

HOUSE BILL 66

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

Christine Chandler

10 AN ACT

RELATING TO HEALTH CARE PROFESSIONAL LOAN REPAYMENT; CREATING THE HEALTH PROFESSIONS ADVISORY COMMITTEE TO SELECT RECIPIENTS OF LOAN REPAYMENT AWARDS; REQUIRING AWARD RECIPIENTS TO BE HEALTH PROFESSIONALS WHO CURRENTLY MAINTAIN PRACTICE IN NEW MEXICO OR AGREE TO RELOCATE TO AND COMMENCE PRACTICE IN NEW MEXICO; REQUIRING THE HIGHER EDUCATION DEPARTMENT TO DETERMINE AND DISBURSE AWARD AMOUNTS; PROVIDING POWERS AND DUTIES; PROVIDING ADDITIONAL AWARD CRITERIA; ADDING DEFINITIONS; ALLOWING FEES TO BE ASSESSED UPON BREACH OF CONTRACT; AMENDING THE HEALTH PROFESSIONAL LOAN REPAYMENT FUND; CONCLUDING THE PROVISION OF LOANS MADE PURSUANT TO THE ALLIED HEALTH STUDENT LOAN FOR SERVICE ACT; REPEALING SECTIONS OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

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1 SECTION 1. Section 21-22C-4 NMSA 1978 (being Laws 1994,
2 Chapter 57, Section 6) is amended to read:

3 "21-22C-4. ALLIED HEALTH LOANS--QUALIFICATIONS.--

4 A. ~~[The commission]~~ Prior to May 20, 2026, the
5 higher education department may grant a loan to a student it
6 deems qualified to receive the loan upon terms and conditions
7 it determines pursuant to the provisions of the Allied Health
8 Student Loan for Service Act and regulations adopted pursuant
9 to that act.

10 B. The ~~[commission]~~ higher education department
11 shall only receive, pass on and allow or disallow an
12 application for a loan made by a student enrolled or accepted
13 in an allied health profession program who is a bona fide
14 citizen and resident of the United States and of New Mexico and
15 who declares ~~[his]~~ the intent to practice an allied health
16 profession within a designated area of the state.

17 C. The ~~[commission]~~ higher education department
18 shall make a full and careful investigation of the ability,
19 character and qualifications of each applicant and determine
20 fitness to become a recipient of a student loan. The
21 investigation of each applicant shall include an investigation
22 of the ability of the applicant and the applicant's parent or
23 guardian to pay the applicant's expenses for an allied health
24 profession education. The ~~[commission]~~ higher education
25 department shall give preference to qualified applicants who

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1 are unable, or whose parents or guardians are unable, to pay
2 the educational expenses.

3 D. The [commission] higher education department
4 shall arrange for loan recipients to receive assistance in
5 locating appropriate practice positions in designated
6 underserved areas."

7 SECTION 2. Section 21-22D-3 NMSA 1978 (being Laws 1995,
8 Chapter 144, Section 18, as amended) is amended to read:

9 "21-22D-3. DEFINITIONS.--As used in the Health
10 Professional Loan Repayment Act:

11 A. "award" means the grant of money to repay
12 eligible education debt;

13 B. "committee" means the health professions
14 advisory committee;

15 [A.] C. "department" means the higher education
16 department;

17 [B.] D. "health professional" means a [physician,
18 optometrist, pediatrician, physician's assistant, dentist, nurse,
19 member of an allied health profession as defined in the Allied
20 Health Student Loan for Service Act or a licensed or certified
21 health professional as determined by the department]
22 professional licensed pursuant to the:

23 (1) Medical Practice Act;

24 (2) Physical Therapy Act;

25 (3) Occupational Therapy Act;

(4) Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;

(5) Pharmacy Act;

(6) Nutrition and Dietetics Practice Act;

(7) Respiratory Care Act;

(8) Medical Imaging and Radiation Therapy

Health and Safety Act;

(9) Dental Health Care Act;

(10) Professional Psychologist Act;

(11) Counseling and Therapy Practice Act;

(12) Nursing Practice Act;

(13) Optometry Act; or

(14) Emergency Medical Services Act;

E. "licensed physician" means a health professional

who is a medical physician or an osteopathic physician licensed

to practice medicine in New Mexico pursuant to the Medical

Practice Act;

[€]

[E.] F. "loan" means a grant of money to defray the costs incidental to a health education, under a contract between the federal government or a commercial lender and a health professional, requiring either repayment of principal and interest or repayment in services;

[D.] G. "nurse in advanced practice" means a registered nurse, including a:

(1) certified nurse practitioner, certified

1 registered nurse anesthetist or clinical nurse specialist,
2 authorized pursuant to the Nursing Practice Act to function
3 beyond the scope of practice of professional registered
4 nursing; or

5 (2) certified nurse-midwife licensed by the
6 department of health; and

7 [E.] H. "osteopathic primary care physician" means
8 an osteopathic physician licensed pursuant to the Medical
9 Practice Act with specialty training in family medicine,
10 general internal medicine, obstetrics, gynecology or general
11 pediatrics."

12 SECTION 3. Section 21-22D-4 NMSA 1978 (being Laws 1995,
13 Chapter 144, Section 19) is amended to read:

14 "21-22D-4. ~~[COMMISSION POWERS AND DUTIES--PARTICIPANT~~
15 ~~ELIGIBILITY--QUALIFICATIONS]~~ HEALTH PROFESSIONS ADVISORY
16 COMMITTEE--CREATED--COMPOSITION.--

17 [A. ~~The commission may grant an award to repay~~
18 ~~loans obtained for health educational expenses of a health~~
19 ~~professional upon such terms and conditions as may be imposed~~
20 ~~by regulations of the commission.~~

21 B. ~~Applicants shall be licensed or certified to~~
22 ~~practice in New Mexico as health professionals and shall be~~
23 ~~bona fide citizens and residents of the United States and of~~
24 ~~New Mexico. Applicants shall declare their intent to practice~~
25 ~~as health professionals within designated health professional~~

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1 shortage areas of the state.

2 C. The commission shall make a full and careful
3 investigation of the ability, character and qualifications of
4 each applicant and determine fitness to become a health
5 professional in the health professional loan repayment program.

6 D. The commission shall assist selected health
7 professionals in locating practice positions in designated
8 health professional shortage areas.]

9 A. The "health professions advisory committee" is
10 created.

11 B. The committee is composed of the following nine
12 members:

13 (1) one representative appointed by the
14 secretary of health;

15 (2) one representative appointed by the
16 secretary of health care authority;

17 (3) two representatives appointed by the
18 secretary of higher education, who shall have experience in
19 public post-secondary health and medical education;

20 (4) three representatives appointed by the
21 chair of the New Mexico medical board; and

22 (5) two representatives of professional health
23 and medical associations appointed by the secretary of higher
24 education.

25 C. Members of the committee appointed pursuant to

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1 Subsection B of this section shall serve staggered terms of
2 four years; provided that the initial term of members appointed
3 shall be less than six years. A vacancy on the board of an
4 appointed member shall be filled by appointment by the original
5 appointing authority for the remainder of the unexpired term of
6 office.

7 D. The members of the committee shall select a
8 chair, vice chair and other officers that the committee deems
9 necessary, who shall serve a term of two years. The committee
10 shall maintain minutes of all the meetings of the committee."

11 SECTION 4. Section 21-22D-5 NMSA 1978 (being Laws 1995,
12 Chapter 144, Section 20) is amended to read:

13 "21-22D-5. [DELEGATION OF DUTIES] HEALTH PROFESSIONS
14 ADVISORY COMMITTEE--DEPARTMENT--POWERS--DUTIES.--[The
15 commission may]

16 A. The committee shall:

17 (1) review applications provided by the
18 department;

19 (2) evaluate whether an applicant satisfies
20 the criteria provided pursuant to Subsection B of Section
21 21-22D-6 NMSA 1978;

22 (3) meet biannually and at the call of the
23 chair;

24 (4) select health professionals to receive
25 awards; and

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(5) advise the department on determinations of award amounts.

B. The department shall:

(1) determine award amounts in accordance with the criteria provided pursuant to Subsection C of Section 21-22D-6 NMSA 1978;

(2) disburse funds to health professionals who are selected by the committee to receive awards;

(3) assist awarded health professionals in locating practice positions in designated shortage areas; and

(4) promulgate rules as necessary to administer the Health Professional Loan Repayment Act.

C. The department may delegate to other agencies or
contract for the performance of services required by the
provisions of the Health Professional Loan Repayment Act."

SECTION 5. Section 21-22D-6 NMSA 1978 (being Laws 1995, Chapter 144, Section 21, as amended) is amended to read:

"21-22D-6. HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM--
AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

[A. Prior to receiving an award, the health professional shall file with the higher education department a declaration of intent to practice as a health professional in areas of New Mexico designated as underserved by the department. The department shall consult with the department of health when designating areas as underserved.]

1 B. Award criteria shall provide that:

2 (1) amounts shall be dependent upon the
3 location of the practice the applicant's total health
4 professional education indebtedness and characteristics of the
5 practice;

6 (2) preference in making awards shall be to
7 individuals who have graduated from a New Mexico post-secondary
8 educational institution]

9 A. The "health professional loan repayment program"
10 is created and shall be administered by the department. A
11 health professional shall apply for an award on a form provided
12 by the department. The department shall forward those
13 applications to the committee.

14 B. The committee shall select health professionals
15 to receive awards based on the following criteria:

16 [~~(3) recruitment awards~~] (1) a health
17 professional shall [be made to eligible participants who agree]
18 currently maintain practice in New Mexico or have agreed to
19 relocate to [an approved designated area] and commence practice
20 in New Mexico within ninety days of the grant of an award. An
21 award shall not be disbursed until the health professional
22 commences practice in New Mexico;

23 [~~(4)~~] (2) highest priority shall be given to
24 [~~participants in practices in which health profession vacancies~~
25 ~~are difficult to fill, practices that require after hours call~~

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1 at least every other night and practices that have heavy
2 ~~obstetrical responsibilities;~~

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

5 (6) an award shall not exceed the total
6 medical education indebtedness of any participant] full-time
7 licensed physicians;

8 (3) designated health professional shortage
9 areas and a health professional's total eligible education debt
10 and characteristics of the practice; and

11 (4) the number of awards shall be limited to
12 the amount of funds in the health professional loan repayment
13 fund.

14 C. Award amounts shall be determined by the
15 department in accordance with the following:

16 (1) funds shall be disbursed in amounts that
17 result in the payment of the full obligation of all awards
18 provided by the committee in a given year;

19 (2) an award to a licensed physician shall be
20 in an amount equal to seventy-five thousand dollars (\$75,000)
21 per year for four consecutive years, with the exception that:

22 (a) the total award amount shall not
23 exceed the licensed physician's total eligible education debt;

24 (b) the award amount shall be prorated
25 based on a four-year award period and in proportion to the

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1 licensed physician's total educational debt; and
2 (c) part-time employment as a licensed
3 physician shall be prorated based on the percentage of hours
4 worked relative to full-time employment; and
5 (3) an award to a health professional other
6 than a licensed physician shall:
7 (a) be calculated by multiplying forty
8 thousand dollars (\$40,000) by the quotient of the number of
9 years of full-time post-secondary training required for initial
10 licensure in the field of practice of the health professional
11 divided by eight;
12 (b) not exceed the health professional's
13 total eligible education debt;
14 (c) be prorated based on a three-year
15 award period and in proportion to the health professional's
16 total educational debt; and
17 (d) be prorated based on the percentage
18 of hours relative to full-time employment if the health
19 professional maintains part-time employment in the health
20 professional's respective health profession.

21 D. The department shall encumber the full amount of
22 the award during the first year of a health professional's
23 award period at a published schedule as determined by the
24 department.

25 [E.] E. The following education debts are not
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eligible for repayment pursuant to the Health Professional Loan Repayment Act:

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

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

(3) personal loans [~~from friends or relatives~~]; and

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

[D.] F. The loan repayment award shall be evidenced by a contract between the health professional and the department acting on behalf of the state. The contract shall provide for the payment by the state of a stated sum to the health professional's debtors and shall state the obligations of the health professional under the program, including a minimum [three-year] four-year period of service for licensed physicians and three-year period of service for health professionals other than licensed physicians, quarterly reporting requirements and other policies established by the department. The department may cancel the contract made between the department and the health professional for any reasonable cause deemed sufficient by the department.

1 [E.] G. Recipients shall serve a complete year in
2 order to receive credit for that year. The minimum credit for
3 a year shall be established by the department.

4 [F.] H. If a health professional does not comply
5 with the terms of the contract, the department shall assess [~~a~~
6 ~~penalty of~~] up to [~~three times~~] the full amount of award
7 disbursed [~~plus eighteen~~] and may assess a fee of no more than
8 eighteen percent interest of the amount of the award disbursed,
9 unless the department finds acceptable extenuating
10 circumstances for why the health professional cannot serve or
11 comply with the terms of the contract. If the department does
12 not find acceptable extenuating circumstances for the health
13 professional's failure to comply with the contract, the
14 department shall require immediate repayment [~~plus the amount~~
15 ~~of the penalty~~].

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

21 SECTION 6. Section 21-22D-7 NMSA 1978 (being Laws 1995,
22 Chapter 144, Section 22) is amended to read:

23 "21-22D-7. CONTRACTS--ENFORCEMENT.--The general form of
24 the contract required shall be prepared and approved by the
25 attorney general and signed by the health professional and the

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1 designated representative of the [commission] department on
2 behalf of the state. The [commission] department is vested
3 with full and complete authority and power to sue in its own
4 name for any balance due the state from any student on any such
5 contract."

6 SECTION 7. Section 21-22D-8 NMSA 1978 (being Laws 1995,
7 Chapter 144, Section 23) is amended to read:

8 "21-22D-8. HEALTH PROFESSIONAL LOAN REPAYMENT FUND
9 CREATED--PURPOSE--METHOD OF PAYMENT.--

10 A. The "health professional loan repayment fund" is
11 created as a nonreverting fund in the state treasury. [All
12 money appropriated for the health professional loan repayment
13 program shall be credited to the fund, and all payments for
14 penalties or repayment of awards received by the commission
15 shall be credited to the fund or shall be deposited with the
16 commission's administrative agent. All payments for loan
17 repayment awards shall be made upon vouchers signed by the
18 designated representative of the commission and upon warrant
19 issued by the secretary of finance and administration.] The
20 fund consists of appropriations, distributions, gifts and
21 grants. The department shall administer the fund, and money in
22 the fund is appropriated to the department to provide awards
23 pursuant to the Health Professional Loan Repayment Act;
24 provided that:

25 (1) no less than fifty percent of the

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1 available funds in the health professional loan repayment fund
2 as of the beginning of each fiscal year shall be encumbered for
3 licensed physicians who receive an award; and

4 (2) funds that are encumbered but unexpended
5 shall be used for licensed physician awards in the next fiscal
6 year.

7 B. Disbursements from the fund shall be made by
8 warrant of the secretary of finance and administration pursuant
9 to vouchers signed by the secretary of higher education or the
10 secretary's authorized representative."

11 SECTION 8. Section 21-22D-10 NMSA 1978 (being Laws 1995,
12 Chapter 144, Section 25) is amended to read:

13 "21-22D-10. REPORTS.--[The commission] By November 1 of
14 each year, the department shall make annual reports to the
15 governor and to the legislature [prior to each regular session]
16 of its activities, the [loan repayment awards] amount of each
17 award granted, [the names and addresses of loan repayment award
18 recipients, the names and locations of the practices of those
19 health professionals who are serving in a designated health
20 professional shortage area of the state pursuant to the Health
21 Professional Loan Repayment Act and the name of each loan
22 repayment award recipient who is not serving in a designated
23 health professional shortage area, the reason the person is not
24 serving and the amount owed and paid on the loan and loan
25 repayment award] the cumulative total award amount, the number

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of awards made by profession type and the county and municipality where each health professional that received an award practices in the state."

SECTION 9. REPEAL.--Sections 21-22D-2 and 21-22D-9 NMSA 1978 (being Laws 1995, Chapter 144, Sections 17 and 24, as amended) are repealed.

SECTION 10. APPROPRIATION.--Twenty-five million dollars (\$25,000,000) is appropriated from the general fund to the health professional loan repayment fund for expenditure in fiscal year 2027 and subsequent fiscal years to make awards pursuant to the Health Professional Loan Repayment Act. Any unexpended balance remaining at the end of a fiscal year shall not revert to the general fund.

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