

SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
SENATE BILL 14

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

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;  
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

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1 Professional Loan Repayment Act:

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

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

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

14 (1) Medical Practice Act;

15 (2) Physical Therapy Act;

16 (3) Occupational Therapy Act;

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

19 (5) Pharmacy Act;

20 (6) Nutrition and Dietetics Practice Act;

21 (7) Respiratory Care Act;

22 (8) Medical Imaging and Radiation Therapy  
23 Health and Safety Act;

24 (9) Dental Health Care Act;

25 (10) Professional Psychologist Act;

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1                   (11) Counseling and Therapy Practice Act;

2                   (12) Optometry Act;

3                   (13) Emergency Medical Services Act;

4                   (14) Anesthesiologist Assistants Act;

5                   (15) Nursing Practice Act; or

6                   (16) Social Work Practice Act; and

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

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

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

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

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

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

3           "21-22D-5. ~~[DELEGATION OF DUTIES]~~ DEPARTMENT--POWERS--  
4 DUTIES.--~~[The commission may]~~

5           A. The department shall:

6                     (1) determine award amounts in accordance with  
7 the criteria provided pursuant to Subsection D of Section  
8 21-22D-6 NMSA 1978;

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

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

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

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

18           "21-22D-6. HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM--  
19 AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

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

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 the~~  
 5 ~~practice;~~

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

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

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

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

18 (1) a health professional shall be a bona fide  
 19 citizen of the United States;

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

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1 commences practice in New Mexico;

2 ~~[(4)]~~ (3) highest priority shall be given to  
3 ~~[participants in practices in which health profession vacancies~~  
4 ~~are difficult to fill, practices that require after hours call~~  
5 ~~at least every other night and practices that have heavy~~  
6 ~~obstetrical responsibilities;~~

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

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

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

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

18 D. Award amounts shall be determined by the  
19 department in accordance with the following:

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

23 (2) an award to a licensed physician shall be  
24 a minimum of seventy-five thousand dollars (\$75,000) per year  
25 for four consecutive years; provided that the department may

1 award an additional fifth year subject to availability of funds  
 2 and successful completion of a four-consecutive-year contract  
 3 by a licensed physician; and provided further that the total  
 4 award amount shall not exceed the licensed physician's total  
 5 eligible education debt; and

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

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

17 ~~[G.]~~ F. The following education debts are not  
 18 eligible for repayment pursuant to the Health Professional Loan  
 19 Repayment Act:

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

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

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

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

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

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

19                   [~~F.~~] I. If a health professional does not comply  
20                   with the terms of the contract, the department shall assess [~~a~~  
21                   ~~penalty of~~] up to [~~three-times~~] the full amount of award  
22                   disbursed [~~plus eighteen~~] and may assess a fee of no more than  
23                   fifteen percent interest of the amount of the award disbursed,  
24                   unless the department finds acceptable extenuating  
25                   circumstances for why the health professional cannot serve or

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

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

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

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

21 "21-22D-7. CONTRACTS--ENFORCEMENT.--The general form of  
 22 the contract required shall be prepared and approved by the  
 23 attorney general and signed by the health professional and the  
 24 designated representative of the [~~commission~~] department on  
 25 behalf of the state. The [~~commission~~] department is vested

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1 with full and complete authority and power to sue in its own  
2 name for any balance due the state from any student on any such  
3 contract."

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

6 "21-22D-8. HEALTH PROFESSIONAL LOAN REPAYMENT FUND  
7 CREATED--PURPOSE--METHOD OF PAYMENT.--The "health professional  
8 loan repayment fund" is created as a nonreverting fund in the  
9 state treasury. [~~All money appropriated for the health  
10 professional loan repayment program shall be credited to the  
11 fund, and all payments for penalties or repayment of awards  
12 received by the commission shall be credited to the fund or  
13 shall be deposited with the commission's administrative agent.  
14 All payments for loan repayment awards shall be made upon  
15 vouchers signed by the designated representative of the  
16 commission and upon warrant issued by the secretary of finance  
17 and administration.] The fund consists of appropriations,  
18 distributions, gifts and grants. The department shall  
19 administer the fund, and money in the fund is appropriated to  
20 the department to provide awards pursuant to the Health  
21 Professional Loan Repayment Act; provided that at least fifty  
22 percent of the money in the fund as of the beginning of each  
23 fiscal year, as determined by the department, shall be eligible  
24 to be used to provide awards to professionals licensed pursuant  
25 to the Medical Practice Act. Disbursements from the fund shall~~

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1 be made by warrant of the secretary of finance and  
 2 administration pursuant to vouchers signed by the secretary of  
 3 higher education or the secretary's authorized representative."

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

6 "21-22D-10. REPORTS.--~~[The commission]~~ By December 31 of  
 7 each year, the department shall make annual reports to the  
 8 governor and to the legislature ~~[prior to each regular session]~~  
 9 of its activities, the ~~[loan repayment awards]~~ amount of each  
 10 award granted, ~~[the names and addresses of loan repayment award~~  
 11 ~~recipients, the names and locations of the practices of those~~  
 12 ~~health professionals who are serving in a designated health~~  
 13 ~~professional shortage area of the state pursuant to the Health~~  
 14 ~~Professional Loan Repayment Act and the name of each loan~~  
 15 ~~repayment award recipient who is not serving in a designated~~  
 16 ~~health professional shortage area, the reason the person is not~~  
 17 ~~serving and the amount owed and paid on the loan and loan~~  
 18 ~~repayment award]~~ the cumulative total award amount, the number  
 19 of awards made by profession type and the county and  
 20 municipality where each health professional that received an  
 21 award practices in the state."

22 SECTION 7. APPROPRIATION.--Twenty-five million dollars  
 23 (\$25,000,000) is appropriated from the general fund to the  
 24 health professional loan repayment fund for expenditure in  
 25 fiscal year 2027 and subsequent fiscal years to make awards

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1 pursuant to the Health Professional Loan Repayment Act. Any  
2 unexpended balance remaining at the end of a fiscal year shall  
3 not revert to the general fund.

4 SECTION 8. REPEAL.--Sections 21-22D-2, 21-22D-4 and  
5 21-22D-9 NMSA 1978 (being Laws 1995, Chapter 144, Sections 17,  
6 19 and 24) are repealed.

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