

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AN ACT

RELATING TO HEALTH CARE; PROVIDING FOR CONDITIONAL TUITION
WAIVERS FOR MEDICAL STUDENTS WHO CHOOSE PRIMARY CARE PRACTICE
IN UNDERSERVED AREAS OF THE STATE; MAKING AN APPROPRIATION.

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

Section 1. SHORT TITLE.--This act may be cited as the
"Conditional Tuition Waiver for Primary Care Medical Students
Act".

Section 2. DEFINITIONS.--As used in the Conditional
Tuition Waiver for Primary Care Medical Students Act:

A. "course of study" means a medical student's
medical education, including any residency program;

B. "department" means the higher education
department;

C. "fund" means the primary care physician
conditional tuition waiver program fund;

D. "participant" means an individual that has
applied to participate in, has been accepted into and has
signed a contract agreeing to the terms of the program;

E. "primary care physician" means a medical doctor
with specialty training in family medicine, general internal
medicine or general pediatrics;

F. "program" means the primary care physician
conditional tuition waiver program;

1 G. "residency" means three years of specialty
2 training in family medicine, general internal medicine or
3 general pediatrics after medical school;

4 H. "secretary" means the secretary of higher
5 education;

6 I. "underserved area" means a health care
7 underserved area as defined in the Rural Primary Health Care
8 Act;

9 J. "university" means the university of New Mexico
10 school of medicine; and

11 K. "waiver" means a loan to cover tuition, fees
12 and a stipend that is forgiven in whole or in part if the
13 participant renders service as a primary care physician in an
14 underserved area of the state pursuant to the provisions of
15 the Conditional Tuition Waiver for Primary Care Medical
16 Students Act.

17 Section 3. PRIMARY CARE PHYSICIAN CONDITIONAL TUITION
18 WAIVER PROGRAM CREATED--ADMINISTRATION--RULEMAKING--SELECTION
19 PROCESS--REPAYMENT.--

20 A. The "primary care physician conditional tuition
21 waiver program" is created and shall be administered by the
22 department. The department shall:

23 (1) promulgate rules for implementing the
24 program in consultation with the university;

25 (2) publicize the program to medical

1 students and to prospective medical students;

2 (3) collect and manage repayments from
3 students who do not meet their obligations under the program;
4 and

5 (4) solicit and accept funds for the
6 program, including grants and donations.

7 B. A participant shall be a New Mexico resident
8 and either a graduate of a New Mexico high school or a
9 graduate of a New Mexico college or university.

10 C. The department shall select participants
11 according to rules it promulgates and, in consultation with
12 the university, shall create a standard process for medical
13 students to declare their intentions to be primary care
14 physicians and to apply to participate in the program.

15 D. The department shall award no more than ten new
16 waivers a year, in addition to renewing existing waivers for
17 eligible participants, subject to the availability of
18 funding.

19 E. Participation in the program shall be evidenced
20 by a contract between the participant and the department.
21 The contract shall provide for the payment of a participant's
22 medical school tuition, fees and a reasonable stipend at the
23 university from the fund and shall be conditioned upon the
24 participant fulfilling the program obligations. An applicant
25 whom the department offers to accept for enrollment in the

1 program shall sign the contract before being accepted into
2 the program. The department shall award a waiver to a
3 medical student upon accepting the student into the program.

4 F. The department shall promulgate rules setting
5 the maximum amount of the reasonable living stipend. The
6 department shall determine the maximum amount of the living
7 stipend based upon the availability of funds and information
8 provided by the university regarding the current cost of
9 attendance at the school of medicine.

10 G. For a period of no more than five years, the
11 department shall allow participants to remain in the program
12 and receive continued waivers in accordance with the
13 availability of funds and the department's finding that the
14 participant is meeting the university's standards for
15 satisfactory academic progress.

16 H. The department shall award waivers to
17 participants from the fund. The department shall approve the
18 amount of the waiver granted to a participant. The amount of
19 the waiver awarded to a participant shall not exceed a
20 reasonable living stipend plus the amount of resident tuition
21 and fees that a participant incurs. A student may receive a
22 waiver on the following terms:

23 (1) interest shall accrue upon termination
24 of the participant's course of study; the waiver amount shall
25 bear interest at the rate of:

1 (a) eighteen percent per year if the
2 participant completes a course of study and no portion of the
3 principal and interest is forgiven pursuant to Subsection J
4 of this section; and

5 (b) seven percent per year in all other
6 cases; and

7 (2) the maximum period for repayment shall
8 be ten years, commencing six months from the date the
9 participant completes or discontinues the course of study,
10 including a residency.

11 I. The department shall promulgate rules to
12 implement the provisions of the Conditional Tuition Waiver
13 for Primary Care Medical Students Act.

14 J. The contract shall provide that the department
15 forgive a portion of the waiver for each year that a
16 participant practices as a primary care physician in an
17 underserved area of New Mexico as defined in the Rural
18 Primary Health Care Act.

19 K. The waiver shall be forgiven as follows:

20 (1) a waiver term of one year shall require
21 one year of practice as a primary care physician in an
22 underserved area of the state for the one-year term of the
23 waiver received. Upon completion of service, one hundred
24 percent of the waiver and accrued interest shall be forgiven;

25 (2) a waiver term of two years shall require

1 two years of practice as a primary care physician in an
2 underserved area of the state for the two-year term of the
3 waiver received. Upon completion of the first year of
4 service, fifty percent of the waiver and accrued interest
5 shall be forgiven; upon completion of the second year of
6 service, the remainder of the waiver and accrued interest
7 shall be forgiven;

8 (3) a waiver term of three years shall
9 require three years of practice as a primary care physician
10 in an underserved area of the state for the three-year term
11 of the waiver received. Upon completion of the first year of
12 service, twenty-five percent of the waiver and accrued
13 interest shall be forgiven; upon completion of the second
14 year of service, fifty percent of the waiver and accrued
15 interest shall be forgiven; and upon completion of the third
16 year of service, the remainder of the waiver and accrued
17 interest shall be forgiven;

18 (4) a waiver term of four years shall
19 require four years of practice as a primary care physician in
20 an underserved area of the state for the four-year term of
21 the waiver received. Upon completion of the first year of
22 service, thirty percent of the waiver and accrued interest
23 shall be forgiven; upon completion of the second year of
24 service, forty percent of the waiver and accrued interest
25 shall be forgiven; upon completion of the third year of

1 service, fifty percent of the waiver and accrued interest
2 shall be forgiven; and upon completion of the fourth year of
3 service, the remainder of the waiver and accrued interest
4 shall be forgiven; or

5 (5) a waiver term of five years shall
6 require five years of practice as a primary care physician in
7 an underserved area of the state for the five-year term of
8 the waiver received. Upon completion of the first year of
9 service, ten percent of the waiver and accrued interest shall
10 be forgiven; upon completion of the second year of service,
11 twenty percent of the waiver and accrued interest shall be
12 forgiven; upon completion of the third year of service,
13 thirty percent of the waiver and accrued interest shall be
14 forgiven; upon completion of the fourth year of service,
15 fifty percent of the waiver and accrued interest shall be
16 forgiven; and upon completion of the fifth year of service,
17 the remainder of the waiver and accrued interest shall be
18 forgiven.

19 L. In the event that a participant completes the
20 participant's course of study and does not meet the program
21 obligation to serve as a primary care physician in an
22 underserved area of the state, the department shall assess a
23 penalty of up to three times the principal due, plus eighteen
24 percent interest, unless the department finds acceptable
25 extenuating circumstances for why the participant cannot

1 serve. The department shall collect the penalty and remit it
2 to the state treasury for deposit in the fund.

3 M. The department is authorized to cancel any
4 contract made between it and any participant pursuant to the
5 Conditional Tuition Waiver for Primary Care Medical Students
6 Act, or set terms of alternative service in lieu of monetary
7 repayment, for any cause the department deems reasonable.

8 N. The department shall be responsible for
9 collecting repayments made pursuant to this section and shall
10 exercise due diligence in collecting repayments and
11 maintaining all necessary records to ensure that full
12 repayments are made. The department shall collect and
13 service repayments under this section to the full extent of
14 the law, including wage garnishment where practicable. The
15 department shall forgive all or parts of repayments under the
16 criteria established in this section and shall maintain all
17 necessary records of repayments it forgives.

18 O. When a participant makes payment of principal
19 or interest to the department pursuant to the provisions of
20 this section, the department shall deposit these payments
21 into the fund and shall use these payments to cover the costs
22 of granting waivers and the administrative expenses
23 associated with the program and collection activity on its
24 behalf. The department shall maintain accurate records of
25 these expenses, and all receipts beyond those necessary to

1 pay these expenses shall be used to grant waivers to
2 participants.

3 Section 4. PRIMARY CARE PHYSICIAN CONDITIONAL TUITION
4 WAIVER FUND--CREATED.--

5 A. The "primary care physician conditional tuition
6 waiver fund" is created as a nonreverting fund in the state
7 treasury. The department shall deposit into the fund all
8 funds received for the program. The fund shall be
9 self-sustaining and consist of money appropriated by the
10 legislature for the program, private contributions to the
11 program and receipts from participant repayments.

12 B. Expenditures from the fund shall be used solely
13 to make waivers to participants in the program and
14 administrative expenses associated with the program and
15 collection activity on its behalf.

16 C. Disbursements from the fund shall be made only
17 by authorization of the secretary or the secretary's
18 designee.

19 Section 5. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is January 1, 2010.

21 Section 6. DELAYED REPEAL.--The Conditional Tuition
22 Waiver for Primary Care Medical Students Act is repealed
23 January 1, 2020.

24
25