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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/02  
 LAST UPDATED 02/02/06      HB 259

SPONSOR Lujan, A.

SHORT TITLE Health Professional Loan Program Award Amount      SB \_\_\_\_\_

ANALYST Williams

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$1,280.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 284

Relates to Appropriations in the General Appropriation Act for Student Financial Aid program at Higher Education Department

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)  
 Health Policy Commission (HPC)  
 Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Endorsed by the Legislative Health and Human Services Committee.

House Bill 259 appropriates \$1.28 million from the general fund to the Higher Education Department to expand the health professional loan repayment program to “encourage greater participation in the program and increase the number of health professionals serving in rural areas of the state.”

## **FISCAL IMPLICATIONS**

The appropriation of \$1.28 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

The Health Professional Loan Repayment Act was established in 1995 to increase the number of health professionals in underserved areas of the state through an educational loan repayment program. The program provides for repayment of principal and reasonable interest on loans obtained for health education purposes.

## **OTHER SUBSTANTIVE ISSUES**

HED notes “this request was not in the list of priority projects submitted to the NMHED and it was not included in the recommendations for FY07.”

Students must declare an intent to practice as a health professional in areas designed as “underserved.” Award criteria includes:

- Amounts depend on location of the practice, applicant total health professional education indebtedness and characteristics of the practice;
- Preference for individuals graduating from a New Mexico public, post-secondary educational institution;
- Highest priority given to participants in practices in which health profession vacancies are difficult to fill, practices that require after-hour calls at least every other night and practices that have heavy obstetrical duties.

Award amounts are capped by the total qualifying education indebtedness of each student.

DOH notes the program could be strengthened by specifying the distribution of awards by profession to clarify how many additional awards could be made; physicians and/or dentists generally have higher debt amounts than other health professions.

HPC notes Senate Joint Memorial 37 (2005) found New Mexico’s nursing shortage is expected to worsen by the year 2020. HPC recommends rural health should be a high priority for the Higher Education Department as well as increasing the stipend in the loan for service program.

## **POSSIBLE QUESTIONS**

1. What performance outcomes are available for this program?

AW/mt:nt