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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 85

SHORT TITLE: Medical Provider Loan-For-Service Pgms

SPONSOR: Sanchez/Silva/Hernandez, JF/Dow/Chatfield

LAST ORIGINAL
UPDATE: _____ **DATE:** 1/22/26 **ANALYST:** Jorgensen

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$5,000.0	Nonrecurring	General Fund
	\$1,000.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

REVENUE* (dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
	Choose an item.		\$253.8	\$257.6	\$261.4	Recurring	Med. Provider Recruitment Trust Fund

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 66 and Senate Bill 11 and 14.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Higher Education Department

SUMMARY

Synopsis of House Bill 85

House Bill 85 (HB85) establishes the medical provider recruitment fund trust fund and a medical provider recruitment program fund to expand loan repayment and loan-for-service programs for health professionals in New Mexico.

The appropriates \$5 million from the general fund to the newly established medical provider recruitment trust fund and \$1 million from the general fund to the medical provider recruitment program fund for expenditure in the first year. The bill stipulates that after the first year of the

program, five percent of the trust fund balance will be transferred to the program fund for award to providers. The fund is to be managed by the State Investment Council.

The Higher Education Department (HED) is responsible for administering the program, including determining provider eligibility, prioritizing applicants for award, setting award amounts, and making awards. Any provider eligible for loan-for-service and loan forgiveness programs would be eligible for a funding award through the medical provider recruitment program fund.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

HB85 appropriates \$5 million from the general fund and creates a new nonreverting medical provider trust fund and appropriates \$1 million from the general fund to a newly created medical provider recruitment program fund in FY27. The \$1 million appropriation to the program fund would be eligible for expenditure in FY27 and subsequent fiscal years.

The \$5 million appropriation to the trust fund would generate investment income and would transfer 5 percent of the ending balance for expenditure in the next fiscal year. In the first year, the program fund would receive \$1 million from the general fund and 5 percent, or \$250 thousand.

Assuming an average investment return of 6.5 percent, the program fund would receive between \$253.8 thousand and \$261.4 thousand per year in FY28 through FY30 as shown in the revenue table.

This bill creates two new funds and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

The bill states that money in the program fund is subject to appropriation by the Legislature and may be used to for loan-for-service and loan forgiveness for doctors, nurses and others eligible to participate in existing programs including the Health Professional Loan Repayment Program (HPLRP). A number of professions, including doctors, nurses, social workers and counselors are eligible for participation in HPLRP.

HED reports:

NMHED already administers the Medical Student Loan (21-22-1), Osteopathic Medical Student Loan (21-22A), Nursing Student Loan (21-22B), and Health Loan Repayment (21-22D) program acts. This can potentially compete with funding for the Health Professional Loan Repayment Program.

Initial priority shall be given to applicants for the loan repayment programs, particularly those who have earned a graduate degree from a New Mexico public university or a

partnering institution. Eligible providers must demonstrate a commitment to primary care practice. Participants eligible under this proposal include physicians (MD/DO), physician assistants, and advanced practice nurses, including nurse practitioners (NPs), certified nurse-midwives (CNMs), clinical nurse specialists (CNSs), and certified registered nurse anesthetists (CRNAs).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 66, which amends the Health Professional Loan Repayment Act and appropriates funds to the Higher Education Department for purposes of the Act.

Relates to Senate Bill 11, which establishes the Nurse Loan Repayment Act and appropriates funds to the Higher Education Department for purposes of the Act.

Relates to Senate Bill 14, which amends the Health Professional Loan Repayment Act and appropriates funds to the Higher Education Department for purposes of the Act.

OTHER SUBSTANTIVE ISSUES

Loan forgiveness programs cancel existing debt after certain conditions are met, while loan-for-service programs provide upfront loan assistance that is repaid through a required period of service.

CJ/sgs/cf/ct