

HOUSE HEALTH AND HUMAN SERVICES COMMITTEE SUBSTITUTE FOR
HOUSE BILL 66

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

AN ACT

RELATING TO HEALTH CARE PROFESSIONAL LOAN REPAYMENT; 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 ADDITIONAL AWARD CRITERIA; ADDING DEFINITIONS; ALLOWING FEES TO BE ASSESSED UPON BREACH OF CONTRACT; AMENDING THE HEALTH PROFESSIONAL LOAN REPAYMENT FUND; REPEALING SECTIONS OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

SECTION 1. Section 21-22D-3 NMSA 1978 (being Laws 1995, Chapter 144, Section 18, as amended) is amended to read:

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

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1 A. "award" means the grant of money to repay
2 eligible education debt;

3 [A.] B. "department" means the higher education
4 department;

5 [B.] C. "health professional" means 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 or a licensed or certified health professional as determined by the department]~~
6 professional licensed pursuant to the:

7 (1) Medical Practice Act;
8 (2) Physical Therapy Act;
9 (3) Occupational Therapy Act;
10 (4) Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;

11 (5) Pharmacy Act;
12 (6) Nutrition and Dietetics Practice Act;
13 (7) Respiratory Care Act;
14 (8) Medical Imaging and Radiation Therapy
15 Health and Safety Act;

16 (9) Dental Health Care Act;
17 (10) Professional Psychologist Act;
18 (11) Counseling and Therapy Practice Act;
19 (12) Nursing Practice Act;
20 (13) Optometry Act;

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D. "licensed physician" means a health professional who is licensed to practice medicine in New Mexico pursuant to the Medical Practice Act;

[C.] E. "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; and

[D.] F. "nurse in advanced practice" means a

1 registered nurse, including a:

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

7 (2) certified nurse-midwife licensed by the
8 department of health [and

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

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

16 "21-22D-6. HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM--
17 AWARD CRITERIA--CONTRACT TERMS--PAYMENT--

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

24 B. ~~Award criteria shall provide that:~~

25 (1) ~~amounts shall be dependent upon the~~

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1 location of the practice the applicant's total health
2 professional education indebtedness and characteristics of the
3 practice;

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

7 A. The "health professional loan repayment program"
8 is created and shall be administered by the department. A
9 health professional shall apply for an award on a form provided
10 by the department.

11 B. Health professionals shall be selected to
12 receive awards based on the following criteria:

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

20 [(4)] (2) highest priority shall be given to
21 [participants in practices in which health profession vacancies
22 are difficult to fill, practices that require after hours call
23 at least every other night and practices that have heavy
24 obstetrical responsibilities;

25 (5) award amounts may be modified based upon

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1 available funding or other special circumstances; and

2 (6) an award shall not exceed the total

3 ~~medical education indebtedness of any participant]~~ licensed
4 physicians;

5 (3) designated health professional shortage
6 areas and a health professional's total eligible education debt
7 and characteristics of the practice; and

8 (4) the number of awards shall be limited to
9 the amount of funds appropriated to the department for the
10 purpose of the health professional loan repayment program.

11 C. Award amounts shall be determined by the
12 department in accordance with the following:

13 (1) funds shall be disbursed in amounts that
14 result in the payment of the full obligation of all awards
15 provided in a given year;

16 (2) an award to a licensed physician shall be
17 a minimum of seventy-five thousand dollars (\$75,000) per year
18 for four consecutive years, with the exception that:

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

21 (b) the award amount shall be prorated
22 based on a four-year award period; and

23 (c) part-time employment as a licensed
24 physician shall be prorated based on the percentage of hours
25 worked relative to full-time employment; and

(3) an award to a health professional other than a licensed physician shall:

(a) not exceed the health professional's total eligible education debt;

(b) be prorated based on a three-year award period; and

(c) be prorated based on the percentage of hours relative to full-time employment if the health professional maintains part-time employment in the health professional's respective health profession.

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

[E.] E. The following education debts are not 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

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(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.

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

[F.] H. If a health professional does not comply with the terms of the contract, the department shall assess [~~a penalty of~~] up to [~~three times~~] the full amount of award disbursed [~~plus eighteen~~] and may assess a fee of no more than eighteen percent interest of the amount of the award disbursed, unless the department finds acceptable extenuating circumstances for why the health professional cannot serve or

1 comply with the terms of the contract. If the department does
2 not find acceptable extenuating circumstances for the health
3 professional's failure to comply with the contract, the
4 department shall require immediate repayment ~~[plus the amount
5 of the penalty]~~.

6 [G.] I. The department shall ~~[adopt regulations]~~
7 promulgate rules to implement the provisions of this section
8 ~~[the regulations]~~ that may provide for the disbursement of
9 ~~[loan repayment]~~ awards to the lenders of health professionals
10 in annual or other periodic installments."

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

13 "21-22D-7. CONTRACTS--ENFORCEMENT.--The general form of
14 the contract required shall be prepared and approved by the
15 attorney general and signed by the health professional and the
16 designated representative of the ~~[commission]~~ department on
17 behalf of the state. The ~~[commission]~~ department is vested
18 with full and complete authority and power to sue in its own
19 name for any balance due the state from any student on any such
20 contract."

21 SECTION 4. Section 21-22D-8 NMSA 1978 (being Laws 1995,
22 Chapter 144, Section 23) is amended to read:

23 "21-22D-8. HEALTH PROFESSIONAL LOAN REPAYMENT FUND
24 CREATED--PURPOSE--METHOD OF PAYMENT.--

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

15 (1) no less than fifty percent of the
16 available funds in the health professional loan repayment fund
17 as of the beginning of each fiscal year shall be encumbered for
18 licensed physicians who receive an award; and

19 (2) funds that are encumbered but unexpended
20 shall be used for awards in the next fiscal year.

21 B. Disbursements from the fund shall be made by
22 warrant of the secretary of finance and administration pursuant
23 to vouchers signed by the secretary of higher education or the
24 secretary's authorized representative."

25 SECTION 5. Section 21-22D-10 NMSA 1978 (being Laws 1995,

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1 Chapter 144, Section 25) is amended to read:

2 "21-22D-10. REPORTS.--[The commission] By December 31 of
3 each year, the department shall make annual reports to the
4 governor and to the legislature [prior to each regular session]
5 of its activities, the [loan repayment awards] amount of each
6 award granted, [the names and addresses of loan repayment award
7 recipients, the names and locations of the practices of those
8 health professionals who are serving in a designated health
9 professional shortage area of the state pursuant to the Health
10 Professional Loan Repayment Act and the name of each loan
11 repayment award recipient who is not serving in a designated
12 health professional shortage area, the reason the person is not
13 serving and the amount owed and paid on the loan and loan
14 repayment award] the cumulative total award amount, the number
15 of awards made by profession type and the county and
16 municipality where each health professional that received an
17 award practices in the state."

18 SECTION 6. REPEAL.--Sections 21-22D-2 and 21-22D-9 NMSA
19 1978 (being Laws 1995, Chapter 144, Sections 17 and 24) are
20 repealed.

21 SECTION 7. APPROPRIATION.--Twenty-five million dollars
22 (\$25,000,000) is appropriated from the general fund to the
23 health professional loan repayment fund for expenditure in
24 fiscal year 2027 and subsequent fiscal years to make awards
25 pursuant to the Health Professional Loan Repayment Act. Any

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1 unexpended balance remaining at the end of a fiscal year shall
2 not revert to the general fund.

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