

1 SENATE BILL 108

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Mary Kay Papen

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10 AN ACT

11 RELATING TO INCREASING THE HEALTH CARE WORKFORCE; ESTABLISHING
12 PREFERENCES FOR FINANCIAL ASSISTANCE TO MEDICAL STUDENTS
13 ATTENDING A NEW MEXICO POST-SECONDARY EDUCATIONAL INSTITUTION;
14 ESTABLISHING PREFERENCES FOR FINANCIAL ASSISTANCE TO CERTAIN
15 HEALTH CARE PROFESSIONALS WHO HAVE ATTENDED A NEW MEXICO POST-
16 SECONDARY EDUCATIONAL INSTITUTION; DECLARING AN EMERGENCY.

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

19 SECTION 1. Section 21-22-4 NMSA 1978 (being Laws 1975,
20 Chapter 244, Section 4, as amended) is amended to read:

21 "21-22-4. MEDICAL STUDENT LOANS--~~[COMMISSION ON]~~ HIGHER
22 EDUCATION DEPARTMENT AUTHORIZED--QUALIFICATIONS.--

23 A. The ~~[commission]~~ higher education department is
24 authorized to grant a loan to defray the expenses of the
25 medical education of a student deemed qualified by the

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1 ~~[commission]~~ department to receive the medical education, upon
2 such terms and conditions as may be imposed by regulations of
3 the ~~[commission]~~ department.

4 B. The ~~[commission]~~ department shall only receive,
5 pass upon and allow or disallow those applications for loans
6 made by those students enrolled or accepted by colleges of
7 medicine who are bona fide citizens and residents of the United
8 States and of New Mexico and who declare their intent to
9 practice as physicians within designated areas of the state.

10 C. The ~~[commission]~~ department shall make a full
11 and careful investigation of the ability, character and
12 qualifications of each applicant and determine ~~[his]~~ the
13 applicant's fitness to become a recipient of a student loan.
14 The investigation of each applicant shall include an
15 investigation of the ability of the applicant and ~~[his]~~ the
16 applicant's parents or guardians to pay the applicant's
17 expenses for a medical education. The ~~[commission]~~ department
18 shall give preference to qualified applicants who:

19 (1) are unable, or whose parents or guardians
20 are unable, to pay the applicant's expenses in obtaining a
21 medical education; and

22 (2) are attending a New Mexico post-secondary
23 educational institution.

24 D. The ~~[commission]~~ department shall arrange for
25 loan recipients to receive assistance in locating, planning and

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1 implementing the establishment and maintenance of a medical
2 practice in a designated underserved area."

3 SECTION 2. Section 21-22D-6 NMSA 1978 (being Laws 1995,
4 Chapter 144, Section 21, as amended) is amended to read:

5 "21-22D-6. AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

6 A. Prior to receiving an award, the health
7 professional shall file with the [~~commission~~] higher education
8 department a declaration of intent to practice as a health
9 professional in areas of New Mexico designated as underserved
10 by the [~~commission~~] department.

11 B. Award criteria shall provide that:

12 (1) amounts shall be dependent upon the
13 location of the practice, the applicant's total health
14 professional education indebtedness and characteristics of the
15 practice;

16 (2) preference in making awards shall be to
17 individuals who have graduated from a New Mexico [~~public~~] post-
18 secondary educational institution;

19 (3) recruitment awards shall be made to
20 eligible participants who agree to relocate to an approved
21 designated area;

22 (4) highest priority shall be given to
23 participants in practices in which health profession vacancies
24 are difficult to fill, practices that require after hours call
25 at least every other night and practices that have heavy

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1 obstetrical responsibilities;

2 (5) award amounts may be modified based upon
3 available funding or other special circumstances; and

4 (6) an award shall not exceed the total
5 medical education indebtedness of any participant.

6 C. The following education debts are not eligible
7 for repayment pursuant to the Health Professional Loan
8 Repayment Act:

9 (1) amounts incurred as a result of
10 participation in state loan-for-service programs or other state
11 programs whose purpose states that service be provided in
12 exchange for financial assistance;

13 (2) scholarships that have a service component
14 or obligation;

15 (3) personal loans from friends or relatives;
16 and

17 (4) loans that exceed individual standard
18 school expense levels.

19 D. The loan repayment award shall be evidenced by a
20 contract between the health professional and the [~~commission~~]
21 department acting on behalf of the state. The contract shall
22 provide for the payment by the state of a stated sum to the
23 health professional's debtors and shall state the obligations
24 of the health professional under the program, including a
25 minimum two-year period of service, quarterly reporting

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1 requirements and other policies established by the [~~commission~~]
2 department.

3 E. Recipients shall serve a complete year in order
4 to receive credit for that year. The minimum credit for a year
5 shall be established by the [~~commission~~] department.

6 F. If a health professional does not comply with
7 the terms of the contract, the [~~commission~~] department shall
8 assess a penalty of up to three times the amount of award
9 disbursed plus eighteen percent interest, unless the
10 [~~commission~~] department finds acceptable extenuating
11 circumstances for why the health professional cannot serve or
12 comply with the terms of the contract. If the [~~commission~~]
13 department does not find acceptable extenuating circumstances
14 for the health professional's failure to comply with the
15 contract, the [~~commission~~] department shall require immediate
16 repayment plus the amount of the penalty.

17 G. The [~~commission~~] department shall adopt
18 regulations to implement the provisions of this section. The
19 regulations may provide for the disbursement of loan repayment
20 awards to the lenders of health professionals in annual or
21 other periodic installments."

22 SECTION 3. EMERGENCY.--It is necessary for the public
23 peace, health and safety that this act take effect immediately.