



Health Care Workforce: Loan Repayment

PREPARED BY LFC STAFF
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Overview



Survey of Loan Repayment Programs



Program Data and Comparisons



Rural Health Transformation:
Federal Funding Opportunities





Key Points

- Loan repayment programs offer an opportunity for student loan relief in exchange for service in underserved areas. Programs exist for health care, education, legal services and other public service.
- State and federal loan repayment programs differ by award amounts; terms of service commitment; and types of practitioner.
- State appropriations have increased substantially over the past 4 years, but it is not yet clear if these investments are leading to enhanced retention in rural areas.
- New Mexico's Health Professional Loan Repayment (HPLRP) program may need to adapt to remain competitive with federal and other states' programs.
- The Rural Health Transformation Program (RHTP) funding opportunity may provide additional support for rural clinicians through loan repayment and other incentives.





Federal Loan Repayment Programs

National Health Service Corps Loan Repayment (LRP) and State Loan Repayment (SLRP)

What it is:

LRP is administered by NHSC – applicants apply directly to HRSA.

SLRP provides grant funding for states. States develop their own loan repayment initiatives that work for their residents.

Who it's for:

Primary care medical, mental and behavioral health, and dental clinicians.

The Commitment:

For NHSC LRP direct support, up to \$80 thousand for a primary care, 2-year commitment and \$55 thousand for a 2-year commitment in non primary care disciplines.

New Mexico' SLRP commitment is currently three years, up to \$75 thousand.

Indian Health Service (IHS) Loan Repayment

What it is:

A service-obligated loan repayment program that covers eligible health education loans for health professionals. The HIS sponsors the program, which involves a commitment to practice in a qualifying IHS health facility.

Who it is for:

Includes physicians, nurses, dentists, psychologists, and physical and occupational therapists. Priority is given to American Indian and Alaska Native applicants but is open to all qualifying health professionals interested in practicing in Indian health facilities.

The Commitment:

At least 2 years full-time in an IHS-approved facility, up to \$50 thousand.

Source: HRSA BHW





Additional NHSC Loan Repayment and Student Assistance Programs

NHSC Scholarship Program (SP)

What it is:

A scholarship awarded to students in accredited primary care health programs to cover tuition, fees, and provide a monthly stipend for educational costs.

Who it's for:

Students pursuing primary care disciplines, such as physicians, dentists, nurse practitioners, and physician assistants, who are committed to serving underserved communities.

The Commitment:

A service commitment of two to four years at an NHSC-approved site in a HPSA, depending on the length of the scholarship. Up to \$120 thousand for a four-year term of service.

NHSC Students to Service (S2S) Loan Re-payment Program

What it is:

A loan repayment assistance program for medical (MD/DO) and dental (DMD/DDS) students in their final year of school.

Who it's for:

Medical and dental students who need financial assistance to repay educational loans.

The Commitment:

Three years of full-time clinical practice at an NHSC-approved site in a HPSA after completing medical/dental school and any required postgraduate training.

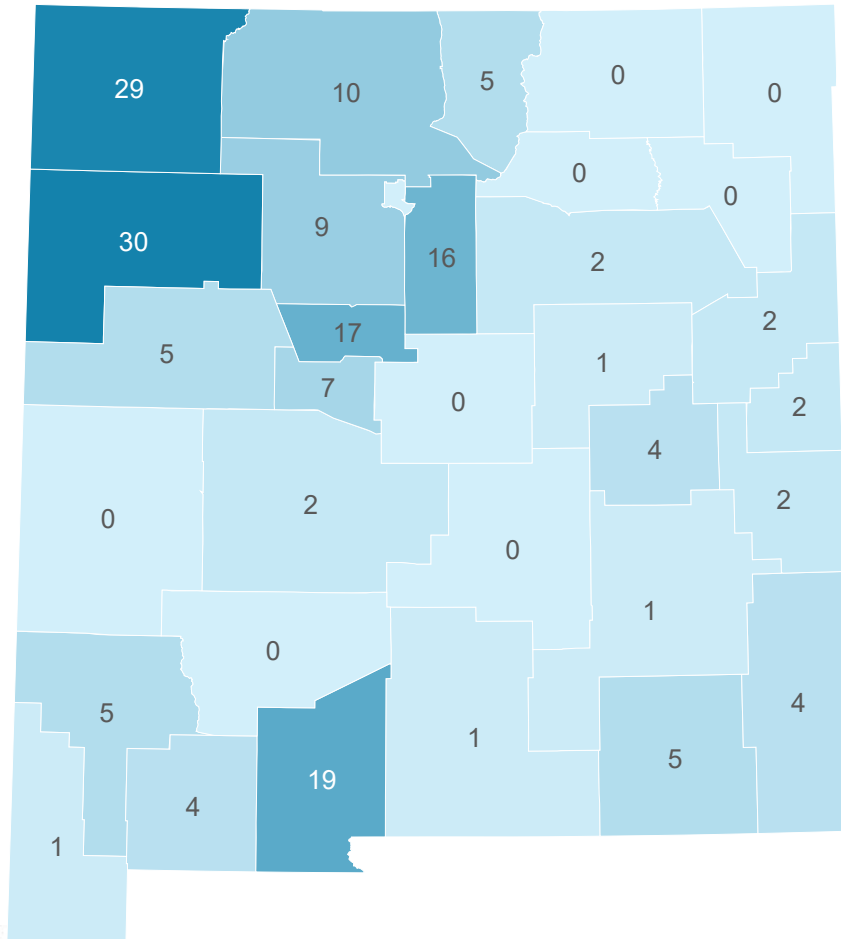
Source: HRSA BHW





Distribution of National Health Service Corps Federal Awards

NHSC Practitioner Distribution by County



- Total Count of Participants: 183 (90 Primary Care; 20 Dental; 73 Mental Health)
- Total Count of Loan Repayment Participants: 151
- Total Count of Scholarship Program Participants: 1
- Total Count of Students to Service Participants: 16
- Total Number of Sites: 105

HHS has published new proposed HPSA scores in the Federal Register, tentatively effective July 1 2026, which may affect eligibility and provider distributions.

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Source: HRSA, DOH Field Strength Report, 07/22/2025





IHS Facilities by HPSA Score

IHS Loan Repayment Facilities by HPSA Score				
		Primary Care	Dental Health	Mental Health
Acoma-Canoncito-Laguna IHS Hospital	San Fidel	20	22	21
Alamo Navajo Health Center	Magdalena	20	22	15
Albuquerque Indian Dental Clinic	Albuquerque	19	20	19
Albuquerque IHS Indian Health Center - Hospital	Albuquerque	19	20	19
Canoncito Health Center - (To'Hajilee-Canoncito)	To'hajilee	20	21	19
Cochiti Health Center - (Santa Fe Service Unit)	Cochiti Pueblo	20	20	20
Crownpoint Health Center	Crownpoint	20	22	21
Dzilth-Na-O-Dith-Hle IHS Indian Health Center	Bloomfield	19	22	20
Eight Northern Indian Pueblos, Inc - Circle of Life. - (San Juan Pueblo Health Program)	San Juan Pueblo	17	19	18
First Nations Community Health Source	Albuquerque	19	20	19
Five Sandoval Indian Pueblos, Inc. Behavioral Clinic - (Jemez-Cochiti-Santa Ana-Sandia-Zia)	Rio Rancho	0	0	18
Gallup Indian Medical Center	Gallup	20	24	22
Isleta Health Center	Isleta	19	20	19
Jemez Health Center - (Jemez-Cochiti-Santa Ana-Sandia-Zia)	Jemez Pueblo	20	22	21
Jicarilla IHS Health Center	Dulce	20	20	15
Pueblo of Laguna Health & Wellness Center - (Pueblo of Laguna)	Laguna	19	21	19
Mescalero Indian Hospital	Mescalero	19	22	16
New Sunrise Regional Treatment Center	San Fidel	20	22	21
Northern Navajo Medical Center - (IHS Shiprock Service Unit)	Shiprock	19	22	21
Pine Hill Health Center	Pinehill	21	24	22
Pueblo Pintado Health Center	Crownpoint	20	24	22
San Felipe Health Center - (Santa Fe Service Unit)	San Felipe Pueblo	19	20	19
San Ildefonso Pueblo Health Program - (Santa Fe Service Unit)	Santa Fe	7	7	7
San Juan Pueblo Health Program	San Juan Pueblo	18	0	0
Sanostee Health Station - (Shiprock Service Unit)	Sanostee	19	22	21
Santa Ana IHS Health Center - (IHS Albuquerque Area)	Bernalillo	19	20	19
Santa Clara IHS Health Center - (Santa Fe Service Unit)	Espanola	21	20	19
Santa Fe IHS Indian Hospital - (Santa Fe Service Unit)	Santa Fe	21	20	18
Santo Domingo Health Program - (Kewa Pueblo Health Corp.)	Santo Domingo Pue	20	20	19
Taos-Picuris Indian Health Center - (Taos-Picuris Service Unit)	Taos	19	20	15
The Pueblo of Sandia Health Center	Bernalillo	19	20	19
Thoreau Health Center - (Crownpoint Healthcare Facility)	Thoreau	20	24	22
Toadlena Health Clinic - (IHS Shiprock Service Unit)	Shiprock	19	22	21
Tohatchi IHS Health Center - (IHS Navajo Area)	Tohatchi	20	22	21
Zia Health Center - (IHS Albuquerque Area)	Zia Pueblo	19	20	19
Zuni Indian Hospital - (IHS Albuquerque Area)	Zuni	20	24	22

IHS issued \$3.06 million in loan repayments in federal fiscal year 2025.

Data on the number of IHS Loan Repayment participants by facility is not readily available. Estimated 120 recipients at a full award of \$25 thousand.

Source: IHS





State Loan Repayment Programs Administered by the Higher Education Department (HED)

New Mexico Health Professional Loan Repayment Program (HPRLP)

What it is:

Licensed clinicians can receive loan repayment assistance through HPLRP. Providers must be in an eligible discipline serving in a discipline-related Health Professional Shortage Area (HPSA). 21-22 through 21-22D NMSA 1978; 5.7.3 NMAC

Who it's for:

Primary care (PC) clinicians serving at a PC HPSA, and non-primary care clinicians in mental health and dental HPSAs.

The Commitment:

At least three years of service in a qualifying HPSA. Clinicians are eligible for up to \$75 thousand loan repayment assistance

Children Youth and Families Department (CYFD) Loan Repayment

What it is:

Loan repayment assistance for certain CYFD employees – 21-22I NMSA 1978; 5.7.7 NMAC

Who it's for:

CYFD employees working within the Juvenile Justice and Child Protective Services divisions.

Award Structure:

CYFD identifies qualified applicants and awards are prorated, increasing with years of service at CYFD. In FY25 the maximum award was \$6,800 for five or more years of service.

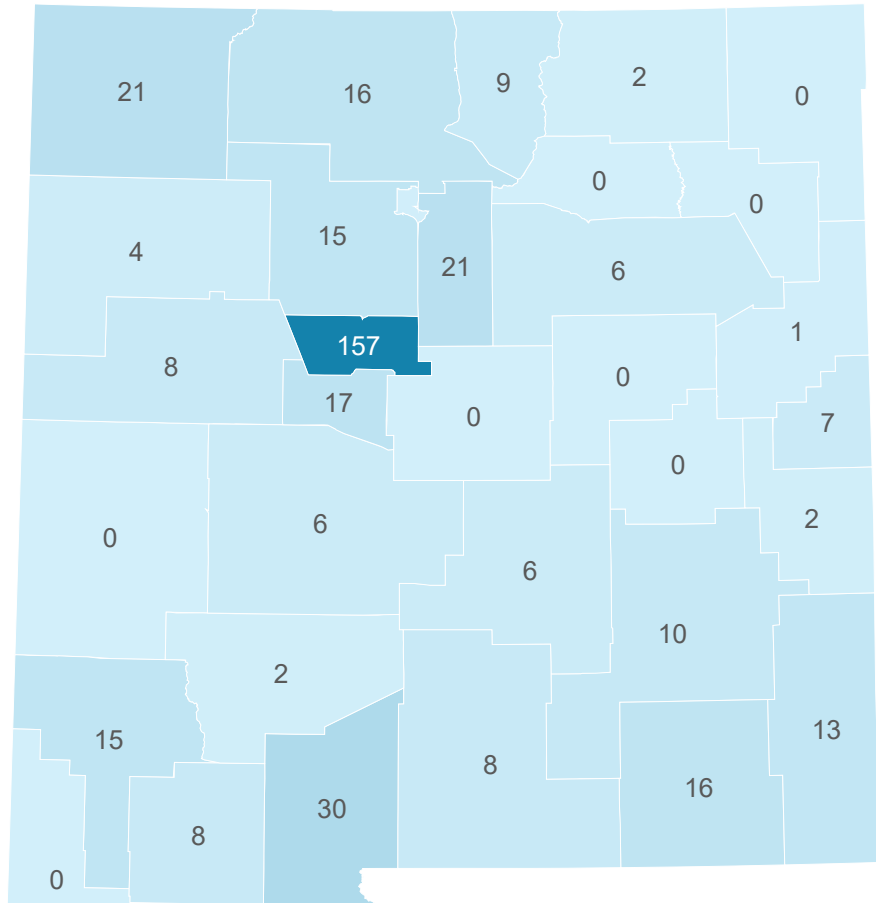
Source: HRSA BHW





New Mexico HPLRP Appropriations and FY26 Distribution

Distribution of New Mexico HPLRP Practitioners, FY26



Fiscal Year	General Fund	HB2 Special
FY21	\$1,061.9	\$0.0
FY22	\$1,248.0	\$0.0
FY23	\$1,648.0	\$0.0
FY24	\$4,648.0	\$10,000.0
FY25	\$4,648.0	\$15,000.0
FY26	\$4,648.0	\$20,000.0

Discipline FY26	Awards
Medical (incl. DNP)	104
Allied	56
Nursing (RN)	128
Dental	11
Mental Health	102
TOTAL	401

FY26 Average Award	Amount
Medical	\$22,000.00
Allied	\$20,000.00
Nursing	\$15,000.00
Dental	\$16,000.00
Mental	\$18,000.00
Average	\$18,200.00

In FY26, HED awarded 401 total clinicians from 992 applicants (40 percent)

Source: HED





Comparison with Neighboring State Programs

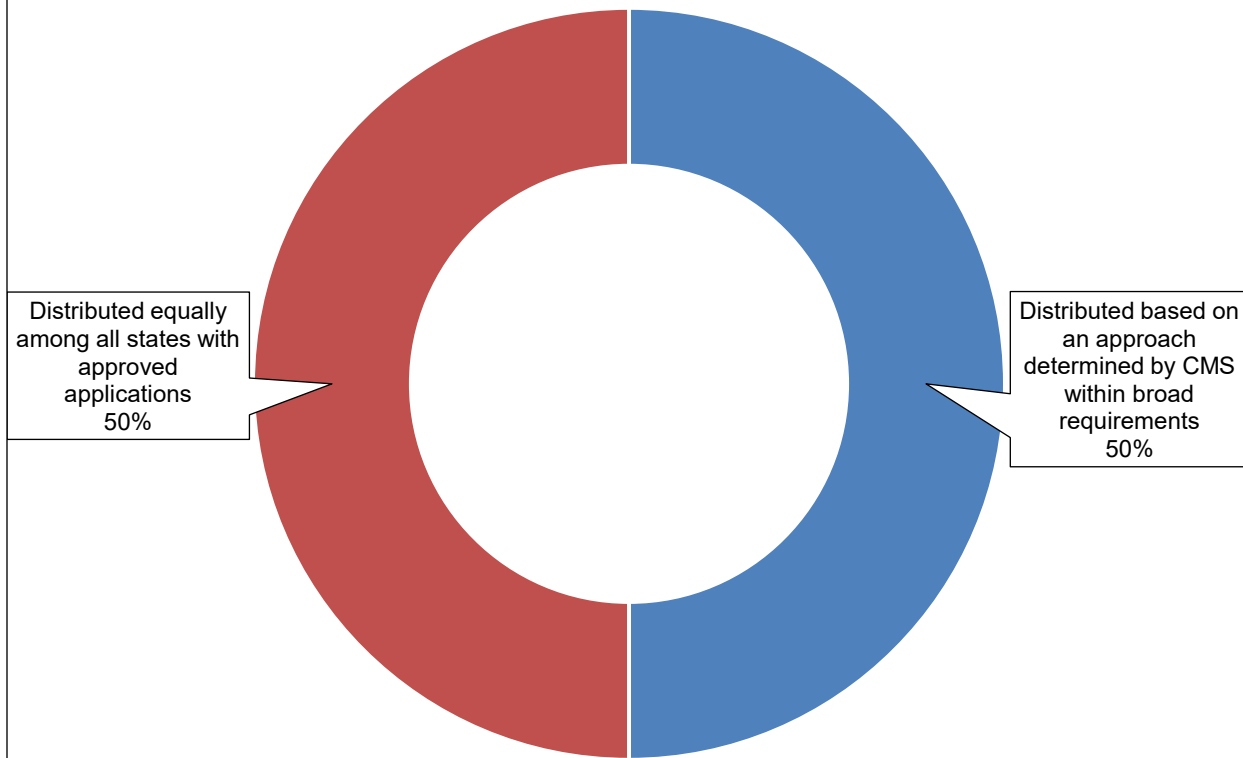
State	Name	Funding Source	Service Commitment	Award Amount	Eligible Specialties
AZ	Arizona Loan Repayment Program	State	Minimum 2-year commitment.	Up to \$65,000 for physicians and dentists (for a 2-year commitment); Advanced practice providers can qualify for up to \$50,000.	MD or DO physician in the field of family practice, pediatrics, obstetrics, or internal medicine; or a dentist, nurse practitioner, certified nurse midwife, or physician assistant, mental health providers, pharmacists, geriatrics and psychiatry.
CO	Colorado Health Service Corps Loan Repayment Program	Federal/State	Agree to work for a term of 3 years at the approved site. Full time or part time.	Full time: \$90,000 for physicians and dentists, \$50,000 for physician assistants, advanced practice nurses, clinical pharmacists and licensed mental health providers, \$20,000 for dental hygienists; Part time: \$45,000 for physicians and dentists, \$25,000 for physician assistants, advanced practice nurses, clinical pharmacists and licensed mental health providers, \$10,000 for dental hygienists.	Primary care providers working in designated health professional shortage areas can apply to receive funding to repay qualifying educational loans.
NM	Health Professional Loan Repayment Program (HPLRP)	Federal/State	Health professional must make a three-year service commitment to practice full-time in a designated medical shortage area in New Mexico. Award is renewable.	The maximum award is \$25,000 per year for those working in a federal Health Professional Shortage Area (HPSA). However, the award may depend on the applicant's amount of student loan debt and may depend on available funding.	Allopathic physician, osteopathic physician, physician assistants, registered and advanced practice nurses, behavioral health, allied health care providers, pediatricians, optometrists, and dentists.
OK	Oklahoma Physician Loan Repayment Program	State	Lump sum yearly payments are made at the conclusion of each obligated practice year.	\$200,000.00 maximum for four years. \$50,000 first year, \$50,000 second year, \$50,000 third year, and \$50,000 final year.	Primary care physicians.
TX	Physician Education Loan Repayment Program	State	Agree to practice in a Health Professional Shortage Area (HPSA) for at least four years. The service period is a period of twelve consecutive months, generally beginning on the date the application is received, or the date qualifying employment begins, whichever is later.	The Physician Education Loan Repayment Program (PELRP) provides loan repayment funds for up to \$180,000 over a period of four years to qualifying physicians.	Family Medicine, Obstetrics/Gynecology, Internal Medicine, Pediatrics, Psychiatry, and Geriatrics.
UT	Rural Physician Loan Repayment Program (RPLRP)	State	2-year commitment	The maximum amount a physician can receive from the department of health is \$15,000 per year. Hospitals are required to match the amount from The department of health making a total of \$30,000 per year.	Physicians





H.R.1 – Rural Health Transformation Program (RHTP)

Rural Health Fund - \$50 Billion To States Over 5 Years



Source: CMS, KFF

- CMS has issued the funding opportunity with submissions required November 5th, 2025. Awards to be determined by December 31.
- Funding commences FFY 2026 with \$10 billion allocated each year through FFY 2030
- States must submit a Rural Health Transformation Plan with the goal of spending each year's funds within a fiscal year
- HCA issued a consultation RFP and is currently selecting a contractor.
- Preliminary estimates for New Mexico are a floor of \$100 million / year, contingent upon an approved submission.



Rural Health Transformation Program Workforce Incentives

- Workforce Development is one of the five strategic goals associated with the RHTP grant (in addition to public health outcomes; sustainable access; care innovation and health technology).
- A stated goal is recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for a minimum of 5 years.
- Activities may include new incentive programs, expanded scopes of practice, additional or expanded training programs, or telehealth support to extend the reach of specialists.
- Applications are expected to address clinician to population ratios within their workforce enhancement proposals.
- Interstate medical compacts are included within the scoring rubric for the grant.



Thank You.