

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.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: 2/21/25

Check all that apply:

Bill Number: HB512Original Correction Amendment Substitute Sponsor: Rep. Gail ArmstrongShort Title: Medical Residency LoanRepayment Act

Agency Name

and Code

HCA 630

Number:

Person Writing

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Email [Carlos.ulibarri@hca.n](mailto:Carlos.ulibarri@hca.nm.gov)**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$3,000.0	Recurring	GF-Medical Loan Repayment Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$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:

House Bill (HB 512) relates to higher education and enacts the medical residency loan repayment act, granting loan repayment awards to certain medical residents and medical fellows. HB 512 appropriates a recurring \$3,000.0 thousands from the general fund to the medical residency load repayment fund for expenditure in fiscal year 26 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

FISCAL IMPLICATIONS

HB 512 does not have fiscal impacts on the HCA's fiscal or operating budgets.

SIGNIFICANT ISSUES

HB 512 provides recurring funding for investments in New Mexico's health care workforce, and the potential to reduce health care provider shortages.

PERFORMANCE IMPLICATIONS

HB 512 defrays the costs of an undergraduate or medical education requiring either repayment of principal and interest or repayment in services. To receive an award, individuals must have completed a medical fellowship/residency program at an institution of higher education in New Mexico and agree to work as a physician in New Mexico for five consecutive years, or longer. Therefore, the bill provides a means of investing in the development of New Mexico's health care work force by providing recurring funding to repay undergraduate education student loans and loans for medical training.

ADMINISTRATIVE IMPLICATIONS

None

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 512 relates to SB 380 insofar as targeting health care workforce investments in New Mexico.

HB 512 is similar to the Health Professional Loan Repayment program currently housed at HED that provides repayment for outstanding student loans of practicing health professionals. As a condition of the program, a health professional must make a three- year service commitment to practice full-time in a designated medical shortage area in New Mexico. The HPLRP is a competitive program. Application to the program does not guarantee funding.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

In its current form, the bill awards are contingent on award recipients completing a medical fellowship/residency program at a New Mexico institution of higher education, followed by completing a minimum five-year term as a physician in New Mexico.

Alternatively, the bill could allow more modest contingency awards, defraying educational costs of recipients currently enrolled in medical/fellowship programs in New Mexico's institutions of higher education, or extending awards to recent graduates who are currently working as physicians in New Mexico for less than a five-year term. Furthermore, the appropriation could be increased above \$3,000.0 per year and therefor have a more significant impact remediating health care provider shortages.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS