist;
- (7) a dental therapist;
- (8) a psychologist;
- (9) an independent social worker;
- (10) a master social worker;
- (11) an art therapist;
- (12) a licensed professional mental health counselor;
- (13) a licensed clinical professional mental health counselor;
- (14) an alcohol and drug abuse counselor;
- (15) a substance abuse associate;
- (16) a marriage and family therapist; or
- (17) an associate marriage and family therapist;

D. "eligible organization" means a nonprofit community-based or public entity whose primary purpose is to provide primary health care services for residents of health care underserved areas;

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1           E. "health care underserved area" means a  
2 geographic area, population or facility for which the  
3 department has determined, through the use of indices and other  
4 standards set by the department, that sufficient primary health  
5 care is not being provided to the residents of that area;

6           F. "loan" means a grant of money to defray the  
7 costs incidental to a health education, under a contract  
8 between the federal government or a commercial lender and an  
9 eligible clinician, requiring repayment of principal and  
10 interest;

11           G. "loan repayment program" means a program to  
12 provide a loan repayment award for eligible organizations to  
13 recruit, hire and retain eligible clinicians in accordance with  
14 the provisions of the Rural Primary Care Clinician Loan  
15 Repayment Act;

16           H. "primary health care" means the first level of  
17 basic or general health care for an individual's health needs,  
18 including preventive diagnostic and medical treatment services;  
19 and

20           I. "recipient" means an eligible clinician with a  
21 loan who is hired by an eligible organization and approved for  
22 loan repayment by the department.

23           **SECTION 3. [NEW MATERIAL] DEPARTMENT POWERS AND DUTIES--**  
24 **PARTICIPANT ELIGIBILITY--QUALIFICATIONS.--**

25           A. The department may grant an award to an eligible

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1 organization to repay the loans of recipients, obtained for  
2 health educational expenses of a recipient upon such terms and  
3 conditions as may be imposed by regulations of the department.

4 B. The eligible recipient shall be licensed or  
5 certified to practice in the state and provide primary care  
6 services within designated health care underserved areas of the  
7 state.

8 C. The department shall be allowed up to three  
9 percent of expenditures in each fiscal year for administration  
10 of the loan repayment program.

11 SECTION 4. [NEW MATERIAL] DELEGATION OF DUTIES.--The  
12 department may delegate to other agencies or contract for the  
13 performance of services required by the provisions of the Rural  
14 Primary Care Clinician Loan Repayment Act.

15 SECTION 5. [NEW MATERIAL] AWARD CRITERIA--CONTRACT  
16 TERMS--PAYMENT.--

17 A. An eligible organization seeking an award to be  
18 used to offer loan repayment to new eligible clinician recruits  
19 shall file an application with the department.

20 B. The department shall establish award criteria,  
21 which criteria shall provide that:

22 (1) amounts shall be dependent upon the type  
23 of clinician the eligible organization is seeking to recruit;

24 (2) recruitment awards shall be made to  
25 eligible organizations operating licensed practices in approved

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1 health care underserved areas;

2 (3) the eligible organization has demonstrated  
3 a need to recruit eligible clinicians;

4 (4) the eligible organization has demonstrated  
5 the difficulty in filling clinician vacancies in the health  
6 care underserved area;

7 (5) the eligible organization has demonstrated  
8 the need for financial assistance to recruit eligible  
9 clinicians;

10 (6) award amounts may be modified based upon  
11 available funding or other special circumstances; and

12 (7) an award shall not exceed the total health  
13 professional education indebtedness of any recipient.

14 SECTION 6. [NEW MATERIAL] AWARDS.--

15 A. The department shall make awards to eligible  
16 organizations.

17 B. An eligible organization shall have nine months  
18 to recruit eligible clinicians after receiving notification of  
19 an award.

20 C. The department shall make a full and careful  
21 investigation of the ability, character and qualifications of  
22 each eligible clinician to determine fitness to become a  
23 recipient in the loan repayment program.

24 D. The following education debts are not eligible  
25 for repayment pursuant to the Rural Primary Care Clinician Loan

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1 Repayment Act:

2 (1) amounts incurred as a result of  
3 participation in state loan-for-service programs or other state  
4 programs whose purpose states that service be provided in  
5 exchange for financial assistance;

6 (2) scholarships that have a service component  
7 or obligation;

8 (3) personal loans from friends or relatives;

9 (4) loans that exceed individual standard  
10 school expense levels; or

11 (5) loans that are being repaid or reduced  
12 through other loan repayment programs.

13 E. The department shall enter into a loan repayment  
14 agreement, evidenced by a contract between the recipient and  
15 the department acting on behalf of the state. The contract  
16 shall provide for the payment by the state of a stated sum to  
17 the recipient's debtors and shall state the obligations of the  
18 recipient under the program, including a minimum two-year  
19 period of service, quarterly reporting requirements and other  
20 policies established by the department.

21 F. Recipients shall serve a full quarter of service  
22 and shall request approval of that service upon submission of a  
23 report certifying completion of the service. The minimum  
24 credit for a quarter shall be established by the department.

25 G. If a recipient does not comply with the terms of

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1 the contract, the department shall terminate the contract  
2 unless the department finds acceptable extenuating  
3 circumstances for why the recipient cannot serve or comply with  
4 the terms of the contract, in which case the department may  
5 temporarily suspend the contract.

6 H. The department shall adopt regulations to  
7 implement the provisions of this section. The regulations may  
8 provide for the disbursement of loan repayment awards directly  
9 to the lenders of recipients in periodic installments.

10 SECTION 7. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The  
11 general form of the contract required shall be prepared and  
12 approved by the attorney general and signed by the recipient  
13 and the designated representative of the department on behalf  
14 of the state.

15 SECTION 8. [NEW MATERIAL] FUND CREATED--DISTRIBUTIONS.--  
16 The "rural primary care clinician loan repayment fund" is  
17 created as a nonreverting fund in the state treasury. The fund  
18 is composed of appropriations, donations and money earned from  
19 investment of the fund and otherwise accruing to the fund.  
20 Money in the fund is appropriated to the department to provide  
21 a revenue stream to finance the activities of the Rural Primary  
22 Care Clinician Loan Repayment Act. All money appropriated for  
23 the loan repayment program shall be credited and deposited to  
24 the fund. All payments for awards shall be made upon vouchers  
25 signed by the designated representative of the department and

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1 upon warrant issued by the secretary of finance and  
2 administration. Balances remaining in the fund at the end of a  
3 fiscal year shall not revert.

4 SECTION 9. [NEW MATERIAL] CANCELLATION.--The department  
5 may cancel any contract made between it and any recipient for  
6 any reasonable cause deemed sufficient by the department.

7 SECTION 10. [NEW MATERIAL] REPORTS.--The department shall  
8 make annual reports to the governor and to the legislature,  
9 prior to each regular session, of its activities, the awards  
10 granted, the names and addresses of award recipients, the names  
11 and locations of the practices of those recipients who are  
12 serving in a designated health care underserved area of the  
13 state pursuant to the Rural Primary Care Clinician Loan  
14 Repayment Act.