

**THE BOARD OF MEDICAL STUDENT LOANS  
MEETING AGENDA  
July 13, 2023**

**Virtual link: Microsoft Teams**

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_YzBiOWUyNjktM2NiNS00YjdkLWFiOTYtZjViZTgwOTAyMTE0%40thread.v2/0?content=%7b%22id%22%3a%225ee35505-eb8e-4929-937d-645df5013288%22%2c%22oid%22%3a%22d849a63d-46a9-4c0e-a9b6-11d320dfa075%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzBiOWUyNjktM2NiNS00YjdkLWFiOTYtZjViZTgwOTAyMTE0%40thread.v2/0?content=%7b%22id%22%3a%225ee35505-eb8e-4929-937d-645df5013288%22%2c%22oid%22%3a%22d849a63d-46a9-4c0e-a9b6-11d320dfa075%22%7d)

**5:00 p.m. Call to order**

Sherri McClellan, Administrative Support Staff, Program Coordinator, University of Arizona College of Medicine Tucson

**Board Member Appointments (all voting members)**

Brandon Abbott, DO, MPH – Adjunct Assistant Professor of Internal Medicine, Pediatrics and Family and Community Medicine, University of Arizona College of Medicine Phoenix and A.T. Still University School of Medicine in Arizona  
Jasleen Chhatwal, MD – Chief Medical Officer, Sierra Tucson and Clinical Assistant Professor, Department of Psychiatry University of Arizona College of Medicine Tucson  
Edith Di Santo, MPH – Chief, Primary Care Office, Arizona Department of Health Services  
Irene Alexandraki, MD, PhD, MPH - Senior Associate Dean and Professor of Internal Medicine, Academic Affairs, University of Arizona College of Medicine Phoenix  
Carlos Gonzales, M.D. – Assistant Vice President of Indigenous Affairs, and Associate Professor of Family and Community Medicine, University of Arizona College of Medicine Tucson  
Jewel Kling, M.D., Vice Dean, Mayo Clinic Alix School of Medicine, and Suzanne Hanson Poole Dean, Mayo Clinic Alix School of Medicine Arizona Campus  
Katherine Mitzel, D.O. – Associate Dean for Curricular Integration and Faculty Development Clinical Professor, and Clinical Professor, Midwestern University Arizona College of Osteopathic Medicine  
Sharon Obadia, D.O. – Dean and Associate Professor of Internal Medicine, A.T. Still University School of Medicine in Arizona  
Nicole Piemonte, Ph.D. – Assistant Dean for Student Affairs, and Associate Professor of Medical Humanities, Creighton University School of Medicine, Phoenix Regional Campus

**Election of Board Chairperson and Vice Chairperson**

Discussion/Action

**Approval of Minutes from the Meeting of April 6, 2022**

Discussion/Action

**Review of the History of the Board**

Discussion

The Board of Medical Student Loans was created in 1978 to provide loans to Arizona residents at Arizona medical students in return for their service as primary care or other specialty physicians in the rural and other underserved regions of the state of Arizona (**A.R.S. § 15-1721 through 15-1725**). Initially developed to work with the University of Arizona College of Medicine, the State's only medical school at the time, it later expanded to include the two private osteopathic medical schools: Midwestern University's Arizona College of Osteopathic Medicine (AZCOM) in Glendale in 1999 and A.T. Still University School of Osteopathic Medicine in Mesa (SOMA) in 2007.

Due to the lack of State appropriations, no new loans have been made to medical students since Academic Year 2008-2009, and the Board of Medical Student Loans received its last year of appropriated funds in Fiscal Year 2013 to honor outstanding program contracts.

Since 1978, the Board has made service contracts with 184 medical students. 131 of those medical students (71%) became licensed physicians and fulfilled their contracts through service. The remaining participants repaid their contracts with penalties, fulfilled their contracts with physician service and financial repayment. Some are still paying their debt through the Attorney General's Office.

With new appropriations in 2021, a revised Board, **changes to loan terms (SB1078)**, and the addition of three medical schools in the state (University of Arizona College of Medicine Phoenix, Mayo Clinic Alix School of Medicine, and Creighton University School of Medicine), the Board now seeks to spend \$4 million of State-appropriated funds for medical student primary care loans (**HB2895 and SB1720**) and \$4 million for medical students committed to **Psychiatry (SB1847 and SB1466)**.

## **Processes and Procedures**

### Discussion/Action

After **announcing** The Arizona Medical Student Loan Program to eligible applicants, an **application** period to collect student information and proof of Arizona **residency**, applicants must undergo personal **interviews** with assigned Board members. After an **evaluation** and review of the Board, offers will be made to the best candidates who promise to fulfill the Board's objective of providing physicians to most-needed areas of the State. A **contract** between the student and the State of Arizona will be signed. Loan amounts cover tuition plus up to \$20,000 in living allowance as determined by the student's school financial aid office. Loans are processed through the State and given to the student's medical school to ensure academic use of funds. Participants who wish to continue their funding will be required to reapply and sign a contract each year.

After graduating medical school, the participant will enter an approved primary care or psychiatry residency program. After successful completion, the participant will practice medicine in a Board-approved, eligible area of Arizona as designated by the Arizona Department of Health Services and the United States Department of Health and Human Services. Per the A.R.S. § 15-1723(E):

E. The board may approve service in any of the following locations:

1. A rural and medically underserved area of this state.
2. A medically underserved area of this state.
3. A medically underserved population of this state.
4. Any Indian reservation that is located in this state.

The commitment minimum is two years, and up to four or five years depending on the loans received. The Board is required to track progress of the physician's service and see to the fulfillment of the contract with the State. Upon completion of the contract in full, the loan will be forgiven.

If a participant does not fulfill the contract with required service, the loan must be repaid at 7% interest with applicable penalties:

- a. If Student withdraws or is dismissed from medical school, there will be no penalty for liquidated damages.
- b. If Student completes their undergraduate medical education but withdraws from the program during residency, an amount equal to 10% of the loan amount shall be repaid for liquidated damages.
- c. If Student withdraws from the program while serving as a physician in the area listed in the recipient's contract, an amount equal to 25% of the loan amount shall be repaid for liquidated damages.

For non-fulfillment of the contract, the Board will refer the participant to the Arizona Attorney General to enforce collection per A.R.S. § 15-1724(H).

### **Timelines and Next Steps**

Discussion/Action

The application period is expected to begin in late July and close in early September. Sherri McClellan is the point of contact for the Arizona Medical Student Loan Program. During that time, applicants will meet with board member(s) as coordinated and assisted by Sherri.

The Board is expected to convene again in late September to review applicants and offer loans. Sherri will coordinate the signing of the contracts with the recipients and processing of funding through the State.

In April, the Board will convene to review the progress of the loan recipients, check the balance of funds in the budget, and plan for the application process for the next academic year.

### **Reimbursement for Administrative Support to University of Arizona College of Medicine Tucson**

Discussion/Action

The University of Arizona College of Medicine Tucson provides administrative support to the Board per the Arizona statutes.

A.R.S. § 15-1723. "Private schools of medicine shall reimburse the university of Arizona for any administrative costs related to processing loans for students at private schools of medicine pursuant to subsection A of this section."

At the November 9, 2012 meeting, the Board voted that the reimbursement be proportioned according to the number of participants at each respective school at \$500.00 for each student per academic year, with a maximum of cost of \$5,000.00. This has been the practice since the November 9, 2012 meeting.

In order to disburse the funds from the Medical Student Loans Fund to the loan recipient, the Board requires additional support from the State of Arizona Department of Administration Central Services Bureau to process the payment requests and documents needed to pay the student's academic institution. Sherri is actively pursuing an **Inter-Agency Service Agreement** between the Board and the Arizona Department of Administration. This agreement will result in operational expenses to the Board's funds in the amount of \$500.00 plus hourly charges as needed.

### **Other items from Board Members or Audience**

Discussion Only

### **Adjournment**

Pursuant to A.R.S. § 38-431.03 (A) (2) and (A) (3), the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda or to review, discuss and consider records exempt from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law.