

**BOARD OF MEDICAL STUDENT LOANS**  
Minutes of the meeting of April 25, 2014

The Board of Medical Student Loans held an open public meeting on April 25, 2014 by videoconference at **four locations**: The University of Arizona College of Medicine, Room 2141, Arizona Health Sciences Library, 1501 N. Campbell Avenue, **Tucson, AZ 85724**; The University of Arizona, College of Medicine, Room 2208, Building 2, 600 E. Van Buren Street, **Phoenix, AZ 85004**; Midwestern University, Arizona College of Osteopathic Medicine , 2<sup>nd</sup> Floor Conference Room, Sahuaro Hall, 19555 N. 95th Avenue, **Glendale, AZ 85308**; and Midwestern University, Downers Grove, IL Campus, Video Conference Room, Alumni Hall North, Lower Level, 555 31st Street, **Downers Grove, IL 60515**.

Board members in attendance at the videoconference included Chairperson Carol Q. Galper, Ed.D. and Amy Mitchell, M.D. in Tucson, AZ; Shirley Rheinfelder, M.D. in Glendale; and Stanley Brysacz, D.O. in Phoenix.

Support staff present included: Sherri McClellan, Program Coordinator, Yolanda Carrasco, Assistant Director, and Jessica Le Duc, Program Coordinator Senior, all of Financial Aid, College of Medicine, University of Arizona, in Tucson; Ana Roscetti, Workforce Section Manager, Bureau of Health Systems Development, Arizona Department of Health Services and Deborah Ross-Carter, Assistant Director, Student Financial Services, A.T. Still University in Phoenix; and Marta Andino, Manager of Student Loan Administration, Midwestern University and Nathan Ernst, Director of Student Financial Services, Midwestern University in Downers Grove, IL. Program participant Janet Vargas, M.D. and University of Arizona College of Medicine Medical Student Education Associate Dean, Dr. Amy Waer were also present in Tucson.

Absent from the meeting were Board members Gordi Khera, M.D., Paul Steingard, D.O., Ross Kosinski, Ph.D., and Patricia Tarango (non-voting member). With four of seven voting members in attendance, a quorum was met for the meeting.

The minutes of the meeting of November 15, 2013 have been distributed to the Board for review.

**Chairperson Galper called the meeting to order at 1:16pm.**

Chairperson Galper started the meeting with the **approval of the meeting minutes** from November 15, 2013. A motion to approve the minutes by Dr. Rheinfelder was seconded by Dr. Brysacz, and all voting members were in favor of approving the November 15, 2013 Board meeting minutes.

The meeting moved ahead with a discussion of **Board Member Terms** and **Chairperson Election**. Dr. Galper announced her plan to step down as Associate Dean for Medical Student Education, University of Arizona College of Medicine at the end of June 2014. Her Board term expired on January 20, 2014, however she is permitted to serve for one year beyond that date until a replacement is appointed. The Board has made a request to the President of the University of Arizona to appoint a replacement. Dr. Galper presented a letter of her expected

retirement from the Board and nominated Board member Ross Kosinski, Ph.D. as the next Chair person. A letter from Dr. Kosinski accepting nomination as Chair was presented. Dr. Galper made a motion to accept Dr. Kosinski as the next Chairperson following her tenure ending June 15, 2014. Dr. Rheinfelder seconded the motion. Dr. Brysacz verbally supported Dr. Kosinski as chair, saying that in the 15-20 years he has known Dr. Kosinski, he is very dedicated to medical students and will be a great chairperson. All voting members present were in favor to accept Dr. Kosinski as Board Chairperson effective June 15, 2014.

After the vote, Sherri McClellan stated that a letter from the Board had been sent to the President of the University of Arizona, requesting an appointment from the University staff to replace Dr. Galper. Amy Waer, M.D., Associate Dean of Medical Student Education, has been recommended for the appointment consideration.

Dr. Galper announced that there may be some changes in staff support of the Board of Medical Student Loans at the University of Arizona. Sherri might be leaving, and should that occur, the University of Arizona will work with Dr. Kosinski in the transition of support staffing.

**An Update on Referrals to the Attorney General's Office (AGO)** was included in the meeting materials distributed to Board members for informational purposes. There were no discussions or actions during the meeting but to notice the status reviews for each participant. Current participants with the Attorney General's Office are O. Dianna Bell, Claudia Chavez, Rey Palop, M.D., Juan Hernandez, Scott Salmon, D.O., Juanita Padilla, M.D., and David Damstra, M.D.

The meeting continued with **Participant Updates and Requests.**

At the meeting was participant **Janet Vargas, M.D.** At the November meeting, Dr. Vargas was asked to put forth a sufficient plan to meet her service obligation. Dr. Vargas stated that she has done as the Board said, combing the "web" on the HRSA site and had contacted the prison system and others for employment. She found a position advertised with Marana Health Center for a Psychiatrist. The posting did not say board-eligible/board-certified (BE/BC). During the interview, she was asked if she was BE/BC. Marana tried several ways to go around this requirement to hire Dr. Vargas. Her background in counseling and medicine made her well-suited for the position, however the bottom line was insurance reimbursement. Insurance companies will not reimburse for physicians who are not BE/BC. Since then, she has found only employment postings requiring BE/BC. She stated that she applied anyway, knowing full-well that her application would be kicked out after that requirement was not met.

Dr. Vargas asked again if the Board would consider Cottonwood de Tucson as an eligible payback site, stating that it is in a Mental Health Professional Shortage Area, and mental health is an area of medicine which is underserved. She stated that she had a letter from her medical director, Dr. Larry Oñate, and he knows that she does at Cottonwood de Tucson exactly what she does at ETANO Counseling which is approved by the Board. Dr. Galper noted that Cottonwood de Tucson has been denied as an eligible site during the past meeting of November 2012 because it is not serving an underserved clientele. At that meeting, Dr. McWilliams made the motion to deny the request, and the denial was unanimously approved. Dr. Vargas made the point that Cottonwood de Tucson qualifies in the area of medicine according to the HRSA website, and that it qualifies according to the contract because the contract does not say that it has to be an underserved area of medicine and a

medically-underserved population. It gives the scenarios separately. Dr. Vargas requested that Cottonwood de Tucson be approved as an underserved area of medicine. Dr. Galper stated that Cottonwood de Tucson is not serving an underserved clientele. Dr. Vargas argued, stating that not everyone at Cottonwood de Tucson can afford to pay—there are people on scholarship and people who are there because the company they work for is paying for them so that they can get treatment. There are all walks of life and not just the well-to-do. Dr. Brysacz spoke, saying that mission of the Medical Student Loan was to serve underserved populations, the people at Cottonwood de Tucson pay a reasonable amount of money for these services, and they appear not to be underserved people.

Dr. Rheinfelder stated that the responsibility of the Board is to approve the sites. If they were to make an exception for the site, it would have to be for a compelling reason. The site was looked at in November 2012, and there was not a reason to approve. It did not fit with what the Board is looking for service repayment. The contract says that the site is subject to the approval of the Board.

Dr. Galper referred back to Dr. Vargas' letter which requests approval of Cottonwood de Tucson. Since Cottonwood de Tucson was not approved in the past, Dr. Galper said that the Board should be consistent with its previous decision and uphold its decision not to approve Cottonwood de Tucson as an eligible site. Dr. Vargas defended her request by stating that, if one enters the address of Cottonwood de Tucson on the HRSA website, it comes up as a medically-underserved site. Sherri McClellan offered that any address in the state of Arizona comes up as a medically-underserved area in mental health. Dr. Galper stated that the Board has an obligation to the State to serve the medically-underserved, and not everyone in the State can afford to go to Cottonwood de Tucson. Most of the State's mental health patients are getting services from facilities which have programs that provide services to underserved people. Dr. Vargas replied that she could not get jobs at those places. Dr. Galper brought the conversation back to the consideration of Cottonwood de Tucson as an eligible site. Dr. Vargas stated that she is trying every possible way that she can to accumulate hours in mental health to do payback but she is limited to working in eligible places because she is not BE/BC. Dr. Galper made a motion to uphold the Board's previous decision from November 2012 to deny Cottonwood de Tucson as an eligible site. Dr. Brysacz seconded the motion. The vote was unanimous to uphold the previous decision to deny Cottonwood de Tucson as an approved site.

Also in Dr. Vargas's letter was the request of approval for hours worked at Board-approved ETANO Counseling. 1,829 hours since January 2011 through March 2014. Dr. Galper posed the question that, with a service commitment of 10,000 hours, is this adequate progress? Dr. Vargas said that she is trying. Dr. Vargas argued that 100 hours per month is adequate for full-time according to the contract. Dr. Galper reminded her that her service commitment is for 10,000 hours, and once again posed the question "is this adequate progress"?

Dr. Vargas stated that part-time 1,000 hours per year. Dr. Rheinfelder said that if part-time is 1,000 hours per year, then part-time is not being met. Dr. Galper said that the Board does not have the authority to consider the reasons why someone does not meet the obligation. Dr. Vargas stated that she spoke to someone at the Attorney General's Office and was told that the Board does just that, and the Attorney General acts on the recommendations of the Board. Dr. Galper asked, "Is this adequate progress?" Dr. Brysacz said that this is not adequate progress, and that Dr. Vargas is not acting as she should according to the contract. He stated that in more than three years, 1,829 hours

is not adequate progress. He added that Dr. Vargas is not performing the way she is supposed to, and she is not fulfilling her contract. He said that if the Board allows this to happen, then the Board is not fulfilling its obligation to the State and to the State's constituents.

Dr. Vargas disagrees. She asked to look again at the hours she has completed, and that the 454 hours she has completed since November 2013 brings her very close to 1,000 for the year. Dr. Vargas recalled that Board member Dr. Mitchell said in the last meeting that Dr. Vargas should take a good look and document her hours carefully. Dr. Vargas said that, with an incredible background in volunteering, she is not used to documenting her hours, and that she can probably go back and add even more hours. She states that she can document at least 1,000 by the end of the year. Dr. Brysacz asks, "Dr. Vargas, what would you like us to do?" She stated that she wants the Board to understand that she has done everything she can. Dr. Brysacz interrupted, saying to focus on the future plan because the past is already known. Dr. Vargas said that she will continue working at ETANO, and she also submitted a request for a plan to begin a private practice because in private practice, she does not have to BE/BC and can work towards full time work. Dr. Brysacz clarified her request, that she continue working at ETANO, open up a private practice and be a full time participant in her service. Dr. Vargas hesitated to agree, reminding the Board that no one ever starts private practice with a full compliment of patients, and so that would take time, but she will show that she is working towards full time. Dr. Galper asked business-related questions, including the need to operate on a cash-only basis since Dr. Vargas is not BE/BC. Dr. Vargas concurred. Dr. Galper stated that Dr. Vargas has a general medicine license issued by the State of Arizona and cannot advertise herself as a Psychiatrist. Dr. Vargas argued that she can advertise herself as a Psychiatrist, just not a BE/BC Psychiatrist. Dr. Galper stated that, at the last meeting, the Board requested a plan, and offered some suggestions, including a plan to do partial service and repaying the rest, however at 1,829 hours, Dr. Vargas has not worked enough to have any portion of her loans forgiven. Additionally, the Board does not see a sufficient plan in place. Dr. Brysacz talked of alternatives such as making payments to the State while Dr. Vargas is building her private practice. Dr. Galper stated that since the Board does not process the payments, payments have to be made through the Attorney General's Office.

Dr. Galper stated that there is not a sufficient business plan or even an address. Dr. Vargas revealed that she has inquired about business space at 1637 East Prince Road, Tucson AZ 85719. She has also applied with the Arizona Corporation Commission for a PLLC, contacted a CPA for guidance, and contacted a lawyer to guide her through the needed paperwork. Dr. Galper stated that there is no plan as requested. Dr. Vargas replied that she didn't know how detailed a plan the Board wanted. Dr. Rheinfelder asked how a private practice would be approved as an eligible site. Dr. Galper answered that herein lies the problem, because Dr. Vargas did not complete her residency, she is only approved to operate under a general medicine license. Dr. Galper went on to pose the questions, "If it's in an underserved area, how will people afford to pay Dr. Vargas? Even with the Affordable Care Act, how will Dr. Vargas be compensated for that care because she can only bill as a generalist?" Dr. Galper stated that this plan seems too amorphous. Dr. Rheinfelder stated that private practice is very challenging, and asked how would eligibility be determined? Dr. Vargas stated that her practice would be in mental health and addiction. Dr. Galper added that per the contract the practice would have to be approved by the Board.

Dr. Vargas stated that she was at the mercy of the Board because the Board decided that she could not go back into residency and that she had to study and pass Step 3 of the medical licensing exam.

Dr. Galper begged to differ and went on to review the minutes from past meetings where Dr. Vargas was routinely granted extensions and deferrals of service: Dr. Galper read:

- May 2009 – The Board did not approve Preventive Medicine and granted a 6-month deferment to take Step 3
- December 2009 – Dr. Vargas did not receive a passing score, and Dr. Galper moved to accept continued deferral until Spring.
- May 2010 – Further extension was requested. Dr. Galper moved to allow extension.
- October 2010 – Dr. Vargas passed Step 3, explored options and found work with ETANO and requested part-time service based on 10,000 hours. The Board approved.
- There were no Board requests in 2011
- November 2012 – The Board approved ETANO hours. Cottonwood de Tucson was not approved because the loan was meant to create service to the medically-underserved.
- November 2013 – Dr. Vargas cited life complications, and mentioned possible residency program in Tennessee. The Board specifically said that the Board does not dictate Dr. Vargas' career, and that it is her decision how she fulfills the contract. Referring Dr. Vargas to the Attorney General was tabled at that time, and the Board requested a plan from Dr. Vargas to fulfill her obligation that would include a full time component of service. The Board encouraged Dr. Vargas to find other ways to increase her service progress and present a plan to the Board for fulfillment of contract.

Dr. Galper stated that the Board does not see a plan of fulfillment as requested in November 2013, and the minutes show that the Board has a history of trying to accommodate Dr. Vargas.

Dr. Vargas stated that the first meeting in 2009, she was offered a position in Kentucky in Preventative Medicine. Dr. Galper interjected that Preventative Medicine was denied. Dr. Vargas went on to say that at the last meeting, she realized that in 2009 she still had two years before she would have been in default. Dr. Vargas maintains that she was "told" what she needed to do and nobody ever said that if you don't start within two years, then you are in default. She said that she could have finished a Preventative Medicine residency in those two years and received some training in Family Medicine during that time to be able to do her payback as a general practitioner. Dr. Galper stated that the Board did not dictate what Dr. Vargas had to do. Dr. Vargas was adamant, stating, "You did dictate, Carol. Yes, you did, and I'm going to stand on that." She went on to say that the first time she heard of options was in the last meeting of November 2012. She said that if she was told that she had two years to start her payback, she would have gone into that Preventative Medicine residency to get trained in something that the Board wants her to have so that she can practice as a generalist. Sherri McClellan told Dr. Vargas that, if she had entered that Preventative Medicine residency against the Board's approval, she would have been in immediate default, and that the other participant cases to which Dr. Vargas was referring to were approved residency programs. Dr. Vargas stated that she still would have had a year to get started on a residency so that she would be trained in something. Sherri McClellan stated that even after that year, she would have been in default. Dr. Vargas stated that she would have a better chance to pay back the loan if she were board-certified in some area of medicine. Dr. Vargas said that, as of now, she has no opportunity to be BE/BC. Sherri McClellan and Dr. Galper reminded Dr. Vargas that this is because she left her approved residency program. Dr. Vargas said the Board has set limitations because the State of Arizona gives them the power to do so. She has done everything possible to get a job. She looked at La Frontera, COPE, CODAC, and the jail system. Prior to the

last meeting, the Board suggested she enter another residency program, but Dr. Vargas stated that she had problems getting into residency in her mid-50s, she would now have even more problems in her mid-60s. Dr. Vargas stated that her age is a big issue.

Dr. Rheinfelder stated that she left the November 2013 meeting distressed because she was at that 2009 meeting and did not remember the Board dictating anything. She remembered that Dr. Vargas was advised to complete the Step 3 Exam which is something that everyone is supposed to complete at the end of the first year of residency. That was priority regardless. Dr. Rheinfelder recalled that the Board also suggested that she go into another eligible residency program but that these were Dr. Vargas' choices and nothing that the Board dictated.

Dr. Vargas countered that Step 3 does not need to be done during residency, that the time to do Step 3 is per college of medicine. Sherri McClellan stated that she must be licensed to do service to fulfill her commitment. Dr. Vargas added that finishing Step 3 is not a State requirement.

Dr. Galper brought the discussion back to order, stating that it does not seem that there is any way for Dr. Vargas to repay the service on the substantial commitment of time owed, and that she does not see a plan or that it's even possible for someone to set up a fee-for-service business with an underserved population and sustain that practice. **Dr. Galper made a motion to refer Dr. Vargas to the Attorney General** who can then negotiate loan repayment. There is no way for these hours to get paid because of the conundrum of not being BE/BC. **Dr. Rheinfelder seconded the motion.** Before the vote, Dr. Brysacz stated that he has only been on the Board for a few months, however when he reviewed this, it seemed to him that the Board has attempted in many ways to bend backwards for Dr. Vargas. He stated, "If we continue this, we are not serving the function that we were all nominated or elected to serve. So, I have to say that I speak in favor of the motion." Dr. Vargas responded that she has tried to do the payback with the limitations and asserted that the Board approved her to do mental health.

Dr. Brysacz pointed out from the contract that the program is for applicants who intend to go into family practice, pediatrics, obstetrics, or internal medicine. He believed that Board bent backwards by approving Dr. Vargas for Psychiatry. Dr. Vargas argued that the Board did not "bend backwards" because she had to do a presentation to show the Board that mental health is an underserved area in the State of Arizona. She has tried everything to payback but has "met roadblock after roadblock as a result of doing exactly what the Board asked" her to do. She stated that she knows that she can build a practice and that she is qualified and trained to care for people who are addicted to opiates. She admitted that the situation is partially her fault because she left residency. She said that if she was given the opportunity to go into another residency, the Board would not be having these discussions with her. She said that she cannot bill an insurance company. She again stated that she is doing everything she can possibly do to pay the Board back. Dr. Galper corrected Dr. Vargas, saying that it is not to repay the Board, rather it is to pay back the taxpayers of the State of Arizona who fronted the money to Dr. Vargas and the other loan recipients. Dr. Galper said that there are many participants who have repaid the loan in full through service and some who have repaid in money, and that in this case, it appears that there is no way this loan will be repaid in service, and it is beyond the realm of the Board to address the money aspect of it. Dr. Galper stands by the motion to refer Dr. Vargas to the Attorney General so that she can work out a payment plan to repay the State.

Dr. Vargas began, "...and if you look at the hours..." Dr. Brysacz ended the debate by calling for the question. The vote was taken and **the Board members were unanimous to refer Dr. Vargas to the Attorney General.** She told Dr. Vargas that she will be contacted by the Attorney General's Office, and that the Board can do nothing more. She advised Dr. Vargas that the Attorney General would work with her. Dr. Galper told her that the Board appreciates that she has tried to make the service happen. Dr. Vargas exited the meeting.

The agenda continued with other **Updates of Participants.**

**Tomás Acuña, M.D.** is completing his residency program in Family Medicine and was approved in February 2014 to accept employment at St. Joseph's Hospital and Medical Center in Phoenix on August 3, 2014. **J. Gabriel Martinez, D.O.** completing his residency program in Pediatrics and was approved to accept employment at Mountain Park Health Center in Phoenix. **Maurice Lee, M.D.** began working at Board-approved Neighborhood Outreach Access to Health (NOAH) Cholla Health Center in August 2013 as a full-time Family Medicine physician. **Rachel Martin-Camp, M.D., M.P.H.** was approved to change her location of service in Pediatrics to the El Pueblo Clinic of El Rio Health Center in Tucson and started there on January 6, 2014. She previously worked at Copper Queen Medical Associates in Douglas. **Mariposa Wolford, M.D.** has been working at El Rio Community Health Center since September 2013. **Melody Jordahl-Iafrato, M.D.** submitted a final certification of practice, cumulatively fulfilling her 4-year service obligation in Family Medicine. She served for 13 months at Hopi Health Care Center in Polacca. She then served for 21 months at North Country Health Care in Show Low. She finished her 4-year obligation, working 14 months at University of Arizona Medical Center-South Campus in Tucson. A letter of completion was issued to her on March 21, 2014.

The next agenda item was **Reimbursement of Private Schools to University of Arizona College of Medicine.** The University of Arizona College of Medicine remains as the central office of State-accountability for the Arizona Medical Student Loan Program. Dr. Galper reviewed the Statutes saying, "Private schools of medicine shall reimburse the University of Arizona for any administrative costs related to the processing of loans for students at private schools of medicine." At the November 9, 2012 meeting, the Board voted that the reimbursement be proportioned according by the number of participants at each respective school at \$500.00 for each student with a maximum of cost of \$5,000.00. Currently, three (3) students are active in residency or service from A.T. Still University. There are seventeen (17) from Midwestern University. A.T. Still will be invoiced for \$1,500.00, and Midwestern will be invoiced for \$5,000.00. Nothing more is asked for than what has been invoiced in the past. As participants complete commitment and start to drop away, invoices will accordingly be adjusted. Sherri McClellan stated that invoices are ready to be sent, and she has already spoken to Dr. Brysacz and Dr. Kosinski and they are expecting the invoices.

Chairperson Galper addressed the final agenda item regarding the **Sunset Administrative Update**, informing the Board that she and Sherri McClellan spoke with the Attorney General of the expected Sunset and were advised to operate with business as usual until the Board is sunsetted and repealed. At that time, a transfer of further monitoring would be transferred to Arizona Department of Health Services. The only other outstanding cases at this time are Dr. Lo and Dr. Castro who appeared at the November 2013 meeting. They will be contacted and

reminded to make a plan to repay their obligation by the end of June 2015 or be referred to the Attorney General.

Sherri McClellan drew the attention of the Board members to the table of active participants' status in the meeting materials which details what each participant is doing currently with a projected completion date.

Dr. Galper stated that the Board's responsibilities should go smoothly under the newly elected chair, Dr. Kosinki as long as the current participants do what they are supposed to do. The difficulty as was seen in the early part of the meeting, is when participants leave their residency programs. It is very important to the Board that people stay in communication so that the Board knows what they are doing.

Dr. Brysacz asked a question regarding Dr. Damstra with the Attorney General, wondering if the Board needed to do anything about his case. Dr. Galper answered that once a participant is referred to the Attorney General, it is out of the Board's hands and is then the responsibility of the Attorney General for enforcement of contract through financial collection. The Attorney General will enforce these contracts to reimburse the taxpayers.

A question was asked by Nathan Ernst in Downers Grove, IL. He asked as a way to track participants' hours worked in residency. Dr. Galper explained that residency does not count towards loan repayment. Once residency is over, they come to the Board to get approval of a worksite. Once they begin, they are given a certification form that they have completed by a supervisor or payroll person to validate their full-time employment annually. Sherri McClellan said that Marta Andino at Northwestern recently had a participant request a letter of expected completion for the purpose of applying to the Arizona State Loan Repayment Program. The participant had to have this certification form completed to verify her progress on her commitment to determine her expected completion date.

There were **no other items** for discussion from Board members or audience.

With all agenda items and other discussions addressed, Chairperson Galper motioned to adjourn the meeting. Dr. Rheinfelder seconded. All were in favor of adjournment. **The meeting was adjourned at 2:27pm.**

Minutes are available for review on this day, April 30, 2014.

Respectfully submitted,



Sherri McClellan  
Program Coordinator  
Board of Medical Student Loans

Approved:



Carol Q. Galper, Ed.D., CHES  
Chairperson  
Board of Medical Student Loans