

## Board of Medical Student Loans Meeting August 5, 2005

The Board of Medical Student Loans held an open public meeting on August 5, 2005 by video-conference at the University of Arizona College of Medicine/University Medical Center, 1501 N. Campbell Avenue, Room 3230, Tucson, AZ and at the University of Arizona College of Medicine Arizona Health Sciences Center, 4001 N. 3<sup>rd</sup> Street, Suite 415, Phoenix, AZ and Yuma Regional Medical Center, 2400 S. Avenue A, Board Room. Tim B. Hunter, M.D., Chairperson of the Board of Medical Student Loans, called the meeting together at 2:35 pm from the Tucson location. Board members present were Christopher A. Leadem, Ph.D., in Tucson, Thomas McWilliams, D.O., Paul Steingard, D.O., and Miriam Vega, M.D., MPH in Phoenix, and Ram R. Krishna, M.D. in Yuma. Also present in Tucson were Leila F.S. Barraza, MPH from the University of Arizona Rural Health Office, and Maggie Gumble, Associate Director, University of Arizona College of Medicine Financial Aid.

The minutes of the meeting of December 10, 2004 had been distributed to the Board for review. Christopher Leadem moved that the minutes be approved. The motion was seconded by Ram Krishna, and unanimously approved.

Tim Hunter called the Board's attention to the opinion distributed by the Arizona Office of Attorney General, regarding the open meeting law and e-mail correspondence. Copies had been provided in each Board member's packet of materials. The Frequently Asked Questions were informative. Basically, Board members cannot discuss matters by e-mail because it could be in violation of the open meeting law, which is designed to insure that conduct of government business is open to the public and decisions are not made in secret. Receipt of information from a staff with no further e-mails among Board members, does not violate the open meeting law. A Board member may propose that an item be placed on a future agenda; without more, and not proposing legal action, that does not constitute a violation. Members of all Boards in Arizona need to be familiar with the Attorney General's opinion.

Maggie Gumble reviewed documentation provided to the Board including calling attention to the list of eligible service sites provided by the Arizona Department of Health Services. The list was used by residents applying for positions for 2005 and needs to be updated for distribution to residents beginning service in 2006.

The financial summary for 2004-2005 was reviewed. The Medical Student Loan Fund had a beginning balance of \$32,855.95 July 1, 2004. The State appropriation from the Arizona Medical Board Fund was \$283,400.00. Loan repayments from the Arizona Attorney General's Office totaled \$6,038.06 with \$907.40 received from O. Dianna Bell and \$5,130.66 Attorney General Reversion. The Attorney General keeps 35% of collections and at the end of the year, funds that were not needed to cover expenses revert to the agencies. The large dollar amount of the reversion reflects the large loan repayments received the previous year from two physicians who repaid in full, per Maggie. Total receipts were \$289,438.06. The names of 11 students were listed in the report, each receiving \$26,963.00 in 2004-2005 for a total of \$296,593.00 expended, leaving \$7.00 from the Medical Student Loan Fund appropriation not spent. This amount will carry forward in the Medical Student Loan Fund, which left a balance of \$25,701.01.

Maggie Gumble continued by reviewing the financial report beginning July 1, 2005. The new Medical Student Scholarship Program has been appropriated \$1,500,000.00 from the General Fund.

The Board of Medical Student Loans was appropriated \$283,400.00 from the Arizona Medical Board and \$13,200.00 from the Medical Student Loan Fund, for a total of \$296,600.00 for 2005-2006. No funds were appropriated for FY 2007 and the Board must submit a request for funding by September 1, 2005, which will be from the General Fund. Maggie called the Board's attention to a footnote on the Fiscal Year 2006 Appropriations Report which says "It is the intent of the Legislature that the funding for the Board of

Medical Student Loans shall not be from the Arizona Medical Board Fund in FY 2007 (General Appropriation Act footnote).” The Arizona Medical Board’s funds are all from the licensing fees of allopathic physicians and their Board by statute must keep a certain amount of funds available; it was from this account that the State appropriated monies to other agencies during the economic crisis in recent years.

The Fiscal Year 2006 Appropriations Report was reviewed. Maggie Gumble is contacting the Board’s new analyst at the Joint Legislative Budget Committee (JLBC), Amy Strauss, because the Performance Measures for FY 2004 and FY 2006 are not the Board’s submitted figures. Other figures quoted for FY 2004 are also incorrect. Maggie speculated that since the analyst left last year in the Fall, that perhaps a misinterpretation of the figures arose. The analyst at JLBC and the analyst at the Governor’s Office of Strategic Planning and Budgeting (OSP) had wanted to use only one measure for cumulative percent of physicians providing service, using only participants who signed contracts since 1992 when the program changed. The figure was supposed to be 96% and instead was reported as 75% for FY 2004 by the JLBC.

The Customer Satisfaction Rating is expected every year, and was 7.3 on a scale of 1-8, with 8 being the best. JLBC estimated 7.4% for FY 2006. The Board does not want to do a customer satisfaction survey yearly of the same active participants in the Arizona Medical Student Loan Program.

The Board was provided with the 2005-2006 Financial Aid Cost of Attendance figures for the University of Arizona College of Medicine (UA) and Midwestern’s Arizona College of Osteopathic Medicine (AZCOM). Maggie Gumble explained that these are figures prepared under federal guidelines for the financial aid programs. The average cost of attendance for the four years of medical school for the UA is \$32,484 including tuition of \$14,359. The average cost of attendance for the four years of medical school for AZCOM is \$59,214. Tuition at AZCOM is \$36,486 for 2005-2006. Both cost of education averages reflect off-campus housing, which is utilized by the majority of the students.

Senate Bill 1517 was signed by the Governor on May 20, 2005 and becomes effective August 12, 2005. Maggie Gumble reviewed provisions of this bill: it revised the Medical Student Loan Program to provide for tuition and a living allowance, removing the restriction that tuition be public medical school tuition. Therefore, the minimum loan is \$14,359 plus a living allowance for UA students and \$36,486 plus a living allowance for AZCOM students on the program, effective August 12, 2005. For the loan program, beginning in 2003-2004, and continuing each year thereafter, the “living allowance” shall be no more than \$16,000 as adjusted as provided under the statute. The bill appropriates \$1,500,000 for a new Medical Student Scholarship Program, at least 50% to be used for private medical school student scholarships. The scholarship program provides tuition plus a living allowance which shall be no more than \$16,000 for each student per year as adjusted under the statute.

The Medical Student Scholarships are only granted to First Year medical students, and each scholarship requires a contract which can be granted for a period up to five years. The Loan Program is not restricted to First Year students, but contracts can also be granted for up to five years. The Board has used yearly contracts in the past, but has given priority consideration to continuing students on the program.

The Medical Student Scholarship Program gives preference to qualified applicants who demonstrate superior academic and extracurricular merit and to qualified applicants who demonstrate a commitment to serve in an underserved area. The Medical Student Loan Program gives preference to students who are unable to pay the expenses of obtaining a medical education and to qualified applicants who demonstrate a commitment to serve in eligible service areas (i.e. rural and medically underserved area of Arizona, medically underserved area, medically underserved population, and any Indian Reservation located in Arizona). Arizona residency is required by both programs.

Scholarships shall be granted upon such terms and conditions as may be imposed by the Board.

Preference shall be given to applicants who commit to an Arizona residency program. Maggie suggested that since the student must apply to residency programs and be offered a position, that this provision could not be in the student's contract, but would be part of the application and interviewing process. She noted that an assessment of the student's ties to Arizona has been part of the evaluation for the Medical Student Loan Program.

Both programs are for students who intend to enter and complete a residency program approved by the Accreditation Council for Graduate Medical Education or by the American Osteopathic Association to become Board Certified in Family Practice, General Pediatrics, Obstetrics and Gynecology, General Internal Medicine or combined Medicine and Pediatrics.

Board members expressed concern that enough applicants will be found to utilize the appropriation for the Medical Student Scholarship Program, although the higher funding for students in the Arizona College of Osteopathic Medicine will make it more attractive to those applicants. The program is not likely to generate additional applications from the University of Arizona College of Medicine. There is no way to estimate how many scholarships might be given for 2005-2006. The Scholarship Program is taxable to the students while they are in school, whereas the Loan Program is not; Maggie Gumble indicates that the University of Arizona does not allow employees to give tax advice and refers students to the Internal Revenue Service. The Board's packet of materials included information from the I.R.S. website. In 2007, additional medical students will become eligible when the University of Arizona admits its first class in Phoenix and Kirksville opens a private College of Medicine as well.

Tim Hunter commented that participants are referred to the Arizona Attorney General's Office if they fail to meet their obligations. If the participant does not provide service and the Board is unsuccessful in collecting the loans with interest and liquidated damages, the participant is referred for collections. Maggie Gumble reviewed participants in repayment status: **Dr. Patrick Arambula, Dr. David Damstra, and O. Dianna Bell** have been referred to the Attorney General's Office. **Dr. Juanita Padilla** will be referred to the Attorney General's Office after a certified letter is sent to her last known address. The UA office has been understaffed for 5 months and the referral has not yet been made as planned. **Dr. Damstra** is serving in the Navy, and **Dr. Rey Palop**, also in repayment, is serving in the Air Force.

Maggie noted that the Agency Summary prepared in August 2004, shows that in 2003-2004, 15 physicians were providing service under their commitment, and 30 physicians were continuing service after their service requirement was met. The summary will be updated in August for 2004-2005, but the numbers are similar.

The Board reviewed the following applications from seven continuing students who had applied for renewal for 2005-2006: **Trent Batty, Elizabeth Bierer, Katharine Gee, Esther Smith, and Janet Vargas** are attending the University of Arizona College of Medicine and **Wayne Davis and Christopher Dixon**, are attending Midwestern's Arizona College of Osteopathic Medicine. They are all making satisfactory academic progress. Paul Steingard moved that all seven students be accepted for renewal; the motion was seconded by Christopher Leadem and unanimously approved.

The loan amount for 2005-2006 was discussed in context of the changes in the statutes governing the program. There are currently three written applications received from the University of Arizona College of Medicine, all First-Year students: **Rachel Martin, Valerie Matthew, and Anandani Nellan**. There are three written applications expected from the Arizona College of Osteopathic Medicine, including two from incoming students and one from a student who is entering his Second Year. The latter student will not be eligible for the Medical Student Scholarship Program. Applicants have yet to go through the interviewing process and a Fall Board meeting is planned. The loan amount in 2004-2005 was \$26,963 per student and public medical school tuition increased \$1,614. Ram Krishna moved to fund the seven students **\$28,577** each for **2005-2006**; Christopher Leadem seconded the motion and amended it to include that the Board

will reconsider increasing the amount for continuing students once decisions are made on the student applicants. The amended motion was unanimously passed.

Requests for approval of service locations:

**Jean Amon, M.D.** requested approval of full-time service beginning August 1, 2005 at the Regional Center for Border Health, San Luis Walk-In Clinic, 1896 E. Babbit Lane, San Luis, AZ 85349. Dr. Amon had requested that the site be evaluated for eligibility when she was seeking a position in the Yuma area. The Arizona Department of Health and Human Services, Patricia Tarango, had e-mailed documentation that the site is in a Health Professional Shortage Area, an Arizona Medically Underserved Area, and a federally-designated Medically Underserved Area. Paul Steingard moved that the site be accepted for service; the motion was seconded by Ram Krishna, and the motion was unanimously approved.

**John Brock Amon, M.D.** ("Brock") wrote a letter to the Board informing them that he has accepted a position as an OB/GYN with Women's Health Specialists in Yuma, AZ and their satellite clinic in San Luis, AZ. He will be working full-time, spending approximately 20 hours per week in the San Luis office. He indicated that there was the potential that he might be working more in the San Luis Clinic and would keep the Board apprised of any changes. Maggie Gumble reviewed a portion of the minutes of the Board meeting of April 30, 2004 regarding the Amons, who were then in Phoenix, seeking to move back to the area of their home town, Yuma. Jean had just had a baby and Brock was finishing his OB/GYN residency: "After discussion, Tom McWilliams moved that (1) the Board approve to defer service if necessary (2) approve any part-time service in an eligible site in the Phoenix area and that service be counted toward the service obligation and (3) approve part-time service in an eligible site in and around Yuma at a site authorized by the Board." The motion was approved. Maggie also reviewed a section in Dr. Amon's contract which states: "For purposes of this paragraph, "full time" means 2,000 hours of duty per year," which the Board has used previously in determining full-time equivalency. Dr. Krishna, who is from Yuma, indicated that there is no obstetrical care at all in San Luis. The clinic address: 1896 E. Babbit Lane, San Luis, AZ 85349. Christopher Leadem moved that the Board approve John Brock Amon's service at the San Luis Clinic; Ram Krishna seconded the motion, and it was unanimously passed. The hours Dr. Amon works at the San Luis Clinic must be documented by the clinic.

**Gail Guerrero-Tucker, MD, MPH** requested approval to join a rural practice in Safford, Arizona for repayment of her service commitment to the state of Arizona. The practice is located at Gila Valley Clinic, 2016 W. 16<sup>th</sup> Street, Safford, AZ 85546 and in Graham County. She plans to begin no later than September 1, 2005. Documentation provided from the Arizona Department of Health Services, Fabian Valle, indicated that the entire county of Safford is designated a Medically Underserved Population, and therefore qualifies as an eligible service site. Christopher Leadem moved that Dr. Guerrero-Tucker's service be approved at that site; the motion was seconded by Paul Steingard and unanimously approved.

**Catherine O'Rourke Taylor, M.D.** requested approval to do her required service at the following addresses: North Country Community Health Center, 830 E. Main Street, Springerville, AZ 85938 and North Country Community Health Center, 625 N. 13<sup>th</sup> West, St. Johns, AZ 85936. Documentation received from the Arizona Department of Health Services, Fabian Valle, indicated that both locations are in the St. Johns/ Springerville Health Professional Shortage Area and the area is also designated an Arizona Medically Underserved Area and a federally-designated Medically Underserved Area. Thomas McWilliams moved that Dr. Taylor's service in those locations be approved; Christopher Leadem seconded the motion and it was unanimously approved.

**Robert K. Truesdale, M.D.** requested a deferment to start his payback in service for the Arizona Medical Student Loan Program. Initially he had accepted a position in Pinal County but the position fell through. Maggie Gumble reported that Dr. Truesdale had flown to Arizona during his job search and investigated several possibilities. He accepted the job in Pinal County to begin in July 2005 and his girlfriend, who is not on the program, accepted a position in Ahwatukee. The position he accepted fell through in May 2005

for lack of funding. He had interviewed with Maricopa Integrated Health Systems and they had advised him to do a fellowship designed for family physicians. After the job fell through, he contacted Maricopa Medical Center and there was an opening for the two-year fellowship, and he took it. The training consists of obstetrics, including cesarean deliveries, inpatient medicine, intensive care, pediatrics, electives, and a faculty development course. Maggie Gumble indicated that Maricopa Medical Center is a qualifying site and a number of their clinics are as well, and Dr. Truesdale had checked out the clinics for eligibility when he was doing his job search. It is his goal to stay on staff after completing the fellowship and he said this is the population of patients he had in mind when he accepted the loan (underserved population). Christopher Leadem moved that his service be deferred until completion of the fellowship program; the motion was seconded by Ram Krishna and unanimously approved.

**Lourdes Vizcarra, M.D.** wrote the Board and said that it was with sincere regret that she was writing to inform the Board that she will not be completing the remaining 16 months of her primary care commitment with service. She decided to return to their home in Albuquerque, New Mexico and have her family under one roof again. Dr. Vizcarra had completed her Family Practice residency in Albuquerque and her husband his Ob/Gyn residency, but he had joined a practice in Albuquerque rather than return to Arizona which was her plan. She tried commuting to Winslow Indian Health Care Center, driving from Albuquerque to Winslow weekly for 7 months. When that became too much of a hardship, she moved to Tucson with her daughter Gabriela, and served 13 months of her commitment. They flew home to Albuquerque about once/month. Her contract with United Community Health Care expired May 31, 2005 and she decided to repay the rest of her commitment rather than continue to have the family separated. She has served 20 months of her 36 month commitment. She asked that her efforts to meet her commitment through service be taken into consideration and that the fees and penalties be minimized. Maggie Gumble provided the Board a statement of Dr. Vizcarra's original loans with interest through August 5, 2005, crediting her with 20 months of service beginning with her oldest loans. The remaining balance is \$24,354.00 principal and \$39,474.15 principal and interest; liquidated damages would be \$24,354.00, for a total of \$63,828.15 as of August 5, 2005. The amount is due within one year from the date a decision is made not to complete service, or the date service was to have begun, whichever is later. The Board was in agreement that they had no options to make adjustments and that the contract specifies 7% interest and the amount of liquidated damages. Ram Krishna moved that Dr. Vizcarra must pay off the remaining obligation as specified; the motion was seconded by Chris Leadem and unanimously approved. The statement will be updated for accrued interest and sent to Dr. Vizcarra.

**Karen Weiler, M.D.** has completed her three-year commitment to the Arizona Medical Student Loan Program as of July 29, 2005. She served at Whiteriver USPHS Indian Health Service Hospital. Christopher Leadem moved that her service be approved as completed; Thomas McWilliams seconded the motion and it was unanimously approved.

A review was requested by staff of **Ed Wehling's** obligation to the Arizona Medical Student Loan Program. Maggie Gumble presented his situation in the absence of Carol Dolan, who coordinates the program for Midwestern University's Arizona College of Osteopathic Medicine. Dr. Wehling had borrowed one year of loans in 1999-2000 and then decided he wanted to go into Emergency Medicine. He declined further loan checks and wrote the Board November 14, 2000 of his decision. He indicated that he would return to Arizona to fulfill his commitment in an area that the program allows. Dr. McWilliams e-mailed him in March 2002 when he was a 4<sup>th</sup> year medical student regarding his intentions, and asked if he would like to serve his obligation in an underserved area as a generalist physician. The student never responded. He graduated in 2002. Maggie indicated that Carol Dolan has learned he has changed from Emergency Medicine to General Surgery and she expects him to complete his residency in 2006. Staff is asking for guidance from the Board regarding Dr. Wehling's options, and Carol plans to send him a letter and an updated statement of his loans. Thomas McWilliams moved that Ed Wehling be sent a letter asking him how he plans to fulfill his obligation, which he can do by practicing as a generalist physician or by repayment, and giving him 30 days to respond. The letter should be sent certified mail. Christopher Leadem seconded the motion and it passed unanimously.

**Daniel J. Sabol, D.O.:** the Board was updated regarding Dr. Sabol's situation. His wife had triplets, adding to their family of 3 children. He subsequently decided not to return to Arizona to practice and indicated to Carol Dolan that San Juan Medical Center in Farmington, New Mexico had expressed a desire to repay his entire loan balance. She wrote him in November 2004 that payment in full would be due by July 1, 2006 and enclosed statements of the amount due if paid by November 30, 2004 and December 31, 2004. He should have completed his residency in June 2005 and Carol is planning to send him another letter and updated statements.

The Budget request for FY 2007 was discussed along with the Medical Student Scholarship Program which was signed into law on May 20, 2005. \$1,500,000 was appropriated for that program. The Medical School Scholarship Fund was established by Senate Bill 1517 and monies in the fund are subject to legislative appropriation. Monies in the fund are exempt from the provisions relating to lapsing of appropriations. The Medical Student Loan Program was revised as well, effectively raising the minimum loan amount.

After considerable discussion, Christopher Leadem made the motion to request the maximum loan amount for four (4) University of Arizona College of Medicine students and four (4) AZ College of Osteopathic Medicine students for FY 2007 with the final figure at the discretion of the Chairperson of the Board of Medical Student Loans. The Board will ask that the \$1,500,000 appropriation be used to fund students put on the program in 2005-2006 over 4 years. Funds will be requested to fund five(5) new University of Arizona College of Medicine students and five (5) new Arizona College of Medicine Osteopathic students in 2006-2007. The final figures would be at the discretion of the Chairperson of the Board of Medical Student Loans. Paul Steingard seconded the motion and it was passed unanimously.

There was discussion of administrative costs. Tim Hunter noted that the Board has not been requesting funds to administer the program. The Board serves at no cost to the program and administration of the program and associated costs are covered by the University of Arizona College of Medicine and Midwestern University. He suggested that the appropriation request also include a reasonable amount for administrative costs for the universities and travel, meals, and overnight lodging, if necessary, for Board members. The new Medical Student Scholarship Program will involve an expansion of work, and many new applicants to be interviewed and evaluated. It was noted that the number of medical students in the State will increase with the expansion of the University of Arizona College of Medicine into Phoenix, and the opening of Kirksville College of Medicine in 2007. Paul Steingard also recommended that funds be included in administrative expenses which would allow visits to the eligible practice sites in Arizona and participant placements. Ram Krishna moved that a request for administrative costs be included in the state budget request; The figure will follow State guidelines and be determined by Tim Hunter, Chairperson, and Maggie Gumble. Christopher Leadem seconded the motion and it passed unanimously.

The meeting was adjourned at 5:05 p.m.

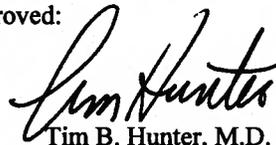
Minutes available for review Tuesday, August 9, 2005.

Respectfully submitted,



Maggie Gumble, Associate Director  
University of Arizona College of Medicine  
Financial Aid Office

Approved:



Tim B. Hunter, M.D.  
Chairperson  
Board of Medical Student Loans