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AN ACT

RELATING TO STUDENT LOANS; AMENDING THE HEALTH PROFESSIONAL  
LOAN REPAYMENT ACT TO UPDATE THE REQUIREMENTS FOR RECEIVING  
LOAN REPAYMENT.

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. "department" means the higher education  
department;

B. "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;

C. "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                   (1) certified nurse practitioner, certified  
2 registered nurse anesthetist or clinical nurse specialist,  
3 authorized pursuant to the Nursing Practice Act to function  
4 beyond the scope of practice of professional registered  
5 nursing; or

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

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

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

15               "21-22D-6. AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

16                   A. Prior to receiving an award, the health  
17 professional shall file with the higher education department  
18 a declaration of intent to practice as a health professional  
19 in areas of New Mexico designated as underserved by the  
20 department. The department shall consult with the department  
21 of health when designating areas as underserved.

22                   B. Award criteria shall provide that:

23                   (1) amounts shall be dependent upon the  
24 location of the practice, the applicant's total health  
25 professional education indebtedness and characteristics of

1 the practice;

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

5 (3) recruitment awards shall be made to  
6 eligible participants who agree to relocate to an approved  
7 designated area;

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

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

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

17 C. The following education debts are not eligible  
18 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  
22 state programs whose purpose states that service be provided  
23 in exchange for financial assistance;

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

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

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

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

14 E. Recipients shall serve a complete year in order  
15 to receive credit for that year. The minimum credit for a  
16 year shall be established by the department.

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

1 require immediate repayment plus the amount of the penalty.

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

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