

1 AN ACT

2 RELATING TO INCREASING THE HEALTH CARE WORKFORCE;  
3 ESTABLISHING PREFERENCES FOR FINANCIAL ASSISTANCE TO MEDICAL  
4 STUDENTS ATTENDING AN ACCREDITED NEW MEXICO MEDICAL SCHOOL;  
5 ESTABLISHING PREFERENCES FOR FINANCIAL ASSISTANCE TO CERTAIN  
6 HEALTH CARE PROFESSIONALS WHO HAVE ATTENDED A NEW MEXICO  
7 POST-SECONDARY EDUCATIONAL INSTITUTION; DECLARING AN  
8 EMERGENCY.

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

11 SECTION 1. Section 21-22-4 NMSA 1978 (being Laws 1975,  
12 Chapter 244, Section 4, as amended) is amended to read:

13 "21-22-4. MEDICAL STUDENT LOANS--HIGHER  
14 EDUCATION DEPARTMENT AUTHORIZED--QUALIFICATIONS.--

15 A. The higher education department is authorized  
16 to grant a loan to defray the expenses of the medical  
17 education of a student deemed qualified by the department to  
18 receive the medical education, upon such terms and conditions  
19 as may be imposed by regulations of the department.

20 B. The department shall only receive, pass upon  
21 and allow or disallow those applications for loans made by  
22 those students enrolled or accepted by colleges of medicine  
23 who are bona fide citizens and residents of the United States  
24 and of New Mexico and who declare their intent to practice as  
25 physicians within designated areas of the state.

1 C. The department shall make a full and careful  
2 investigation of the ability, character and qualifications of  
3 each applicant and determine the applicant's fitness to  
4 become a recipient of a student loan. The investigation of  
5 each applicant shall include an investigation of the ability  
6 of the applicant and the applicant's parents or guardians to  
7 pay the applicant's expenses for a medical education. The  
8 department shall give preference to qualified applicants who:

9 (1) are unable, or whose parents or  
10 guardians are unable, to pay the applicant's expenses in  
11 obtaining a medical education; and

12 (2) are attending an accredited New Mexico  
13 medical school.

14 D. The department shall arrange for loan  
15 recipients to receive assistance in locating, planning and  
16 implementing the establishment and maintenance of a medical  
17 practice in a designated underserved area."

18 **SECTION 2.** Section 21-22D-6 NMSA 1978 (being Laws 1995,  
19 Chapter 144, Section 21, as amended) is amended to read:

20 "21-22D-6. AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

21 A. Prior to receiving an award, the health  
22 professional shall file with the higher education department  
23 a declaration of intent to practice as a health professional  
24 in areas of New Mexico designated as underserved by the  
25 department.

1 B. Award criteria shall provide that:

2 (1) amounts shall be dependent upon the  
3 location of the practice, the applicant's total health  
4 professional education indebtedness and characteristics of  
5 the practice;

6 (2) preference in making awards shall be to  
7 individuals who have graduated from a New Mexico post-  
8 secondary educational institution;

9 (3) recruitment awards shall be made to  
10 eligible participants who agree to relocate to an approved  
11 designated area;

12 (4) highest priority shall be given to  
13 participants in practices in which health profession  
14 vacancies are difficult to fill, practices that require after  
15 hours call at least every other night and practices that have  
16 heavy obstetrical responsibilities;

17 (5) award amounts may be modified based upon  
18 available funding or other special circumstances; and

19 (6) an award shall not exceed the total  
20 medical education indebtedness of any participant.

21 C. The following education debts are not eligible  
22 for repayment pursuant to the Health Professional Loan  
23 Repayment Act:

24 (1) amounts incurred as a result of  
25 participation in state loan-for-service programs or other

1 state programs whose purpose states that service be provided  
2 in exchange for financial assistance;

3 (2) scholarships that have a service  
4 component or obligation;

5 (3) personal loans from friends or  
6 relatives; and

7 (4) loans that exceed individual standard  
8 school expense levels.

9 D. The loan repayment award shall be evidenced by  
10 a contract between the health professional and the department  
11 acting on behalf of the state. The contract shall provide  
12 for the payment by the state of a stated sum to the health  
13 professional's debtors and shall state the obligations of the  
14 health professional under the program, including a minimum  
15 two-year period of service, quarterly reporting requirements  
16 and other policies established by the department.

17 E. Recipients shall serve a complete year in order  
18 to receive credit for that year. The minimum credit for a  
19 year shall be established by the department.

20 F. If a health professional does not comply with  
21 the terms of the contract, the department shall assess a  
22 penalty of up to three times the amount of award disbursed  
23 plus eighteen percent interest, unless the department finds  
24 acceptable extenuating circumstances for why the health  
25 professional cannot serve or comply with the terms of the

1 contract. If the department does not find acceptable  
2 extenuating circumstances for the health professional's  
3 failure to comply with the contract, the department shall  
4 require immediate repayment plus the amount of the penalty.

5 G. The department shall adopt regulations to  
6 implement the provisions of this section. The regulations  
7 may provide for the disbursement of loan repayment awards to  
8 the lenders of health professionals in annual or other  
9 periodic installments."

10 SECTION 3. EMERGENCY.--It is necessary for the public  
11 peace, health and safety that this act take effect  
12 immediately. \_\_\_\_\_

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