

1 SENATE BILL 14

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Martin Hickey and Natalie Figueroa and Cindy Nava
5 and Katy M. Duhigg

6

7

8

9

10 AN ACT

11 RELATING TO HEALTH CARE PROFESSIONAL LOAN REPAYMENT; CREATING
12 THE HEALTH PROFESSIONS ADVISORY COMMITTEE TO SELECT RECIPIENTS
13 OF LOAN REPAYMENT AWARDS; REQUIRING AWARD RECIPIENTS TO BE
14 HEALTH PROFESSIONALS WHO CURRENTLY MAINTAIN PRACTICE IN NEW
15 MEXICO OR AGREE TO RELOCATE TO AND COMMENCE PRACTICE IN NEW
16 MEXICO; REQUIRING THE HIGHER EDUCATION DEPARTMENT TO DETERMINE
17 AND DISBURSE AWARD AMOUNTS; PROVIDING POWERS AND DUTIES;
18 PROVIDING ADDITIONAL AWARD CRITERIA; ADDING DEFINITIONS;
19 ALLOWING FEES TO BE ASSESSED UPON BREACH OF CONTRACT; AMENDING
20 THE HEALTH PROFESSIONAL LOAN REPAYMENT FUND; CONCLUDING THE
21 PROVISION OF LOANS MADE PURSUANT TO THE ALLIED HEALTH STUDENT
22 LOAN FOR SERVICE ACT; REPEALING SECTIONS OF THE NMSA 1978;
23 MAKING AN APPROPRIATION.

24

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

.233084.4

underscored material = new
[bracketed material] = delete

1 SECTION 1. Section 21-22C-4 NMSA 1978 (being Laws 1994,
2 Chapter 57, Section 6) is amended to read:

3 "21-22C-4. ALLIED HEALTH LOANS--QUALIFICATIONS.--

4 A. ~~[The commission]~~ Prior to May 20, 2026, the
5 higher education department may grant a loan to a student it
6 deems qualified to receive the loan upon terms and conditions
7 it determines pursuant to the provisions of the Allied Health
8 Student Loan for Service Act and regulations adopted pursuant
9 to that act.

10 B. The ~~[commission]~~ higher education department
11 shall only receive, pass on and allow or disallow an
12 application for a loan made by a student enrolled or accepted
13 in an allied health profession program who is a bona fide
14 citizen and resident of the United States ~~[and of New Mexico]~~
15 and who declares ~~[his]~~ the intent to practice in person an
16 allied health profession within a designated area of the state.

17 C. The ~~[commission]~~ higher education department
18 shall make a full and careful investigation of the ability,
19 character and qualifications of each applicant and determine
20 fitness to become a recipient of a student loan. ~~[The~~
21 ~~investigation of each applicant shall include an investigation~~
22 ~~of the ability of the applicant and the applicant's parent or~~
23 ~~guardian to pay the applicant's expenses for an allied health~~
24 ~~profession education. The commission shall give preference to~~
25 ~~qualified applicants who are unable, or whose parents or~~

underscored material = new
[bracketed material] = delete

1 ~~guardians are unable, to pay the educational expenses.]~~

2 D. The ~~commission~~ higher education department
3 shall arrange for loan recipients to receive assistance in
4 locating appropriate practice positions in designated
5 underserved areas."

6 SECTION 2. Section 21-22D-3 NMSA 1978 (being Laws 1995,
7 Chapter 144, Section 18, as amended) is amended to read:

8 "21-22D-3. DEFINITIONS.--As used in the Health
9 Professional Loan Repayment Act:

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

12 B. "committee" means the health professions
13 advisory committee;

14 [A.] C. "department" means the higher education
15 department;

16 [B.] D. "health professional" means a ~~physician,~~
17 ~~optometrist, podiatrist, physician's assistant, dentist, nurse,~~
18 ~~member of an allied health profession as defined in the Allied~~
19 ~~Health Student Loan for Service Act or a licensed or certified~~
20 ~~health professional as determined by the department]~~
21 professional licensed pursuant to the:

22 (1) Medical Practice Act;

23 (2) Physical Therapy Act;

24 (3) Occupational Therapy Act;

25 (4) Speech-Language Pathology, Audiology and

underscored material = new
[bracketed material] = delete

1 Hearing Aid Dispensing Act;
2 (5) Pharmacy Act;
3 (6) Nutrition and Dietetics Practice Act;
4 (7) Respiratory Care Act;
5 (8) Medical Imaging and Radiation Therapy
6 Health and Safety Act;
7 (9) Dental Health Care Act;
8 (10) Professional Psychologist Act;
9 (11) Counseling and Therapy Practice Act;
10 (12) Optometry Act; or
11 (13) Emergency Medical Services Act; and
12 [E.] E. "loan" means a grant of money to defray the
13 costs incidental to a health education, under a contract
14 between the federal government or a commercial lender and a
15 health professional, requiring either repayment of principal
16 and interest or repayment in services.
17 [D.] "nurse in advanced practice" means a registered
18 nurse, including a:
19 (1) certified nurse practitioner, certified
20 registered nurse anesthetist or clinical nurse specialist,
21 authorized pursuant to the Nursing Practice Act to function
22 beyond the scope of practice of professional registered
23 nursing; or
24 (2) certified nurse-midwife licensed by the
25 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 3. Section 21-22D-4 NMSA 1978 (being Laws 1995, Chapter 144, Section 19) is amended to read:

"21-22D-4. [COMMISSION POWERS AND DUTIES--PARTICIPANT
ELIGIBILITY--QUALIFICATIONS] HEALTH PROFESSIONS ADVISORY
COMMITTEE--CREATED--COMPOSITION.--

[A. The commission may grant an award to repay loans obtained for health educational expenses of a health professional upon such terms and conditions as may be imposed by regulations of the commission.]

B. Applicants shall be licensed or certified to practice in New Mexico as health professionals and shall be bona fide citizens and residents of the United States and of New Mexico. Applicants shall declare their intent to practice as health professionals within designated health professional shortage areas of the state.

c. The commission shall make a full and careful investigation of the ability, character and qualifications of each applicant and determine fitness to become a health professional in the health professional loan repayment program.

D. The commission shall assist selected health

underscored material = new
[bracketed material] = delete

1 professionals in locating practice positions in designated
2 health professional shortage areas.]

3 A. The "health professions advisory committee" is
4 created.

5 B. The committee is composed of the following seven
6 members:

7 (1) the secretary of health or the secretary's
8 designee;

9 (2) the secretary of health care authority or
10 the secretary's designee;

11 (3) the secretary of higher education or the
12 secretary's designee;

13 (4) the executive vice president of the
14 university of New Mexico health sciences center or the
15 executive vice president's designee;

16 (5) the chair of the New Mexico medical board
17 or the chair's designee; and

18 (6) two representatives of professional health
19 and medical associations, including one behavioral health
20 association, as appointed by the secretary of higher education,
21 who shall serve at the pleasure of the secretary.

22 C. The members of the committee shall select a
23 chair, vice chair and other officers that the committee deems
24 necessary. The committee shall maintain minutes of all the
25 meetings of the committee."

1 SECTION 4. 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] HEALTH PROFESSIONS
4 ADVISORY COMMITTEE--DEPARTMENT--POWERS--DUTIES.--[The
5 commission may]

6 A. The committee shall:

7 (1) review applications provided by the
8 department;

9 (2) evaluate whether an applicant satisfies
10 the criteria provided pursuant to Subsection C of Section
11 21-22D-6 NMSA 1978;

12 (3) meet biannually and at the call of the
13 chair;

14 (4) select health professionals to receive
15 awards; and

16 (5) advise the department on determinations of
17 award amounts.

18 B. The department shall:

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

22 (2) disburse funds to health professionals who
23 are selected by the committee to receive awards;

24 (3) assist awarded health professionals in
25 locating practice positions in designated shortage areas; and

.233084.4

underscored material = new
[bracketed material] = delete

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

C. 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 5. 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--
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

underscored material = new
[bracketed material] = delete

1 medicine in New Mexico pursuant to the Medical Practice Act.

2 B. The "health professional loan repayment program"
3 is created and shall be administered by the department. A
4 health professional shall apply for an award on a form provided
5 by the department. The department shall forward those
6 applications to the committee.

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

9 [~~(3) recruitment awards~~] (1) a health
10 professional shall [be made to eligible participants who agree]
11 currently maintain practice in New Mexico or have agreed to
12 relocate to [an approved designated area] and commence practice
13 in New Mexico within ninety days of the grant of an award. An
14 award shall not be disbursed until the health professional
15 commences practice in New Mexico;

16 [~~(4)~~] (2) highest priority shall be given to
17 [participants in practices in which health profession vacancies
18 are difficult to fill, practices that require after hours call
19 at least every other night and practices that have heavy
20 obstetrical responsibilities;

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

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

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

(4) 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 committee in a given year;

(2) an award to a licensed physician shall be in an amount equal to seventy-five thousand dollars (\$75,000) per year for four consecutive years; provided that the committee 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 calculated by multiplying forty thousand dollars (\$40,000) by the quotient of the number of years of full-time post-secondary training required for initial licensure in the field of practice of the health professional divided by eight; provided that the total award

underscored material = new
[bracketed material] = delete

1 amount shall not exceed the health professional's total
2 eligible education debt.

3 E. The department shall encumber the full amount of
4 the award during the first year of a health professional's
5 award period at a published schedule as determined by the
6 department.

7 [~~E.~~] F. The following education debts are not
8 eligible for repayment pursuant to the Health Professional Loan
9 Repayment Act:

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

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

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

18 [~~(4)~~] (3) loans that exceed individual standard
19 school expense levels.

20 [~~D.~~] G. The loan repayment award shall be evidenced
21 by a contract between the health professional and the
22 department acting on behalf of the state. The contract shall
23 provide for the payment by the state of a stated sum to the
24 health professional's debtors and shall state the obligations
25 of the health professional under the program, including a

underscored material = new
[bracketed material] = delete

1 minimum [~~three-year~~] four-year period of service for health
2 professionals who are licensed physicians and three-year period
3 of service for health professionals other than licensed
4 physicians, quarterly reporting requirements and other policies
5 established by the department.

6 [E.] H. Recipients shall serve a complete year in
7 order to receive credit for that year. The minimum credit for
8 a year shall be established by the department.

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

21 J. A recipient of an award shall not be in
22 violation of the recipient's contract if the recipient
23 transitions to part-time employment, which part-time employment
24 shall be at least fifty percent of full time employment. A
25 recipient who transitions to part-time employment shall be

.233084.4

underscored material = new
[bracketed material] = delete

1 required to extend the recipient's contract for the period of
2 time necessary to make up for the time period of less than
3 full-time employment due to the part-time employment.

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

9 SECTION 6. Section 21-22D-7 NMSA 1978 (being Laws 1995,
10 Chapter 144, Section 22) is amended to read:

11 "21-22D-7. CONTRACTS--ENFORCEMENT.--The general form of
12 the contract required shall be prepared and approved by the
13 attorney general and signed by the health professional and the
14 designated representative of the ~~[commission]~~ department on
15 behalf of the state. The ~~[commission]~~ department is vested
16 with full and complete authority and power to sue in its own
17 name for any balance due the state from any student on any such
18 contract."

19 SECTION 7. Section 21-22D-8 NMSA 1978 (being Laws 1995,
20 Chapter 144, Section 23) is amended to read:

21 "21-22D-8. HEALTH PROFESSIONAL LOAN REPAYMENT FUND
22 CREATED--PURPOSE--METHOD OF PAYMENT.--The "health professional
23 loan repayment fund" is created as a nonreverting fund in the
24 state treasury. ~~[All money appropriated for the health~~
25 ~~professional loan repayment program shall be credited to the~~

.233084.4

underscored material = new
[bracketed material] = delete

1 fund, and all payments for penalties or repayment of awards
2 received by the commission shall be credited to the fund or
3 shall be deposited with the commission's administrative agent.
4 All payments for loan repayment awards shall be made upon
5 vouchers signed by the designated representative of the
6 commission and upon warrant issued by the secretary of finance
7 and administration.] The fund consists of appropriations,
8 distributions, gifts and grants. The department shall
9 administer the fund, and money in the fund is appropriated to
10 the department to provide awards pursuant to the Health
11 Professional Loan Repayment Act; provided that at least
12 seventy-five percent of the money in the fund as of the end of
13 each fiscal year shall be used to provide awards to
14 professionals licensed pursuant to the Medical Practice Act.
15 Disbursements from the fund shall be made by warrant of the
16 secretary of finance and administration pursuant to vouchers
17 signed by the secretary of higher education or the secretary's
18 authorized representative."

19 SECTION 8. Section 21-22D-10 NMSA 1978 (being Laws 1995,
20 Chapter 144, Section 25) is amended to read:

21 "21-22D-10. REPORTS.--[The commission] By November 1 of
22 each year, the department shall make annual reports to the
23 governor and to the legislature [prior to each regular session]
24 of its activities, the [loan repayment awards] amount of each
25 award granted, [the names and addresses of loan repayment award

.233084.4

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

SECTION 9. REPEAL.--Sections 21-22D-2 and 21-22D-9 NMSA 1978 (being Laws 1995, Chapter 144, Sections 17 and 24, as amended) are repealed.

SECTION 10. APPROPRIATION.--Twenty-five million dollars (\$25,000,000) is appropriated from the general fund to the higher education department 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.

- 15 -

.233084.4