

SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 14

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO HEALTH CARE PROFESSIONAL LOAN REPAYMENT; REQUIRING
AWARD RECIPIENTS TO BE HEALTH PROFESSIONALS WHO CURRENTLY
MAINTAIN PRACTICE IN NEW MEXICO OR AGREE TO RELOCATE TO AND
COMMENCE PRACTICE IN NEW MEXICO; REQUIRING THE HIGHER EDUCATION
DEPARTMENT TO DETERMINE AND DISBURSE AWARD AMOUNTS; PROVIDING
POWERS AND DUTIES; PROVIDING ADDITIONAL AWARD CRITERIA; ADDING
DEFINITIONS; ALLOWING FEES TO BE ASSESSED UPON BREACH OF
CONTRACT; AMENDING THE HEALTH PROFESSIONAL LOAN REPAYMENT FUND;

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AMENDING AND REPEALING SECTIONS OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

SECTION 1. Section 21-22D-3 NMSA 1978 (being Laws 1995, Chapter 144, Section 18, as amended) is amended to read:

"21-22D-3. DEFINITIONS.--As used in the Health Professional Loan Repayment Act:

A. "award" means the grant of money to repay eligible education debt;

[A.] B. "department" means the higher education department;

[B.] C. "health professional" means a ~~[physician, optometrist, podiatrist, physician's assistant, dentist, nurse, member of an allied health profession as defined in the Allied Health Student Loan for Service Act or a licensed or certified health professional as determined by the department]~~ health professional designated by the secretary of higher education, a certified nurse-midwife licensed by the department of health or a professional licensed pursuant to the:

(1) Medical Practice Act;

(2) Physical Therapy Act;

(3) Occupational Therapy Act;

(4) Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;

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- (5) Pharmacy Act;
- (6) Nutrition and Dietetics Practice Act;
- (7) Respiratory Care Act;
- (8) Medical Imaging and Radiation Therapy

Health and Safety Act;

- (9) Dental Health Care Act;
- (10) Professional Psychologist Act;
- (11) Counseling and Therapy Practice Act;
- (12) Optometry Act;
- (13) Emergency Medical Services Act;
- (14) Anesthesiologist Assistants Act;
- (15) Nursing Practice Act; or
- (16) Social Work Practice Act; and

[6.] D. "loan" means a grant of money to defray the costs incidental to a health education, under a contract between the federal government or a commercial lender and a health professional, requiring either repayment of principal and interest or repayment in services.

~~[D. "nurse in advanced practice" means a registered nurse, including a:~~

~~(1) certified nurse practitioner, certified registered nurse anesthetist or clinical nurse specialist, authorized pursuant to the Nursing Practice Act to function beyond the scope of practice of professional registered nursing; or~~

~~(2) certified nurse-midwife licensed by the department of health; and~~

~~E. "osteopathic primary care physician" means an osteopathic physician licensed pursuant to the Medical Practice Act with specialty training in family medicine, general internal medicine, obstetrics, gynecology or general pediatrics.]"~~

SECTION 2. Section 21-22D-5 NMSA 1978 (being Laws 1995, Chapter 144, Section 20) is amended to read:

"21-22D-5. ~~[DELEGATION OF DUTIES]~~ DEPARTMENT--POWERS--DUTIES.--~~[The commission may]~~

A. The department shall:

(1) determine award amounts in accordance with the criteria provided pursuant to Subsection D of Section 21-22D-6 NMSA 1978;

(2) disburse funds to health professionals who are selected by the department to receive awards; and

(3) promulgate rules as necessary to administer the Health Professional Loan Repayment Act.

B. The department may delegate to other agencies or contract for the performance of services required by the provisions of the Health Professional Loan Repayment Act."

SECTION 3. Section 21-22D-6 NMSA 1978 (being Laws 1995, Chapter 144, Section 21, as amended) is amended to read:

"21-22D-6. HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM--

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AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

~~[A. Prior to receiving an award, the health professional shall file with the higher education department a declaration of intent to practice as a health professional in areas of New Mexico designated as underserved by the department. The department shall consult with the department of health when designating areas as underserved.]~~

~~B. Award criteria shall provide that:~~

~~(1) amounts shall be dependent upon the location of the practice the applicant's total health professional education indebtedness and characteristics of the practice;~~

~~(2) preference in making awards shall be to individuals who have graduated from a New Mexico post-secondary educational institution]~~

A. As used in this section, "licensed physician" means a medical or osteopathic physician licensed to practice medicine in New Mexico pursuant to the Medical Practice Act.

B. The "health professional loan repayment program" is created and shall be administered by the department. A health professional shall apply for an award on a form provided by the department.

C. The department shall select health professionals to receive awards based on the following criteria:

(1) a health professional shall be a bona fide

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citizen of the United States;

~~[(3) recruitment awards]~~ (2) a health professional shall ~~[be made to eligible participants who agree]~~ currently maintain practice in New Mexico or have agreed to relocate to ~~[an approved designated area]~~ and commence practice in New Mexico within ninety days of the grant of an award. An award shall not be disbursed until the health professional commences practice in New Mexico;

~~[(4)] (3) highest priority shall be given to [participants in practices in which health profession vacancies are difficult to fill, practices that require after hours call at least every other night and practices that have heavy obstetrical responsibilities;~~

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

~~(6) an award shall not exceed the total medical education indebtedness of any participant]~~ licensed physicians;

(4) designated health professional shortage areas and a health professional's total eligible education debt and characteristics of the practice; and

(5) the number of awards shall be limited to the amount of funds in the health professional loan repayment fund.

D. Award amounts shall be determined by the

department in accordance with the following:

(1) funds shall be disbursed in amounts that result in the payment of the full obligation of all awards provided by the department in a given year;

(2) an award to a licensed physician shall be a minimum of seventy-five thousand dollars (\$75,000) per year for four consecutive years; provided that the department may award an additional fifth year subject to availability of funds and successful completion of a four-consecutive-year contract by a licensed physician; and provided further that the total award amount shall not exceed the licensed physician's total eligible education debt; and

(3) an award to a health professional other than a licensed physician shall be a minimum of forty thousand dollars (\$40,000) per year for three consecutive years; provided that the department may award an additional fourth year subject to availability of funds and successful completion of a three-consecutive-year contract by a health professional; and provided further that the total award amount shall not exceed the health professional's total eligible education debt.

E. The number of awards shall be limited to the amount of funds appropriated to the department for the purpose of the health professional loan repayment program.

[E.] F. The following education debts are not eligible for repayment pursuant to the Health Professional Loan

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Repayment Act:

(1) amounts incurred as a result of participation in state loan-for-service programs or other state programs whose purpose states that service be provided in exchange for financial assistance;

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

~~[(3) personal loans from friends or relatives;~~
~~and~~

~~(4)]~~ (3) loans that exceed individual standard school expense levels.

~~[D.]~~ G. The loan repayment award shall be evidenced by a contract between the health professional and the department acting on behalf of the state. The contract shall provide for the payment by the state of a stated sum to the health professional's debtors and shall state the obligations of the health professional under the program, including a minimum ~~[three-year]~~ four-year period of service for health professionals who are licensed physicians and three-year period of service for health professionals other than licensed physicians, quarterly reporting requirements and other policies established by the department.

~~[E.]~~ H. 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 department.

~~[F.]~~ I. If a health professional does not comply with the terms of the contract, the department shall assess [~~a penalty of~~] up to [~~three times~~] the full amount of award disbursed [~~plus eighteen~~] and may assess a fee of no more than fifteen percent interest of the amount of the award disbursed, unless the department finds acceptable extenuating circumstances for why the health professional cannot serve or comply with the terms of the contract. If the department does not find acceptable extenuating circumstances for the health professional's failure to comply with the contract, the department shall require immediate repayment [~~plus the amount of the penalty~~].

J. A recipient of an award shall not be in violation of the recipient's contract if the recipient transitions to part-time employment, which part-time employment shall be at least fifty percent of full-time employment. A recipient who transitions to part-time employment shall be required to extend the recipient's contract for the period of time necessary to make up for the time period of less than full-time employment due to the part-time employment.

~~[G.]~~ K. The department shall [~~adopt regulations~~] promulgate rules to implement the provisions of this section [~~the regulations~~] that may provide for the disbursement of [~~loan repayment~~] awards to the lenders of health professionals in annual or other periodic installments."

SECTION 4. Section 21-22D-7 NMSA 1978 (being Laws 1995, Chapter 144, Section 22) is amended to read:

"21-22D-7. CONTRACTS--ENFORCEMENT.--The general form of the contract required shall be prepared and approved by the attorney general and signed by the health professional and the designated representative 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 on any such contract."

SECTION 5. Section 21-22D-8 NMSA 1978 (being Laws 1995, Chapter 144, Section 23) is amended to read:

"21-22D-8. HEALTH PROFESSIONAL LOAN REPAYMENT FUND CREATED--PURPOSE--METHOD OF PAYMENT.--The "health professional loan repayment fund" is created as a nonreverting fund in the state treasury. ~~[All money appropriated for the health professional loan repayment program shall be credited to the fund, and all payments for penalties or repayment of awards received by the commission shall be credited to the fund or shall be deposited with the commission's administrative agent. All payments for loan repayment awards shall be made upon vouchers signed by the designated representative of the commission and upon warrant issued by the secretary of finance and administration.]~~ The fund consists of appropriations, distributions, gifts and grants. The department shall

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administer the fund, and money in the fund is appropriated to the department to provide awards pursuant to the Health Professional Loan Repayment Act; provided that at least fifty percent of the money in the fund as of the beginning of each fiscal year, as determined by the department, shall be eligible to be used to provide awards to professionals licensed pursuant to the Medical Practice Act. Disbursements from the fund shall be made by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of higher education or the secretary's authorized representative."

SECTION 6. Section 21-22D-10 NMSA 1978 (being Laws 1995, Chapter 144, Section 25) is amended to read:

"21-22D-10. REPORTS.--~~[The commission]~~ By December 31 of each year, the department shall make annual reports to the governor and to the legislature [prior to each regular session] of its activities, the [loan repayment awards] amount of each award granted, [the names and addresses of loan repayment award recipients, the names and locations of the practices of those health professionals who are serving in a designated health professional shortage area of the state pursuant to the Health Professional Loan Repayment Act and the name of each loan repayment award recipient who is not serving in a designated health professional shortage area, the reason the person is not serving and the amount owed and paid on the loan and loan repayment award] the cumulative total award amount, the number

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of awards made by profession type and the county and municipality where each health professional that received an award practices in the state."

SFC→~~SECTION 7. APPROPRIATION.--Twenty-five million dollars (\$25,000,000) is appropriated from the general fund to the health professional loan repayment fund for expenditure in fiscal year 2027 and subsequent fiscal years to make awards pursuant to the Health Professional Loan Repayment Act. Any unexpended balance remaining at the end of a fiscal year shall not revert to the general fund.~~←SFC

SECTION SFC→~~8.~~←SFC SFC→~~7.~~←SFC REPEAL.--Sections 21-22D-2, 21-22D-4 and 21-22D-9 NMSA 1978 (being Laws 1995, Chapter 144, Sections 17, 19 and 24) are repealed.

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