

HOUSE BILL 103

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Terry H. McMillan and John L. Zimmerman

This document incorporates committee amendments adopted during standing committee(s) consideration of this measure. It is a tool to show the amendments in context and is not to be used for introduction, amendment or substitution.

AN ACT

RELATING TO HEALTH CARE; PROVIDING FOR OSTEOPATHIC MEDICAL STUDENT LOANS TO STUDENTS OF A NEW MEXICO COLLEGE OF OSTEOPATHIC MEDICINE OR OSTEOPATHIC PHYSICIAN'S ASSISTANT PROGRAM IN EXCHANGE FOR SERVICE IN A HEALTH PROFESSIONAL SHORTAGE AREA; ~~MAKING AN APPROPRIATION.~~

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

SECTION 1. Section 21-22A-3 NMSA 1978 (being Laws 1978, Chapter 109, Section 3, as amended) is amended to read:

"21-22A-3. DEFINITIONS.--As used in the Osteopathic Medical Student Loan for Service Act:

A. [~~"commission"~~] "department" means the [~~commission on~~] higher education department;

B. "health professional shortage area" means an area in the state of New Mexico designated as having a shortage of primary care medical care, dental or mental health providers

.202300.2 Amendments in Context

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language = new by amendment

underscored material = new
[bracketed material] = delete
language deleted = deleted by amendment
New amended language = new by amendment

by the health resources and services administration of the United States department of health and human services;

[B-] C. "loan" means a grant of funds to defray the costs incidental to an osteopathic medical education, under a contract between the [~~commission~~] department and an osteopathic medical student, requiring either repayment with interest or repayment in services;

[G-] D. "osteopathic medical education" means the education required to be an osteopathic physician or osteopathic physician's assistant; and

[D-] E. "student" means [~~a resident of New Mexico who is a student~~] a person enrolled in a school of osteopathic medicine or an osteopathic physician's assistant program in New Mexico."

SECTION 2. Section 21-22A-4 NMSA 1978 (being Laws 1978, Chapter 109, Section 4, as amended) is amended to read:

"21-22A-4. OSTEOPATHIC MEDICAL STUDENT LOANS--
[~~COMMISSION~~] DEPARTMENT AUTHORIZED--QUALIFICATIONS.--

A. The [~~commission~~] department is authorized to grant a loan to defray the expenses of the osteopathic medical education of a student deemed qualified by the [~~commission~~] department to receive the osteopathic medical education, upon such terms and conditions as may be imposed by regulations of the [~~commission~~] department.

B. The [~~commission~~] department shall only receive,

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language = new by amendment

pass upon and allow or disallow those applications for loans made by those students enrolled in or accepted by ~~[colleges]~~ a New Mexico college of osteopathic medicine or osteopathic physician's assistant ~~[programs who are bona fide citizens and residents of New Mexico and]~~ program who declare their intent to practice as osteopathic physicians or osteopathic physician's assistants within designated areas of the state.

C. The ~~[commission]~~ department shall make a full and careful investigation of the ability, character and qualifications of each applicant and determine ~~[his]~~ the applicant's fitness to become a recipient of a student loan. The investigation of each applicant shall include an investigation of the ability of the applicant and ~~[his]~~ the applicant's parents or guardians to pay the applicant's expenses for an osteopathic medical education. The ~~[commission]~~ department shall give preference to qualified applicants who are unable, or whose parents or guardians are unable, to pay the applicant's expenses in obtaining an osteopathic medical education.

D. The ~~[commission]~~ department shall arrange for loan recipients to receive assistance in locating, planning and implementing the establishment and maintenance of a practice as an osteopathic physician or osteopathic physician's assistant in ~~[designated underserved areas]~~ a health professional shortage area."

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language = new by amendment

SECTION 3. Section 21-22A-5 NMSA 1978 (being Laws 1978, Chapter 109, Section 5, as amended) is amended to read:

"21-22A-5. DELEGATION OF DUTIES TO OTHER STATE AGENCIES.--The [~~commission~~] department may arrange with other agencies for the performance of services required by the provisions of Section 21-22A-4 NMSA 1978."

SECTION 4. Section 21-22A-6 NMSA 1978 (being Laws 1978, Chapter 109, Section 6, as amended by Laws 2005, Chapter 321, Section 4 and by Laws 2005, Chapter 323, Section 2) is amended to read:

"21-22A-6. OSTEOPATHIC MEDICAL STUDENT LOANS--CONTRACT TERMS--REPAYMENT.--

A. Each applicant who is approved for a loan by the [~~commission~~] department may be granted a loan, in such amounts and for such periods as determined by the [~~commission~~] department, with which to defray expenses incurred in obtaining an osteopathic medical education at [~~any reputable and~~] an accredited osteopathic medical school in [~~the United States~~] New Mexico if the applicant files with the [~~commission~~] department a declaration of [~~his~~] intent to practice [~~his profession~~] as a licensed osteopathic physician or osteopathic physician's assistant in [~~areas of New Mexico designated as not being adequately served by osteopathic medical practitioners~~] a health professional shortage area.

B. The loan shall not exceed the necessary expenses
.202300.2 Amendments in Context

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language = new by amendment

incurred while attending [~~an~~] a New Mexico osteopathic medical school or college or osteopathic physician's assistant program and shall bear interest at the rate of:

(1) eighteen percent per year if the [~~student~~] loan recipient completes [~~his~~] an osteopathic medical education and no portion of the principal and interest is forgiven pursuant to Subsection F of this section; and

(2) seven percent per year in all other cases.

C. Loans made pursuant to the Osteopathic Medical Student Loan for Service Act shall not accrue interest until the department:

(1) [~~the commission~~] determines the loan recipient has terminated the recipient's osteopathic medical education prior to completion;

(2) [~~the commission~~] determines the loan recipient has failed to fulfill the recipient's obligation to serve in [~~an area of New Mexico designated as not being adequately served by osteopathic medical practitioners~~] a health professional shortage area; or

(3) [~~the commission~~] cancels a contract between a [~~student~~] loan recipient and the [~~commission~~] department pursuant to Section 21-22A-9 NMSA 1978.

D. The loan shall be evidenced by a contract between the [~~student~~] loan recipient and the [~~commission~~] department acting on behalf of the state. The contract shall

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language = new by amendment

provide for the payment by the state of a stated sum covering the costs of an osteopathic medical education and shall be conditioned upon the repayment of the loan to the state over a period established by the ~~[commission]~~ department in consultation with the ~~[student]~~ loan recipient after the completion of osteopathic medical school or an osteopathic physician's assistant program and any period of internship or residency required to complete the ~~[student's]~~ loan recipient's education.

E. Loans made to ~~[students]~~ loan recipients who fail to complete their osteopathic medical education shall become due immediately upon termination of their osteopathic medical education. The ~~[commission]~~ department, in consultation with the ~~[student]~~ loan recipient, shall establish terms of repayment, alternate service or cancellation terms.

F. The contract shall provide that the ~~[commission]~~ department shall forgive a portion of the loan for each year that a loan recipient practices ~~[his profession]~~ as a licensed osteopathic physician or osteopathic physician's assistant in ~~[areas approved by the commission as not being adequately served by osteopathic medical practitioners. The loan shall be forgiven as follows:~~

~~(1) loan terms of one year shall require one year of practice in a designated health professional shortage area. Upon completion of service, one hundred percent of the~~

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language

~~loan shall be forgiven;~~

~~(2) loan terms of two years shall require one year of practice in a designated health professional shortage area for each year of the loan. Upon completion of the first year of service, fifty percent of the loan shall be forgiven. Upon completion of the second year of service, the remainder of the loan shall be forgiven; and~~

~~(3) for loan terms of three years or more,~~ forty] a health professional shortage area and shall require a period of four years of service in exchange for the loan. Ten percent of the loan shall be forgiven upon completion of the first year of service [in a designated health professional shortage area, thirty], twenty percent of the loan shall be forgiven upon completion of the second year of service, thirty percent of the loan shall be forgiven upon completion of the third year of service and the remainder of the loan shall be forgiven upon completion of the [third] fourth year of service.

G. Loan 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 [~~commission~~] department.

H. If a loan recipient completes [~~his~~] a professional education and does not [~~serve in a health professional shortage area~~] meet all requirements of this section, the [~~commission~~] department shall assess a penalty of up to three times the principal due, plus eighteen percent

underscored material = new
[bracketed material] = delete
~~language deleted~~ = deleted by amendment
New amended language

interest, unless the ~~[commission]~~ department finds acceptable extenuating circumstances for why the ~~[student cannot serve]~~ requirements should be waived. If the ~~[commission]~~ department does not find acceptable extenuating circumstances for the ~~[student's]~~ loan recipient's failure to ~~[carry out his declared intent to serve in a health professional shortage area in the state]~~ meet the requirements of this section, the ~~[commission]~~ department shall require immediate repayment of the loan plus the amount of any interest and penalty assessed pursuant to this section.

I. The ~~[commission]~~ department shall adopt ~~[regulations]~~ rules to implement the provisions of this section. The ~~[regulations]~~ rules may provide for the repayment of osteopathic medical student loans in annual or other periodic installments."

SECTION 5. Section 21-22A-7 NMSA 1978 (being Laws 1978, Chapter 109, Section 7, as amended) is amended to read:

"21-22A-7. CONTRACTS--LEGAL ASSISTANCE--ENFORCEMENT.--The general form of the contract provided for in Section 21-22A-6 NMSA 1978 shall be prepared and approved by the attorney general and signed by the ~~[student]~~ loan recipient and a designee of the ~~[commission]~~ department on behalf of the state. The ~~[commission]~~ department is vested with full and complete authority and power to sue in its own name for any balance due the state from any ~~[student]~~ loan recipient on any such

underscored material = new
[bracketed material] = delete
-language-deleted = deleted by amendment
New amended language

contract."

SECTION 6. Section 21-22A-8 NMSA 1978 (being Laws 1978, Chapter 109, Section 8, as amended) is amended to read:

"21-22A-8. FUND CREATED--METHOD OF PAYMENT.--There is created in the state treasury the "osteopathic medical student loan for service fund". All money appropriated for loans to osteopathic medical students under the Osteopathic Medical Student Loan for Service Act shall be credited to the fund. All payments of principal and interest on loans made pursuant to that act received by the [~~commission~~] department shall be deposited with the state treasurer to the credit of the fund or shall be deposited with the [~~commission's~~] department's administrative agent. All payments of funds for loans shall be made upon vouchers signed by designated representatives of the [~~commission~~] department."

SECTION 7. Section 21-22A-9 NMSA 1978 (being Laws 1978, Chapter 109, Section 9, as amended) is amended to read:

"21-22A-9. CANCELLATION.--The [~~commission~~] department is authorized to cancel any contract made between it and any [~~student~~] loan recipient for any reasonable cause deemed sufficient by the [~~commission~~] department."

SECTION 8. Section 21-22A-10 NMSA 1978 (being Laws 1978, Chapter 109, Section 10, as amended) is amended to read:

"21-22A-10. REPORTS.--The [~~commission~~] department shall make annual reports to the governor and to the legislature,

underscored material = new
[bracketed material] = delete
~~language~~ = deleted by amendment
New amended language = new by amendment

prior to each regular session, of its activities, the loans granted and the names and addresses of persons to whom loans were granted and the osteopathic medical schools or colleges or osteopathic physician's assistant programs attended by those receiving the loans, together with a list of the names and locations of practice of those ~~[students]~~ loan recipients who have completed their education and have become licensed osteopathic physicians or osteopathic physician's assistants in New Mexico as a result of a student loan pursuant to the Osteopathic Medical Student Loan for Service Act."

~~SECTION 9. APPROPRIATION.--One hundred fifty thousand dollars (\$150,000) is appropriated from the general fund to the higher education department for expenditure in fiscal year 2017 and subsequent fiscal years to provide loans to osteopathic medical students pursuant to the Osteopathic Medical Student Loan for Service Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.~~

SECTION 109. REPEAL.--Section 21-22A-2 NMSA 1978 (being Laws 1978, Chapter 109, Section 2, as amended) is repealed.