

HOUSE BILL 85

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

INTRODUCED BY

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AN ACT

RELATING TO HEALTH CARE; INCREASING THE NUMBER OF PHYSICIANS, PHYSICIAN ASSISTANTS AND ADVANCED PRACTICE NURSES PRACTICING IN NEW MEXICO THROUGH LOAN REPAYMENT AND LOAN-FOR-SERVICE PROGRAMS; REQUIRING SERVICES IN UNDERSERVED AREAS OF THE STATE; CREATING A TRUST FUND AND A PROGRAM FUND; PROVIDING FOR DISTRIBUTIONS FROM THE TRUST FUND; MAKING A TRANSFER FROM THE GENERAL FUND TO THE MEDICAL PROVIDER RECRUITMENT TRUST FUND; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of Chapter 21 NMSA 1978 is enacted to read:

"[NEW MATERIAL] MEDICAL PROVIDER RECRUITMENT TRUST FUND. --

A. The "medical provider recruitment trust fund" is created in the state treasury. The fund consists of .232868.1

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1 distributions or appropriations from other funds in the state
2 treasury, income from investment of the fund, gifts, grants,
3 donations and any other deposits into the fund. Distributions
4 from the fund to the medical provider recruitment program fund
5 shall be as provided in this section.

6 B. The state investment officer, subject to the
7 approval of the state investment council, shall invest money in
8 the trust fund:

9 (1) in accordance with the prudent investor
10 rule set forth in the Uniform Prudent Investor Act; and
11 (2) in consultation with the state treasurer.

12 C. The state investment officer shall report
13 quarterly to the state investment council and the legislative
14 finance committee on the investments made pursuant to this
15 section. A report shall be submitted no later than October 1
16 of each year to the legislative finance committee, the revenue
17 stabilization and tax policy committee and any other
18 appropriate interim committees.

19 D. On July 1, 2027 and each July 1 thereafter, a
20 distribution shall be made from the medical provider
21 recruitment trust fund to the medical provider recruitment
22 program fund in an amount equal to five percent of the average
23 of the year-end market values of the trust fund for the
24 immediately preceding three calendar years. If, on July 1 of a
25 year, the trust fund has been in effect for fewer than three

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1 calendar years, the distribution shall be in an amount equal to
2 five percent of the average of the year-end market values of
3 the trust fund for the immediately preceding number of calendar
4 years the trust fund has been in effect.

5 E. In addition to the distributions to the medical
6 provider recruitment program fund, money in the trust fund may
7 be expended in the event that general fund balances, including
8 all authorized revenues and transfers to the general fund and
9 balances in the general fund operating reserve, the
10 appropriation contingency fund and the tax stabilization
11 reserve, will not meet the level of appropriations authorized
12 from the general fund for a fiscal year. In that event, to
13 avoid an unconstitutional deficit, the legislature may transfer
14 from the trust fund to the general fund only the amount
15 necessary to meet general fund appropriations for that fiscal
16 year and only if the legislature has authorized transfers from
17 the appropriation contingency fund, the general fund operating
18 reserve and the tax stabilization reserve that exhaust those
19 fund balances."

20 SECTION 2. A new section of Chapter 21 NMSA 1978 is
21 enacted to read:

22 "[NEW MATERIAL] MEDICAL PROVIDER RECRUITMENT PROGRAM
23 FUND.--

24 A. As used in this section:

25 (1) "advanced practice nurse" means a

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certified nurse practitioner, certified nurse-midwife, clinical nurse specialist, certified nurse anesthetist or other graduate nurse licensed for advanced practice by the board of nursing;

(2) "department" means the higher education department;

(3) "participant" means a person who attends or has graduated from medical school, a physician assistant program or graduate nursing education and who has a contract with the department for loan for service or loan repayment through service in an underserved area;

(4) "physician" means a medical physician or an osteopathic physician licensed by the New Mexico medical board;

(5) "physician assistant" means a physician assistant or an osteopathic physician assistant licensed by the New Mexico medical board;

(6) "primary care provider" means a physician, a physician assistant or an advanced practice nurse who has completed training in family medicine, general internal medicine or general pediatrics;

(7) "secretary" means the secretary of higher education; and

(8) "underserved area" means a geographic area in New Mexico designated by the department in which sufficient health care is not being provided to the residents of that

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1 area.

2 B. The "medical provider recruitment program fund"
3 is created as a nonreverting fund in the state treasury. The
4 fund consists of distributions, appropriations, income from
5 investment of the fund, gifts, grants and donations. The
6 department shall administer the fund, and money in the fund is
7 subject to appropriation by the legislature for loan for
8 service and loan repayment for physicians, physician assistants
9 and advanced practice nurses participating in programs through
10 the Medical Student Loan for Service Act, the Osteopathic
11 Medical Student Loan for Service Act, the Health Professional
12 Loan Repayment Act or other loan-for-service or loan repayment
13 programs approved by the department. Initial priorities shall
14 be given to applicants for loan repayment programs, especially
15 those who hold an applicable graduate degree from a state
16 university in New Mexico or a university with which New Mexico
17 has a bordering states agreement, and to participants who are
18 committed to serving as primary care providers. Disbursements
19 from the fund shall be by warrant of the secretary of finance
20 and administration pursuant to vouchers signed by the secretary
21 of higher education or the secretary's authorized
22 representative."

23 **SECTION 3. TRANSFER--APPROPRIATION.--**

24 A. Five million dollars (\$5,000,000) is transferred
25 from the general fund to the medical provider recruitment trust
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1 fund in fiscal year 2026.

2 B. One million dollars (\$1,000,000) is appropriated
3 from the general fund to the medical provider recruitment
4 program fund for expenditure in fiscal year 2027 and subsequent
5 fiscal years to provide medical loan repayments and medical
6 loans for service as provided in Section 2 of this act. Any
7 unexpended balance remaining at the end of a fiscal year shall
8 not revert to the general fund.

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