

**ARIZONA MEDICAL STUDENT LOAN PROGRAM  
BOARD MEETING  
August 10, 2001**

The Board of Medical Student Loans held an open public meeting on August 10, 2001 by video teleconference at four locations: Tucson, AZ: AZ Health Sciences Center, 1501 N. Campbell, Room 3230. Phoenix, AZ: AZ Health Sciences Center, 4001 N. 3<sup>rd</sup> St, Room 415-416. Flagstaff, AZ: Northern Arizona University, Eastburn Education Center Bldg. 27, Center for Education Excellence, Room 212. Yuma, AZ: Northern Arizona University at Arizona Western College, 9500 South Avenue, Academic Complex Bldg., Room 126.

Diane Brennan called the meeting to order at 2:45 p.m. Also in attendance at the Tucson location were Tammie Bassford, M.D., Board member, and Maggie Gumble, Program Coordinator, College of Medicine Financial Aid Office. In attendance at the Phoenix location were Board members Nick Hagen, M.D., and Paul Steingard, D.O. Also present in Phoenix were Tom McWilliams, D.O., Associate Dean of Student Affairs, AZ College of Osteopathic Medicine, Midwestern University, and John Payne, Health Profession Specialist, Arizona Department of Health Services. Board member Ram Krishna, M.D. attended at the Yuma location. Board member Doug Hirano attended in Flagstaff. Board members Tim Hunter, M.D. and Lane Johnson, M.D., MPH were unable to attend.

Diane Brennan informed the Board that Christopher A. Leadem, Ph.D., had submitted his letter of resignation to the Board due to new administrative duties in the College of Medicine. She introduced Tammie Bassford, M.D. who had been appointed by President Likens to take Dr. Leadem's place.

**Minutes of the May 18, 2001 Board meeting:**

The minutes of the May 18, 2001 Board meeting had been previously sent to the Board members for review. Ram Krishna moved to accept the minutes and Nick Hagen seconded the motion. It was unanimously approved.

**Term Expirations and Appointments:**

Diane Brennan drew to the Board's attention that four board members' terms were expiring on January 21, 2002: Doug Hirano, AZ Department of Health Services, and the three members appointed by the Governor: Diane Brennan, Nick Hagen, and Lane Johnson. Doug Hirano said that the Director of the Department of Health Services would write a letter designating him or someone else from their agency to serve.

Maggie Gumble noted that the terms of members are four years beginning on the third Monday in January. The Governor's Office had told her that the Board members serve until a new member is appointed if one isn't appointed by the date their term expires. Ram Krishna said that a member can stay on the Board one more year or until someone is appointed, according to the statutes.

Diane said she is just finishing her second term and due to other activities in which she is involved, she would like to be replaced. She asked for discussion regarding making recommendations to the Governor. Lane Johnson has not been on the Board long since he is serving out someone else's term. Discussion resulted in the recommendation that Diane Brennan send a letter to the Governor recommending Tom McWilliams, D.O. to take Diane's place on the Board, and that Nick Hagen and Lane Johnson be reappointed to provide continuity on the Board. Ram Krishna moved that those recommendations be made and Dr. Steingard seconded the motion. It was unanimously approved.

The Board's next meeting will be in the Fall 2001, probably in October.

**Financial Report:**

Maggie Gumble reviewed the financial report covering July 1, 2000 to June 30, 2001. The beginning balance was \$85,208.81. The appropriation from the General Fund was \$322,100. Loan repayments received totaled \$7,798.14. Dexter Hayes, M.D. has paid in full. Sharlene Batiste-Milton, M.D. has been given until December 2002 to pay in full. Rosemarie Ibanez, J.D., M.D. was referred to the Arizona Attorney General's Office and pays them \$300 per month. They keep 35% for a service fee and send the Board \$195 per month. Receipts totaled \$329,898.14.

Sixteen students were funded at \$21,250 per person. Expenditures totaled \$340,000. The balance is \$ 75,106.95. The Board has two appropriations, the General Fund appropriation and the Medical Student Loan Fund that represents loan repayments. The entire amount appropriated from the General Fund was spent in 2000-2001. The appropriation from the Medical Student Loan Fund was \$20,300. Lora Grimes was funded \$17,900 from that fund and \$2,400 was not utilized. This amount remains in the Medical Student Loan Fund and is available for later use.

For 2001-2002 the Board was appropriated \$350,400. The State utilizes biennial budgeting and the Board has been approved \$361,500 for 2002-2003 although we have to submit the budget request by September 1, 2001. There is the expectation that no changes be made in the amount for that second year. Next year we will be submitting a budget for two years and at that time can request a higher amount allowed under Senate Bill 1109. Beginning in 2002-2003 the loan amount per student allows for public tuition plus \$16,000, although we won't have that much appropriated. The following year, the \$16,000 amount may be adjusted for inflation. We will be able to request the higher amounts for 2003-2004 and 2004-2005.

The Board began July 1, 2001 with \$75,106.95. The first half of the General Fund appropriation was transferred into our account and was in the amount of \$142,750. We received the July payment of \$300 from Sharlene Batiste-Milton, M.D. Total receipts \$143,050. We have paid five University of Arizona students the first half of their loans in the amount of \$10,946.50 each out of the General Fund appropriation. Carol Dolan is in the process of paying the three students who were approved for renewal from the Arizona College of Osteopathic Medicine. Expenditures to date \$54,732.50. Balance \$163,424.45. Ram Krishna asked that the school for each student be noted on future reports.

Each loan for 2001-2002 is \$21,893, which represents public medical school tuition of \$9,660 and a stipend of \$12,233. Maggie Gumble reports that she works with Bruce Groll, Analyst from the Joint Legislative Budget Committee to determine the stipend amount in accordance with the statutes. The total amount needed to fund 16 students at \$21,893 is \$350,288 so we will only have a balance forward of \$112. The budget amount requested involves estimating tuition and the inflationary factor for two years.

In 2002-2003 we expect to pay 16 students \$22,593 which is a \$700 increase per student.

**Senate Bill 1109** became effective on August 9, 2001. Diane recognized the contributions made by Senator Andy Nichols to that process and the loss we have experienced by his death.

The provisions of SB 1109 were reviewed. Maggie Gumble noted that previously, Arizona Medically Underserved Areas included geographical areas designated as the neediest by the State of Arizona and Health Profession Shortage Areas designated by the federal government. Medically Underserved Areas and Medically Underserved Populations in Arizona, which are federally-designated areas, were not included; SB 1109 now includes them. 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.

Maggie noted that originally the statutes read "rural and other medically underserved areas." When the word "other" was taken out (see 1 above), the Arizona Medical Student Loan Program inadvertently became a rural program; before the change became effective, an amendment was added which corrected that with number 2, listed above.

Diane noted that if we have students who want to serve in a particular area of the state, like the couple from Yuma, the Board could specify an eligible area in their contract.

"Rural" was defined in the statutes, in accordance with the Auditor's recommendation, and the definition is consistent with the definition used for the Rural Health Profession Program at the University of Arizona and with programs run by the Arizona Department of Health Services, according to Maggie Gumble. She noted that the auditors also recommended a limit on the requirement to collect data on recipients who complete the service commitment and a ten-year limit is included.

The number of years a recipient might be granted loans was increased from 4 years to 5 years. Maggie observed that the integrated MD/MPH program at the University of Arizona College of Medicine is a five-year program. Tammie Bassford commented that this joint degree is excellent background for the service requirement. Also, Maggie reported that a number of the participants have children and often go to a five-year plan to get their M.D. degree.

Maggie reviewed 15-1724 E that provides that the Board for good reason may provide for extensions of the period of repayment specified in the loan recipient's contract. Also, 15-1724 G, for good cause shown, the Board may defer the loan recipient's service or payment obligation or may enter into repayment arrangements with the loan recipient or allow service that is equivalent to full-time service if the Board determines that this action is justified after a review of the individual's circumstances.

The Arizona Medical Student Loan Program was continued for 10 years under SB 1109. Maggie also pointed out that it provides that service locations approved by the Board before July 1, 2000 are deemed to be approved service locations until the program participants fulfill the conditions of their contracts.

**Arizona Auditor General's Report:**

Diane Brennan reported that a letter was received from the State Auditor General's Office indicating that 8 of the 8 recommendations have been implemented by the Board of Medical Student Loans. They have completed their follow-up with the Board.

**Renewal Applications 2001-2002:**

Lora Grimes and Gail Guerrero-Tucker submitted applications for renewal.

Maggie Gumble indicated that **Lora Grimes** received the loan for the first time last year and has applied for renewal for 2001-2002. Lora will have a 2-year commitment to service. She will graduate in May 2002. She extended her medical education to 5 years due to having had a baby in January 2001.

**Gail Guerrero-Tucker** has been on the Arizona Medical Student Loan Program for 4 years and is also on a 5-year plan. Now that SB 1109 is in effect, she has submitted an application to be renewed for a fifth year. She will have a 5-year service commitment if approved. Gail is married with three children.

Nick Hagen asked if both students are in good academic standing and Tammie Bassford confirmed that they are.

Nick Hagen moved that **Lora Grimes** and **Gail Guerrero-Tucker** be approved for renewal. Ram Krishna seconded the motion and it passed unanimously.

**New Applications including Withdrawn Applications 2001-2002:**

There are 6 openings for new applicants. Seven students from the University of Arizona submitted written applications for 2001-2002. Three students withdrew their applications. Maggie Gumble included them in the Board members' packets of materials for Board information and to establish a record of applications and withdrawal. **The students who withdrew were Monica Faria, Larry Hartzell, and Matthew Shores.**

**Four students from the University of Arizona submitted applications for 2001-2002 and completed their interviews: Melody Jordahl, Agnes Oviemhada, Brooke Vallenari, and Janet Vargas.** They were interviewed by Maggie Gumble, Nick Hagen, and John Payne. Evaluations from all three interviews were provided to the Board members in advance of the meeting.

Maggie said she had talked to Carol Dolan when the interviews began in July, and despite her best efforts to advertise the program, Carol had not received any applications from the Arizona College of Osteopathic Medicine students. She said there were some students considering applying but they had not submitted applications. Just recently, Carol finally received ~~3~~ 2 applications and so she and Maggie would like to plan a Fall 2001 meeting to consider those students.

Maggie said she first meets with the applicants to explain the program, the terms and conditions, the background of the program, and the funding. She discusses financial aid options and how this program is coordinated with federal aid that might be received. She also interviews them for the program at that time. If the student remains interested, Maggie also participates in a second interview led by John Payne, which gives her a second opportunity to interview and get to know the candidate. The students have three interviews prior to consideration by the Board of Medical Student Loans.

John Payne was asked to comment on the results of his interviews. He said that these four applicants were probably some of the most outstanding applicants he has interviewed.

Nick Hagen interviewed all four candidates and said he was very impressed. He said they are mature, know their goals, have worked hard to get where they are, and are outstanding applicants.

John commented upon the maturity level of Agnes Oviemhada and Janet Vargas and their knowledge, previous background, and work experience. The other two candidates, Melody Jordahl and Brooke Vallenari are younger but have good direction, and know what they want to do with their lives. He believes they will all serve their obligations.

Tom McWilliams said that he was concerned about the number of University of Arizona candidates and therefore reviewed the applications critically. He thought they are outstanding applicants.

Maggie Gumble said that she thinks it is important for whoever ranks the candidates between schools to be able to interview all the candidates, because there is so much more you learn from the interview. She gave as an example Agnes Oviemhada, because from the application, she was concerned about her needing to remain in the Phoenix area where she lives with her husband and two boys. Maggie was very impressed with Agnes in the interview; she is mature, calm, has several years' experience as an intensive care nurse, and is an excellent candidate.

Melody Jordahl is from Thatcher and wants to serve in a rural area. She wants to be in primary care, which is what is needed in rural areas. Brooke Vallenari has wanted to be a doctor since she was very young and has spent years shadowing doctors. Paul Steingard asked about Brooke's financial need, noting she went to Stanford, which is an expensive school, and studied in China. Maggie said Brooke told her everyone in her family helped her as much as they could to go to Stanford and she is on her own financially for medical school. Brooke owes \$11,625 in loans from attending Stanford. Maggie noted that one thing that impressed her about Brooke is her extended family. This includes parents, grandparents, aunts and uncles and cousins. Brooke said her family was ecstatic that she and her boyfriend came back from California. She has a close knit family and they are all in Arizona. Maggie doesn't know about her financing to go to China, but it was for a few weeks. Nick Hagen reported that Brooke told him her family helped her as much as possible with her undergraduate education and Brooke was also on loans and scholarships at Stanford. She went to China to study traditional Chinese medicine and it was through Pitzer College in California. It appeared to be a study abroad course while she was attending Stanford and didn't seem to involve additional registration.

Ram Krishna moved to approve all four new applicants; Nick Hagen seconded the motion.

Doug Hirano asked that if the Board approves all 4 and there are 6 slots, does that mean potentially that only 2 students from AZ College of Osteopathic Medicine (AZCOM) could potentially get in? Diane confirmed that as being true. Maggie said that she was afraid that if we wait to put applicants on that we would lose them. The program used to interview students in June and July and the last two years we have interviewed them later. We only funded 15 students that first year and managed to fund 16 students this last year between Fall and late Spring meetings. She expressed concern that the program utilize the money appropriated by the State. We don't know anything about the 3 applicants that just submitted applications and whether they would carry through with the application process. Tom McWilliams said that he appreciated Doug's concern, and even though the numbers appear skewed, these are good solid candidates.

The motion to approve **Melody Jordahl, Agnes Oviemhada, Brooke Vallenari, and Janet Vargas** was unanimously approved.

**Review of Participant Requests:**

Diane Brennan reviewed Alan DeWitt's situation. He will finish his residency in 2002 and submitted a letter to the Board requesting approval to serve in Snowflake. John Payne said he talked to Alan and got the name and address of the practice site. It is on the list of qualifying sites.

Paul Steingard moved that **Alan DeWitt, M.D.** be approved for his service in Snowflake. Ram Krishna seconded the motion and it passed unanimously.

Maggie Gumble thanked the Arizona Department of Health Services personnel that worked on the **site list**. All Board members received a copy. It lists clinics that qualify that are located in Arizona Medically-Underserved Areas (AzMUAs) or federally-designated Medically Underserved Areas (MUAs) or Medically Underserved Populations (MUPs) and was effective as of August 9, 2001 when SB 1109 became effective.

Diane Brennan reviewed Dr. Kimberly Gerhart's request to serve at Ponderosa Pediatrics in Prescott, which is in the Yavapai MUP. Maggie Gumble wasn't sure of Kimberly's start date but the first date Ponderosa Pediatrics became eligible was August 9, 2001. Paul Steingard moved that the Board approve **Dr. Kimberly Gerhart's** service at Ponderosa Pediatrics as of August 9, 2001 or her start date, whichever is later. Ram Krishna seconded the motion and it passed unanimously.

Maggie Gumble reviewed Dr. Brenda Sipes' situation. Brenda was serving in an approved site in Prescott Valley when the practice facility was downsized and she lost her position. She quickly opened her own practice in Prescott and her husband, who was practicing in Cottonwood, joined the practice. She requested approval of the new location in October 1999 but Prescott did not qualify for service. At that time, the Arizona Department of Health Services was working with the area and submitted documentation to the federal Department of Health and Human Services in June 2000 for approval as a Medically Underserved Population (MUP). It was not until January 2001 when it was designated a MUP and August 9, 2001 when Brenda Sipes' practice site qualified for service under the Arizona Medical Student Loan Program. Brenda's previously-approved site was questioned by the auditors because "rural" wasn't defined in the statutes and Brenda's practice site was not geographically in an AZ Medically Underserved Area. It was 10-20 miles away from Mayer and Humboldt, which are located in AZ Medically Underserved Areas. The Board had required that Brenda submit quarterly reports of her service to patients from those areas. Since the Board approved Brenda Sipes' original site prior to July 1, 2000, SB 1109 deems it an approved service location, so there is no problem with her original location. Her new practice site was never approved. Brenda Sipes is requesting that the Board approve her site location at 2078 Willow Creek Road, Prescott, AZ and allow her to complete the 22 months left on her service obligation at that site. Maggie Gumble said that Brenda should not have to send in quarterly reports; it was only a requirement due to the circumstances. If she sent in confirmation of her practice in June 2002 and June 2003, that would provide sufficient documentation. Paul Steingard moved that **Dr. Brenda Sipes'** practice at 2078 Willow Creek Road in Prescott, AZ be approved for service; Ram Krishna seconded the motion and it was unanimously approved.

**Peggy Avina, M.D.** was approved for service in Bisbee beginning November 1, 1997 as a Family Practice Physician. She submitted documentation that she completed her 3-year service commitment with Cochise Health Alliance (Bisbee Office) from Nov. 3, 1997 to June 30, 1999, and with Arizona Family Care Associates from July 1, 1999 where she is continues to be employed. Nick Hagen moved to accept her service as fulfilling her requirements under the Arizona Medical Student Loan Program. Ram Krishna seconded the motion and it was unanimously approved.

Maggie Gumble reviewed Dr. Abe Saiz's circumstances. He began his service in December 1996 and submitted his last quarterly report covering October 1, 2000 through December 31, 2000. He had a 4 year service commitment and was in the program prior to its becoming a primary care program. He has been practicing as a Vascular Surgeon/General Surgeon in Lake Havasu, drawing patients from outlying areas as well and occasionally filling in for the surgeon at Parker. The Board had reviewed documentation from Havasu Samaritan Regional Hospital when making their initial decision for approval. The Arizona Dept. of Health Services statistics are based on primary care in the various areas and don't cover the specialties. John Payne confirmed that he had also spoken with the administrator at Parker Hospital and there was a high need for Abe Saiz's specialty area there. Dr. Saiz has submitted quarterly reports per the Board's request and completed his four years of service with his last report through December 31, 2000. Paul Steingard moved that the Board approve **Dr. Abe Saiz's** service commitment as being completed; Ram Krishna seconded the motion and it was unanimously approved.

#### **Participant Updates:**

The Board was given a copy of the letter from the Arizona's Office of Attorney General regarding action taken regarding **Patrick Arambula, M.D.** Dr. Arambula has filed for bankruptcy and no collection action can be taken during this time. The office filed the appropriate documents and will continue to monitor the case until which time they can begin collection. Dr. Arambula did not request that the student loans be discharged in bankruptcy and is on a repayment plan for other obligations.

**Olanethia Dianna Bell** had been dismissed from the University of Arizona College of Medicine. She owes the Board of Medical Student Loans over \$50,000 as well as owing federal educational

loans, per Maggie Gumble. Dianna submitted a letter and documentation of her income and expenses. Her expenses listed don't include the educational loans and still exceed her income. Maggie said she would return a copy of the Summary of Income and Expenses Form for Dianna's signature and request documentation of the federal educational loans owed. The Attorney General's Office had suggested that the Board collect the documentation and submit it to them for evaluation of financial hardship. They would then advise us of a course of action. They would like to prevent her from filing bankruptcy. After discussion, Nick Hagen moved to send the information (after completion by Ms. Bell) to the Attorney General's Office for review and consideration. Paul Steingard seconded the motion and it was unanimously approved.

Maggie Gumble reviewed her attempts to collect the amount due from **Paul Budnick, M.D.** who is currently in Michigan working in emergency medicine. Paul had requested deferment from the Board to resolve his financial situation after his divorce and obtain his license to practice medicine in Arizona. The Board allowed him the time and he was due to begin service or repay his loans by June 2000. Ultimately, Paul's request for a license expired and he has been notified his loans are in default. He moved, but the address Maggie obtained was current December 2000. He did not respond to a telephone message left at his work in May 2001, or to the letter sent to him by regular mail in May 2001, or to e-mail. The certified letter sent to him in July was recently returned unclaimed. The last letter sent to him in August 2001 from Maggie told him that his loans were in default and that without his cooperation, the Board's only option is to refer him to the Arizona Attorney General's Office for collection. After discussion, Ram Krishna moved to refer his case for collection to the Attorney General's Office; Tammie Bassford seconded the motion and it was unanimously approved. Maggie noted that Paul Budnick will be sent a copy of the letter sent to the Attorney General's Office.

**Nicholas Gonzalez, M.D.** had submitted a letter to the Board in May 2001 indicating that he was scheduled to take Part III of his Boards in June and wanted to start work in August at Maryvale Clinic in Phoenix, a clinic associated with Maricopa County. At the time, Maggie reminded the Board, Maryvale Clinic was not an eligible site and Doug Hirano presented options in an e-mail that was forwarded to Nick Gonzalez. Maggie received an e-mail from Nick yesterday asking for the new list of approved sites and it was faxed to him. John Payne talked to Nick by telephone yesterday and said he reported having taken the Boards and believed he passed them. He has been going through a divorce and didn't follow up on the Maryvale site. John said he told Nick that Maryvale Clinic and Maryvale Hospital are both now eligible sites. The Board discussed Maryvale with John Payne and Doug Hirano, both representing Arizona Department of Health Services. John Payne confirmed that Maryvale is in a federally-designated Medically Underserved Area (MUA). He and Doug agreed that the hospital is for-profit, but is eligible since it is physically located in a MUA. Maryvale Family Health Center is on the eligible site list under Maricopa County, Maricopa Integrated Health Systems. Paul Steingard moved that Nick Gonzalez be informed that Maryvale Clinic or Maryvale Hospital would both be approved sites if he chose to work there. He is to be told by letter or e-mail that he needs to take action in the next month and let the Board know. Ram Krishna seconded the motion and it passed unanimously.

**Laura Harrington-Zautra, M.D.** faxed Maggie Gumble a letter on August 9, 2001 and all Board members received a copy in time for the Board meeting. Maggie Gumble noted that Laura had a mixture of loans under the old and new law (which changed the program to a primary care program) but Laura had received Board approval for the psychiatry residency. Laura did not request Board approval for the fellowship and until August 2001, Maggie had not able to reach her since a telephone conversation in December 1999. Laura relates that she completed her residency in psychiatry at Good Samaritan Regional Medical Center in April 2000. She began a fellowship in Consultation-Liaison Psychiatry at UCSF in San Francisco, CA but was not able to complete it due to reconstructive surgery on her back and other problems detailed in the letter. Laura is asking for approval of service part-time for an extended period of time to meet her service commitment. She wants to pursue work at Southwest Behavioral Health Services and at Saint Timothy's Catholic Church in Mesa, Arizona. Maggie Gumble told her that she needs to get Board approval on her location and that it needs to be eligible for the program. John Payne said

that SW Behavioral Services is in several locations and it depends upon the location whether or not it would be eligible. The Mesa site would not be approved. Doug Hirano agreed that his office would put together a list of sites in Maricopa County that would be eligible for service in her field. Laura has lived in Chandler, AZ for several years, has a husband and children and a house there, per Maggie. The list should be ready in 2 weeks and Arizona Dept. of Health Services will follow up with Laura.

**Doug Hirano pointed out that the list of approved sites being discussed today are primary care clinics, mostly sliding fee scale clinics, and there are probably 100-200 other sites in geographic areas that qualify for service for the Arizona Medical Student Loan Program.**

There was discussion on whether telemedicine service to rural areas would be approved. The Board decided it could cause problems in meeting the requirements of the statutes and would be a bad precedent to set.

The Board requested a review of the statistics for the Arizona Medical Student Loan Program to review the retention of physicians in medically underserved areas. Maggie agreed to include that information in the next Board meeting materials.

Maggie Gumble asked for discussion on the interviewing process. Currently John Payne is the one person designated to interview candidates from both schools and rank them. She wondered whether having a second person not connected with either school might be helpful. The conclusion was that the interviewing process as it is has been conducted is believed to be a fair process. John would like to have Carol Dolan interview jointly with him as Maggie Gumble does for students being interviewed at the University of Arizona. He sees value in a 2-person interview. Tom McWilliams agreed to ask Carol if she would be willing to do that.

The next meeting is tentatively scheduled for October 2001. Tom McWilliams offered to host a Board meeting at the Arizona College of Osteopathic Medicine, which would also give members a chance to visit the campus. Due to the timing of the next meeting and Board members' schedules, the October meeting will probably be another video teleconference.

The meeting was adjourned at 4:40 p.m.

Minutes available for review Monday, August 13, 2001.

Respectfully submitted,



Maggie Gumble  
Program Coordinator Senior  
University of Arizona College of Medicine

Approved:



Diane Brennan  
Chairperson  
Board of Medical Student Loans