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FISCAL IMPACT REPORT

SPONSOR Thomson **LAST UPDATED** 2/9/224
ORIGINAL DATE 2/2/24
BILL House Bill
SHORT TITLE Health Professional Loan Definitions **NUMBER** 288/aHAFC
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HED	No Fiscal Impact.	No Fiscal Impact.	No Fiscal Impact.	No Fiscal Impact.		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act

Sources of Information

LFC Files

Agency Analysis Received From
Higher Education Department (HED)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment strikes the \$100 million appropriation.

Synopsis of House Bill 288

House Bill 288 (HB288) adds “social worker” to the definition of health professional in the Health Professional Loan Repayment Act. The bill also removes “podiatrist” from the definitions and replaces with “podiatric physician” and adds clarifying language stating the Higher Education Department may determine other licensed or certified health professionals eligible to receive loan repayment through this program.

HB288 appropriates \$100 million from the general fund to the health professional loan repayment fund provided that no more than \$10 million may be expended in any one fiscal year.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

Because social workers are already eligible for coverage under the health professional loan program (see “Significant Issues”), HB288 has no fiscal impact.

SIGNIFICANT ISSUES

The Health Professional Loan Repayment Act provides student loan repayment to practicing health professionals who make a three-year service commitment to practice full-time in a medical shortage area in New Mexico. The Health Professional Loan Repayment Act defines eligible providers as a “physician, optometrist, podiatrist, physician's assistant, dentist, nurse, member of an allied health profession as defined in the Allied Health Student Loan for Service Act.”

The Allied Health Student Loan for Service Act defines allied health professions as: “physical therapy, occupational therapy, speech-language pathology, audiology, pharmacy, nutrition, respiratory care, laboratory technology, radiologic technology, dental hygiene, mental health services, emergency medical services or a licensed or certified health profession as defined by the department.”

HED currently lists licensed clinical social workers (LCSW) and licensed master social workers (LMSW) as being eligible to participate in the health professional loan repayment program.

HED reports:

The purpose of the New Mexico Health Professional Loan Repayment Program (HPLRP) is to provide repayment for outstanding student loans of practicing health care 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 has received interest from health care professionals throughout the New Mexico. In FY23, NMHED awarded 701 new awards in all health care disciplines as defined under the act. There are currently 41 continuing participants on the program.

The maximum allowable award is twenty-five thousand dollars (\$25 thousand) per year. Factors which may affect the award amount include the applicant's amount of student loan debt and available funding for the program. Recipients are eligible for renewal upon completion of a three-year obligation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The General Appropriation Act as passed by the House includes \$15 million for the health professional loan repayment program for FY25.

CJ/al/ne/hg