

TITLE 5 POST-SECONDARY EDUCATION
CHAPTER 7 TUITION AND FINANCIAL AID
PART 3 NEW MEXICO HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM
(HPLRP)

5.7.3.1 ISSUING AGENCY: State of New Mexico Higher Education Department

~~[7/15/1998; 5.7.3.1 NMAC – Rn & A, 5 NMAC 7.3.1, 7/31/2005]~~

~~[5.7.3.1 NMAC – Rp., 5.7.3.1 NMAC, X/XX/2026]~~

5.7.3.2 SCOPE: Provisions for 5.7.3 NMAC apply to certain practicing health professionals and licensed physicians in New Mexico.

~~[7/15/1998; 5.7.3.2 NMAC – Rn, 5 NMAC 7.3.2, 7/31/2005]~~

~~[5.7.3.2 NMAC – Rp., 5.7.3.2 NMAC, X/XX/2026]~~

5.7.3.3 STATUTORY AUTHORITY: Sections 21-1-26 and 21-22D et seq. NMSA 1978.

~~[7/15/1998; 5.7.3.3 NMAC – Rn, 5 NMAC 7.3.3, 7/31/2005]~~

~~[5.7.3.3 NMAC – Rp., 5.7.3.3 NMAC, X/XX/2026]~~

5.7.3.4 DURATION: Permanent.

~~[7/15/1998; 5.7.3.4 NMAC – Rn, 5 NMAC 7.3.4, 7/31/2005]~~

~~[5.7.3.4 NMAC – Rp., 5.7.3.4 NMAC, X/XX/2026]~~

5.7.3.5 EFFECTIVE DATE: ~~[July 15, 1998;]~~ June 23, 2026, unless a later date is cited at the end of a section.

~~[7/15/1998; 5.7.3.5 NMAC, Rn & A, 5 NMAC 7.3.5, 7/31/2005]~~

~~[5.7.3.5 NMAC – Rp., 5.7.3.5 NMAC, X/XX/2026]~~

5.7.3.6 OBJECTIVE: The objective and purpose of 5.7.3 NMAC is to increase the number of health professionals and licensed physicians in ~~[underserved areas of]~~ the state through a program of loan repayment of eligible educational loans. The program will ~~[pay its participants for]~~ provide loan repayment assistance towards the principal and reasonable interest accrued on ~~[loans obtained for educational purposes]~~ eligible educational loans. The program requires ~~[, as a condition of]~~ each [eligible] participant ~~[, that they]~~ practice their profession within one of the areas of the state designated by the ~~[health profession advisory]~~ committee as a health professional shortage area for a minimum period of three years for health professionals and four years for licensed physicians.

~~[7/15/1998; 5.7.3.6 NMAC – Rn, 5 NMAC 7.3.6, 7/31/2005; A, 8/15/2023]~~

~~[5.7.3.6 NMAC – Rp., 5.7.3.6 NMAC, X/XX/2026]~~

5.7.3.7 DEFINITIONS:

~~[A. — "Commission", without further specification, means the New Mexico higher education department.]~~

~~[B.]~~ A. "Committee" means the health ~~[professions]~~ profession advisory committee of the department organized pursuant to 5.7.3.8 NMAC.

~~[C.]~~ B. "Department" means the New Mexico higher education department.

~~[D.]~~ C. "Eligible educational loan" means ~~[government and commercial loans for actual costs paid for tuition, reasonable education expenses including fees, books, supplies and materials; and reasonable living expenses including room and board and other itemized expenses incurred during an individual's enrollment at a post-secondary institution in a health occupation educational program. Expenses incurred must be related to the acquiring of said education]~~ 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 or licensed physician, requiring either repayment of principal and interest or repayment in services.

~~[E. — "Eligible participant" includes physicians, physician assistants, advanced practice nurses, registered nurses, dentists, podiatrists, optometrists, allied health care providers and other specialties approved by the committee.]~~

~~[F.]~~ D. "Extenuating circumstances" means circumstances not within the control of the ~~[recipient]~~ participant.

E. "Health professional" means a professional licensed in New Mexico pursuant to the: Acupuncture and Oriental Medicine Practice Act; Anesthesiologist Assistants Act; Chiropractic Physician Practice Act; Counseling and Therapy Practice Act; Dental Amalgam Waste Reduction Act; Dental Health Care Act; Emergency Medical Services Act; Genetic Counseling Act; Massage Therapy Practice Act; Medical Imaging and Radiation Therapy Health and Safety Act; Medical Practice Act; Nursing Practice Act and includes a nurse in advanced practice; Nutrition and Dietetics Practice Act; Occupational Therapy Act; Optometry Act; Pharmacist Prescriptive Authority Act; Pharmacy Act; Physical Therapy Act; Physician Assistant Act; Podiatry Act; Polysomnography Practice Act; Professional Psychologist Act; Respiratory Care Act; Social Work Practice Act; Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act; and other health professional licensing acts as determined by the department.

~~[G.]~~ **F.** "Health professional shortage area" means an area of the state or a facility which has been determined by the ~~[health professions advisory]~~ committee as an acceptable practice site in which program participants may fulfill their commitment.

~~[H.]~~ "Physician" means a physician, allopathic or osteopathic with a specialty in family or general medicine, general internal medicine, general pediatrics and obstetrics and gynecology and other specialties approved by the committee.]

G. "Licensed physician" means a medical or osteopathic physician licensed under the Medical Practice Act to practice medicine in New Mexico.

H. "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 New Mexico department of health.

I. "Participant" means a health professional or licensed physician who has been accepted into the program and has signed a contract pursuant to 5.7.3.12 NMAC.

[7/15/1998; 5.7.3.7 NMAC – Rn & A, 5 NMAC 7.3.7, 7/31/2005; A, 5/16/2023; A, 8/15/2023]

[5.7.3.7 NMAC – Rp., 5.7.3.7 NMAC, X/XX/2026]

5.7.3.8 HEALTH PROFESSION ADVISORY COMMITTEE: The health profession advisory committee is created to advise the department on matters relating to the administration of the Health Professions Student Loan-for-Service Acts and the Health Professional Loan Repayment Act.

A. The committee shall be appointed by the department pursuant to policies and procedures of the ~~[commission]~~ department and ~~[shall]~~ may be composed of:

- (1) a representative of the department of health;
- (2) a representative of the New Mexico health policy commission;
- (3) representatives of public post-secondary health and medical training programs;
- (4) representatives of recruiting and placement organizations;
- (5) representatives of professional health and medical associations; and
- (6) other representatives as appointed by the department.

B. The responsibilities of the committee shall include:

- (1) designate health professional shortage areas ~~[of the state]~~;
- (2) make recommendations to the department on applicants ~~[for]~~ to the programs created by the Medical, Osteopathic, Nursing and Allied Health Loan-For-Service Acts and the Health Professional Loan Repayment Act; and

- (3) give advice or other assistance to the department as requested.

[7/15/1998; 5.7.3.8 NMAC – Rn & A, 5 NMAC 7.3.8, 7/31/2005]

[5.7.3.8 NMAC – Rp., 5.7.3.8 NMAC, X/XX/2026]

5.7.3.9 [PARTICIPANT] APPLICANT ELIGIBILITY: ~~[To be eligible for this program, an]~~ A program applicant must be a health professional or licensed physician and submit an application with supporting documentation that provides:

A. ~~[submit an application containing]~~ biographical information, educational history, and [health profession education] eligible educational loan information including lender name, address, telephone number, loan numbers, loan balances, interest rates and remaining payments [for review]; applicants with consolidated loans will be asked to detail the consolidation in writing and segregate eligible educational loans;

B. ~~[be licensed or certified]~~ proof of licensure or certification in the state of New Mexico to practice their profession;

C. ~~[be a]~~ a certification that the applicant is a bonafide citizen of the United States ~~[or a permanent resident alien and a resident of New Mexico];~~

D. a formal declaration of intent to provide service in a ~~[clinical practice of their profession]~~ health professional shortage area full time (36 hours per week), the committee may consider part-time service, with prorated awards based on the percentage of hours worked relative to full-time employment, on a case-by-case basis;

E. a formal declaration of intent to practice in ~~[an approved]~~ a health professional shortage area for a minimum period of three years ~~[-, the committee may consider longer periods of service on a case-by-case basis;]~~ for health professionals and four years for licensed physicians;

~~[F. charge for their professional services at the usual and customary rates prevailing in the areas in which such services are provided, except that if a person is unable to pay such a charge, such person shall be charged at a reduced rate or not charged any fee;~~

~~_____ G. agree that, in providing health services, they will not, in the case of an individual seeking care, discriminate on the basis of the ability of the individual to pay for such care or on the basis that payment for such care will be made pursuant to the program established in Title XVIII (medicare) of the Social Security Act or pursuant to the program established in Title XIX (medicaid) of such act; and~~

~~_____ H. agree that they will accept assignment under Section 1842(b)(3)(B)(ii) of the Social Security act for all services for which payment may be made under Part B of Title XVIII and will enter into an appropriate agreement with the state agency that administers the state plan for medical assistance under Title XIX of such act to provide service to individuals entitled to medical assistance under the plan.]~~

~~_____ F. certification of New Mexico residency or a formal declaration of intent to establish New Mexico residency; and~~

~~_____ G. information regarding the intended health professional shortage area practice site. [7/15/1998; 5.7.3.9 NMAC – Rn, 5 NMAC 7.3.9, 7/31/2005; A, 5/16/2023; A, 8/15/2023] [5.7.3.9 NMAC – Rp., 5.7.3.9 NMAC, X/XX/2026]~~

5.7.3.10 SELECTION OF LOAN REPAYMENT PARTICIPANTS:

A. Upon receipt of application forms and supporting documentation from eligible ~~[participants, a]~~ applicants, the committee will be convened by the ~~[commission]~~ department staff person charged with the administration of this program to make award recommendations. ~~[Applicants will be notified within 30 days of the results of this review.]~~

B. ~~[Preference in awarding funds will be to individuals that have graduated from a New Mexico post-secondary institution.]~~ Highest priority shall be given to licensed physicians.

C. Recruitment awards ~~[will]~~ may be made to eligible ~~[participants]~~ applicants who agree to relocate to ~~[an approved practice site in]~~ New Mexico and commence practice in a health professional shortage area within ninety days of the grant of an award. The department shall, within its capacity, assist applicants in locating practice positions in designated health professional shortage areas. Nothing in this section shall be construed to require the department to secure or guarantee employment or placement for applicants.

D. Retention awards ~~[will]~~ may be made to eligible ~~[participants]~~ applicants who agree to remain in an approved ~~[practice]~~ health professional shortage area.

~~[E. Award amounts will be dependent upon the location of the practice, the applicant's total health professional educational indebtedness, and certain characteristics of the practice; the committee may modify the amount of the awards based upon available funding or other special circumstances.~~

~~_____ (1) No award amount may exceed the total medical educational indebtedness of any participant.~~

~~_____ (2) Highest priority will be given to those participants in practices which are hard to fill (vacancies in excess of 12 months), practices which require after hours call at least every other night, and those which have heavy obstetrical responsibilities.~~

~~_____ F. Payments will be made on a quarterly basis upon receipt of a certified quarter (three months) of service which verifies that the participant is satisfactorily providing primary health care services in an approved area.~~

~~_____ G. Payments will not be made until participants are actually providing services in their approved practice sites, and no payments will be made prior to the date of application and execution of a participation agreement.~~

~~H. Participants with consolidated loans will be asked to detail the consolidation in writing at the time of application, segregating those loan amounts which qualify under this program for repayment~~

~~I. The program will not pay fines, penalties or other financial damages assessed as a result of delinquent payments on eligible loans, other loans or as a result of other legal action taken against participants.]~~

~~E. The committee may consider:~~

~~(1) characteristics of the health professional shortage area; and~~

~~(2) the applicant's total eligible educational loan debt,~~

~~[7/15/1998; 5.7.3.10 NMAC—Rn, 5 NMAC 7.3.10, 7/31/2005; A, 12/11/2018]~~

~~[5.7.3.10 NMAC – Rp., 5.7.3.10 NMAC, X/XX/2026]~~

5.7.3.11 AWARD AMOUNTS: Award amounts shall be determined by the department in accordance with the following:

A. An award for a licensed physician shall be a minimum of seventy-five thousand dollars (\$75,000) per year for four consecutive years, with the exception that:

(1) the total award amount shall not exceed the licensed physician's total eligible educational debt;

(2) the award amount shall be prorated based on a four-year award period; and

(3) part-time employment as a licensed physician shall be prorated based on the percentage of hours worked relative to full-time employment.

B. An award for a health professional other than a licensed physician shall:

(1) not exceed the health professional's total eligible educational debt;

(2) be prorated based on a three-year award period; and

(3) be prorated based on the percentage of hours relative to full-time employment if the health professional maintains part-time employment.

C. Payments will be made on an annual basis upon receipt of a certified employment verification of service which confirms the participant has satisfactorily provided clinical health care services in a health professional shortage area for that year.

D. Payments will not be made until a participant has provided employment verification and no payments will be made prior to execution of a contract.

E. The department may modify award amounts based upon available funding or other special circumstances.

~~[5.7.3.11 NMAC – N, X/XX/2026]~~

~~**5.7.3.11 PARTICIPATION AGREEMENT] 5.7.3.12 CONTRACT:** Upon approval, a [participation agreement] contract shall be drawn between each [eligible] participant receiving loan repayment and the department on behalf of the state of New Mexico. The [agreement] contract shall state both the participant's obligation under the program as well as the department's responsibility. No payment will be made until a duly signed document is on file at the department offices. The [participation agreement] contract shall include, but not be limited to, the following stipulations:~~

~~**A.** provide for the repayment of a specified sum as determined in Section [10] 11; the [commission] department will pay the amount [due for each quarter of] awarded on an annual basis upon completion of one full year of completed service [by the program participant], directly to the [participant or their] participant's lender(s) for payment of their [health professional education] eligible educational loans; [any amounts allocated to repay loans will be divided equally by the number of quarters in the service period covered by the award; quarters comprise an average of thirteen weeks including paid leave or any combination of hours and weeks thereof for the entire service period;]~~

~~**B.** state that [the department will complete annual reports to all tax authorities delineating award payments made to the program participant;] participants are required to complete quarterly employment verification;~~

~~**C.** state that payment of the award is conditioned upon the [program] participant submitting timely [reports and requests for reimbursement] employment verifications to the department [or its designee, as required by the commission];~~

~~**D.** state the participant's obligations including a minimum [three year] period of service in a health professional shortage area practice providing continuous clinical services in the field of their profession [in an area designated by the committee as eligible;] as follows:~~

~~**(1)** a minimum period of three years for health professionals; and~~

~~**(2)** a minimum period of four years for licensed physicians;~~

E. state that the [program] participant is responsible for payment(s) of their eligible [health professional education] educational loans ~~[until such time that actual loan repayment is performed by the department]~~. Repayment by the department will begin following the first certified [quarter] year of completed clinical service in ~~[an] a health professional shortage area [designated by the committee];~~

~~[F.] state that the recipient will charge for professional services at the usual and customary rate prevailing in the area where the services are provided, except that if a person is unable to pay such charge, such person shall be charged at a reduced rate or not charged any fee;~~

~~[G.] in providing health services, the participant shall not discriminate against any person on the basis of such person's ability to pay for such services or because payment for the health services provided to such person will be made under the insurance program established under Part A or B of Title XVIII of the Social Security Act or under a state plan for medical assistance approved under Title XIX of such act;~~

~~[H.] the participant will accept assignment under Sections 1842(b)(3)(B)(ii) of the Social Security Act for all services for which payment may be under Part B of Title XVIII of such act and enter into an appropriate agreement with the state agency which administers the state plan for medical assistance under Title XIX of such act to provide services to individuals entitled to medical assistance under the plan;]~~

~~[I.] E.~~ the award will be terminated if any of the following should occur:

(1) the participant fails to perform continuous clinical service at the approved [facility] health professional shortage area, unless a change of [facility] the health professional shortage area or an interruption in service is approved in advance and in writing by the department; no interruption in service exceeding six months will be approved;

(2) the employment of the participant at an approved location is terminated;

(3) the participant loses their professional license, or board certification ~~[or billing privileges for medicaid or medicare];~~ or

(4) the department deems termination is warranted for any other reasonable cause.

~~[J.] G.~~ in the event ~~[this agreement] the contract~~ is terminated by the ~~[commission] department~~, the ~~[commission] department~~ shall have no obligation to make any further payments ~~[to or]~~ on behalf of the participant;

~~[K.] H.~~ penalties as outlined in Section ~~[12] 13~~; and

~~[L.] I.~~ shall state that the participant further promises ~~[:~~

~~(1) to use the allocated award solely for the purposes of repaying health professional education loans, including principal, interest and related expenses or, where approved by the commission;~~

~~(2) to be responsible for all tax liabilities incurred in the acceptance of the award; and~~

~~(3) to complete [all necessary reports and requests for loan repayment required by commission] any other documents the department may require to facilitate the award payment or other terms of the contract and submit them to the [commission or its designee] department on a timely basis.~~

~~[7/15/1998; 5.7.3.11 NMAC – Rn & A, 5 NMAC 7.3.11, 7/31/2005; A, 12/11/2018; A, 8/15/2023]~~

~~[5.7.12 NMAC – Rp, 5.7.11 NMAC, X/X/2026]~~

[5.7.3.12] 5.7.3.13 PENALTIES:

A. If a [program] participant does not comply with the terms of the [participation agreement] contract, the department shall assess ~~[a penalty of up to three times] the full~~ amount of award disbursed ~~[, plus] and may assess a fee of no more than~~ eighteen percent interest ~~[,] of the amount of the award disbursed~~, unless the [commission] department finds acceptable extenuating circumstances for why the participant could not serve and comply with the terms of the [provisions] contract. If the [commission] department does not find acceptable extenuating circumstances for the participant's failure to comply, the [commission] department shall require immediate repayment ~~[plus the amount of any penalty assessed pursuant to this section]~~.

(1) The full penalty shall apply unless the circumstances reflect that the penalty should be reduced on a prorata basis reasonably reached based upon the degree of control which the [recipient] participant has over the decision not to serve. The [recipient] participant shall have the burden of proof.

(2) If the [commission] department does not find acceptable extenuating circumstances for the [recipient's] participant's failure to carry out their declared intent to serve in a [designated] health professional shortage area in the state, the [commission] department shall require immediate repayment of the award granted to the [recipient] participant plus the amount of any penalty assessed pursuant to this [subsection] section.

B. Participants who have signed a [participation agreement] contract ~~[for three years]~~ and fail to complete a quarter of service will not receive a prorated award amount.

~~[7/15/1998; 5.7.3.12 NMAC – Rn & A, 5 NMAC 7.3.12, 7/31/2005; A, 8/15/2023]~~

~~[5.7.13 NMAC – Rp, 5.7.12 NMAC, X/X/2026]~~

~~[5.7.3.13]~~ **5.7.3.14** **INELIGIBLE DEBTS:** The following educational debts are not eligible for repayment under this program:

A. amounts incurred as a result of participation in any department administered loan-for-service program or other state programs whose purpose states that service be provided in exchange for financial assistance, such as the New Mexico health service corps;

B. scholarships which have a service component/obligation such as the national health service corps scholarship; ~~[and]~~

C. personal loans ~~[from friends, relatives and other family members;]~~ ;

~~D. loans which exceed individual standard school expense levels; [the committee may consider cases of extenuating circumstances;] and~~

~~E. fines, penalties or other financial damages assessed as a result of delinquent payments on eligible educational loans, other loans or as a result of other legal action taken against participants.~~

~~[7/15/1998; 5.7.3.13 NMAC—Rn & A, 5 NMAC 7.3.13, 7/31/2005]~~

~~[5.7.14 NMAC – Rp, 5.7.13 NMAC, X/X/2026]~~

5.7.3.15 **HEALTH PROFESSIONAL LOAN REPAYMENT FUND:** The health loan repayment fund is created as a nonreverting fund in the state treasury. The fund consists of appropriations, distributions, gifts and grants. The department shall administer the fund, and money in the fund is appropriated to the department to provide awards pursuant to the Health Professional Loan Act; provided that:

~~(A) no less than fifty percent of the available funds in the health professional loan repayment fund as of the beginning of each fiscal year shall be encumbered for licensed physicians who receive an award;~~

~~(B) funds that are encumbered but unexpended shall be used for award in the next fiscal year; and~~

~~(C) the department shall apply funds appropriated to the department from the nursing excellence program license renewal surcharge established pursuant to Subsection B of Section 61-3-10.5 NMSA 1978 exclusively for loan repayment assistance for nurses in advanced practice who practice in health professional shortage areas designated by the committee. Eligibility for loan repayment assistance pursuant to Subsection B of Section 61-3-10.5 NMSA 1978 shall not render nurses in advanced practice ineligible for loan repayment assistance pursuant to the Health Professional Loan Repayment Act that derives from any other source of funding; and~~

~~(D) the department shall apply funds appropriated to the department from the osteopathic physician excellence fund established pursuant to Section 21-22D-13 NMSA 1978 exclusively for loan repayment assistance for osteopathic primary care physicians who are licensed pursuant to the Medical Practice Act and who practice in health professional shortage areas designated by the committee.~~

~~[5.7.15 NMAC – N, X/X/2026]~~

~~[5.7.3.14]~~ **5.7.3.16** **REPORTS:** ~~[The]~~ By December 31 of each year, the department shall submit ~~[a]~~ an annual report to the governor and the legislature ~~[prior to each regular legislative session]~~. The report shall ~~[describe the program activity during the previous years, including the statistics, and analysis of the progress of the Health Professional Loan Repayment Act in meeting the health and medical needs of the citizens of]~~ include the amount of each award granted, the cumulative total award amount, the number of awards made by profession type and county and municipality where each health professional or licensed physician that received an award practices in the state.

~~[7/15/1998; 5.7.3.14 NMAC—Rn & A, 5 NMAC 7.3.14, 7/31/2005]~~

~~[5.7.16 NMAC – Rp, 5.7.14 NMAC, X/X/2026]~~

HISTORY OF 5.7.3 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

CHE Rule 805, New Mexico Health Professional Loan Repayment Program (HPLRP), 12/21/1994.

History of Repealed Material: [RESERVED]