The Board of Medical Student Loans held an open public meeting on July 10, 2009 by videoconference at three locations: the University of Arizona College of Medicine, 1501 N. Campbell Avenue, Room 3230, Tucson, AZ 85724 and at the Phoenix campus, 550 E. Van Buren Street, Phoenix, AZ 85004, Building 1, Room 1353, and at A. T. Still University, 5850 E. Still Circle, Mustang Conference Room, Mesa, AZ 85206. From the Tucson location, Carol Q. Galper, Ed.D., Chairperson of the Board, called the meeting to order at 9:15 a.m. Board members present at the Phoenix location were Ross J. Kosinski, Ph.D., and Patricia Tarango, Chief, Bureau of Health Systems Development, Arizona Department of Health Services. At the Mesa location, Thomas E. McWilliams, D.O. attended. Ram R. Krishna, M.D. joined the meeting by teleconference from Yuma. Unable to attend: Paul Steingard, D.O., William R. Martin III, M.D., and Shirley Rheinfelder, M.D. Dr. Rheinfelder had car trouble driving to the meeting from Safford, AZ to Tucson. Also in attendance in Tucson: Maggie Gumble, Associate Director of The University of Arizona College of Medicine Financial Aid Office and Executive Director of the AZ Medical Student Loan Program; Yolanda Carrasco, Senior Program Coordinator, and Melanie Kim, Senior Office Specialist for the UA College of Medicine Financial Aid Office in Tucson. In attendance in Phoenix: Lisa Veliz, Financial Aid Administrator, Office of Student Financial Services, Midwestern University; Keli Palmer, M.Ed., Coordinator, Financial Aid Services, The University of Arizona College of Medicine-Phoenix in partnership with Arizona State University; Fabian Valle, M.S., Workforce Program Manager, and Tanja James, Workforce Programs Specialist II of the Arizona Department of Health Services. In Mesa, Debbie Richards, Assistant Director of Financial Services, A. T. Still University, School of Osteopathic Medicine in Arizona (SOMA) attended. In Tucson, present for the first part of the meeting, was Julissa Ochoa-Buck, M.D., who borrowed under the Arizona Medical Student Loan Program.

The minutes of the meeting of May 29, 2009 had been distributed to the Board for review. Dr. McWilliams moved that the minutes be approved; the motion was seconded by Dr. Kosinski and the motion passed.

PARTICIPANT REQUESTS AND UPDATES:

Julissa Ochoa-Buck, M.D. appeared before the Board of Medical Student Loans to give an update on her progress in getting licensed and finding a site as a pediatrician in an eligible service area. She emailed a letter which was distributed to the Board in advance of the meeting, and submitted the signed letter the day of the meeting. She reported that the Clinical Skills Exam is given in 5 sites in the United States and she took that in September 2008 and was notified she passed in December 2008. She applied for her license which will take 60 to 75 days to process. She will need her DEA license which will take 3 to 4 weeks. She had obtained the list of approved service sites from Maggie Gumble and has been researching sites in Tucson. El Rio has just hired 3 pediatricians and has no openings. Marana said they only want Family Practice physicians but she submitted a letter and resume anyway and talked to Human Resources. She has not heard back from them. There are no openings at St. Elizabeth’s. Kino is only looking for Family Practice and Emergency Medicine physicians. She checked out a Carondolet Clinic on Houghton Road and they have been looking for a pediatrician for over a year, but the clinic does not qualify for service. Maggie Gumble had suggested the Carondolet Clinic at 3939 S. Park and Julissa will check to see if they have an opening; Fabian Valle had confirmed that location’s eligibility. He confirmed that both El Rio and Marana Clinics have facility designations; Carondolet does not and the eligibility for service varies with the location of the clinic. Julissa is checking on a Marana Clinic in the Rita Ranch area. She said that she came from the south side of Tucson and knows the culture and she would really like to work in that area. She is a native Spanish speaker and is the first in her family to attend college, much less medical school. She graduated from Sunnyside High School. She and her husband own a home in Tucson and it would be difficult to sell in the current economy. Three homes in her neighborhood have been on the market for a year and more. Her husband is employed through the Air Force base and his job is not transferable. He is lucky to have a job because he is in construction and it is hard to find a job in that field right now. She has a son and daughter in college that they support and they have another year or two to go to finish. After that, she and her husband could move, but it isn’t financially feasible right now. Dr. McWilliams indicated that the statutes were clear as to eligible service sites and the benefits of the Arizona Medical Student Loan Program are quite significant. If she can find a site in Tucson that meets the criteria, he would be happy to approve that, but if not she may need to identify a place outside Tucson. Dr. Galper suggested she might need to look at other
places in southern Arizona. Some may be commutable or she might have to stay and come home weekends. Dr. Galper mentioned Benson, Nogales, and the Chiricahua Community Health Centers as examples. Fabian Valle asked if Julissa had looked into the tribal system or Tucson Indian Health Service. There are sites in Casa Grande, Eloy, and other sites in Pinal County. He will email some suggestions with contact names to Maggie to forward to Julissa. Dr. Galper moved to defer Dr. Julissa Ochoa-Buck for another 6 months, Dr. Krishna seconded the motion and the motion passed. Dr. McWilliams said that in 6 months she needs to be in compliance with all licensing issues and find a job in an eligible service area.

Loretta Belden, D.O. wrote a letter to the Board asking for approval to continue to practice at her current location. She went into practice with her father and she said in her letter that they are the only practicing physicians within a five-mile radius. The area is predominantly Hispanic and many of her patients live in very poor conditions. Dr. Galper commented that she is dismayed at the way Dr. Belden has handled the situation. She is in an eligible service site but graduated in 2005, completed her residency in 2008, and did not contact the Board. Tanja James verified that the location of Dr. Belden’s practice is in a designated area and has been eligible during the time Dr. Belden has worked there. Documentation from Tanja James, Arizona Department of Health Services on July 8, 2009 states: “The address of 320 North 32nd Avenue, Phoenix, AZ 85009 is located in the newly designated South Central Phoenix-Low Income HPSA (#904N9) this designation was just approved on 3/27/09. Previously the designation for the address was #904A4, West Phoenix – Low Income HPSA and was designated in December 2006. The new designation replaced the old designation therefore there was no gap in designation status of this location.” Maggie Gumble said that in 2008, Carol Dolan tried to contact Dr. Belden and checked with the Dean’s Office who said she was still in residency at John C. Lincon Hospital in Phoenix. The assumption was that she was doing a Chief Resident year but this turned out not to be the case. Lisa Veliz updated the Board on the situation since the last Board meeting May 29, 2009. She had telephoned Dr. Belden in May and had received no response. On June 1 she sent a letter to her home address and got no response. She called Dr. Belden’s office which she found on the web, and got an immediate phone call back. Dr. Belden said she had received her letter and would fax a letter for the Board. After waiting a couple of weeks, Lisa sent a certified letter on July 1 to Dr. Belden’s work address. She didn’t hear and called again and Dr. Belden faxed in the letter. She said Dr. Belden was very pleasant on the phone. Maggie Gumble suggested to Lisa that she should get verification from the office manager of Dr. Belden’s start date, and documentation of the ending date of Dr. Belden’s residency program, which she did. The Office Manager, Cherrielynn Wood wrote a letter to confirm that Dr. Loretta Belden has been employed as a full-time family practice physician since July 1, 2008. The practice is Van Buren Medicine, LLC, 320 N. 32nd Avenue, Phoenix, AZ 85009. Lisa Veliz obtained a copy of a certificate that certified that Loretta Belden, D.O. satisfactorily completed a two year residency in Family Medicine from July 1, 2006 to June 30, 2008. The Board discussed Dr. Belden’s unprofessional behavior in not responding to requests, and that if she wants credit for her first year of practice, she should provide documentation such as her Medicare billing code and AHCCCS number. After discussion, Dr. McWilliams moved that if Dr. Belden can provide documentation approved by the Board that she practiced as a physician at that location during the last year, the Board may accept her first year of service. In lieu of that documentation, the Board approved the location as of July 1, 2009. In the letter to Dr. Belden, she should be told that further repayment by service will require prompt attention to requests from the Board of Medical Student Loans. Dr. Kosinski seconded the motion and it was unanimously approved.

Wayne Davis, D.O. is requesting Board approval to serve as a Family Practice physician at Wesley Community Health Center, 1300 S. 10th Street, Phoenix, AZ 85034. Lisa Veliz reported that Dr. Davis graduated from Midwestern University in 2006. He finished his residency at the end of June 2009 and was previously approved by the Board to work at Phoenix Indian Medical Center. However, he was not offered that position and is requesting approval at Wesley Community Health Center where he has accepted an offer of employment. Documentation from Tanja James, Arizona Department of Health Services: “Wesley Health Center is located in the South Central – Low Income HPSA (#904N9). It also recently received a facility designation (#904P2). These designations meet the eligibility requirements for the AMSLP program.” Dr. Galper moved to accept Dr. Davis’ service site at Wesley Community Health Center; the motion was seconded by Dr. Krishna and unanimously approved.

Richard E. Hendrix, M.D. requested that the Board give approval to the completion of his four-year service commitment. He started his practice on August 2, 2004 practicing at 5300 S. Highway 95, Suite H, Fort Mohave, AZ 86426 until May 2007. At the end of May 2007, he moved into his own building located at 1611 Joy Lane, Suite 1, Fort Mohave, AZ 86426. He said he plans to be at this location until he retires! He submitted self-certification
forms for the two locations. Maggie Gumble indicated that there is also documentation on file in previous years and she had been in touch with the office by telephone before he moved and again recently. She requested documentation from Tanja James, Arizona Department of Health Services that the new location still qualifies for service. Originally in 2004, the Board was informed that the zip code 86426 was entirely within the Fort Mohave Primary Care Health Professional Shortage Area. Tanja reported: "The address of 1611 Joy Lane, Fort Mohave, AZ 86426-8807 is located within the Fort Mohave Low Income primary care HPSA (#90488). The designation was approved as of 11/2006." Dr. Galper moved that the Board approve Dr. Hendrix’ completion of his service commitment. The motion was seconded by Dr. Krishna and unanimously approved.

Comfort Hines wrote a thank you card to the Board: "I wanted to take this opportunity to thank you for your support for the past several years. Without your aid my time in medical school would likely be a much greater burden on myself and my family. I also appreciate the time you took to consider my appeal for specialty of Emergency Medicine to be approved. I believe this area of need in AZ will benefit."

Catherine O'Rourke Taylor, M.D. will be completing her four-year service commitment on July 29, 2009. At Maggie Gumble’s request, she wrote a letter for this Board meeting, regarding the completion of her service commitment. She submitted self-certification of her work at North County Health Care (formerly North Country Community Health Center) in two locations: 830 E. Main, Springerville, AZ 85938 and 625 N. 13th West, St. Johns, AZ 85936. The original certification in 2006 was signed by the Human Resources Director. Maggie Gumble plans to obtain certification from administration when the four years has been completed.

Tina Younger, M.D. requested approval for completion of her three and one-half year service commitment. She began her service November 1, 2004 at the following sites approved by the Board of Medical Student Loans: South Central Family Health Center, 33 W. Tamarisk Avenue, Phoenix, AZ 85041 and Maricopa Medical Center, 2601 E. Roosevelt, Phoenix, AZ 85008. She continues to practice full time at those locations.

Dr. Galper moved that the Board approved completion of service for Catherine O'Rourke Taylor, M.D. conditioned upon final documentation from Dr. Taylor’s office, and Tina Younger, M.D. Dr. Kosinski seconded the motion and it passed unanimously.

Juanita Padilla, M.D. wrote to the Board of Medical Student Loans reconfirming her intentions to repay her Arizona Medical Student Loan as agreed upon. She had quit her residency after personal setbacks and wants to return to a residency program and become licensed to practice. She has to retake all three of the USMLE licensing exams to become licensed. She knows that the Board is attempting to collect the debt and she would like to explore possible alternatives for repayment or extension contingent upon re-enrollment in residency. The Board of Medical Student Loans has referred her defaulted loans to the Arizona Attorney General’s Office and the Board’s position is that the Attorney General’s Office is handling the matter.

Maggie Gumble reviewed the Financial Report. The Medical Student Loan Fund beginning balance July 1, 2008 was $492,256.60. The General Fund Appropriation was $1,121,000.00. Due to the shortage of revenue in the State of Arizona, the Governor’s Office requested that the Board allow $120,000.00 to lapse and not put on additional new students. Loan repayments received to date include $12,441.00 collected by the AZ Attorney General’s Office from Dr. Patrick Arambula and $6,192.46 from O. Dianna Bell. Dr. Rey Palop paid $200.00 and the Board received $616.27 from the Attorney General’s Office reversion. Total loan repayments in 2008-2009 to date: $19,449.73. That amount could be adjusted if additional payments are transferred over to the Board from the Attorney General’s Office in July for FY 2009.

The Board was provided with a detailed list of loans made to students from the General Fund and Medical Student Loan Fund. Loans to students attending the University of Arizona College of Medicine totaled $526,595.00. Students attending A.T. Still University’s School of Osteopathic Medicine in Arizona were loaned a total of $170,940.00, and loans to students attending Midwestern University’s Arizona College of Osteopathic Medicine totaled $759,648.00. Total expenditures for student loans were $1,457,183.00 including the non-lapping funds for previous scholarship students. Balance $55,523.33 in the Medical Student Loan Fund. General Fund Appropriation amount allowed to lapse: $120,000.00.
Payments made to students in 2008-2009 from the General Fund and Medical Student Loan Fund were detailed separately in the reports. Loans to former scholarship students totaled $391,411.00 paid to five students attending the Arizona College of Osteopathic Medicine at Midwestern and two students attending the University of Arizona College of Medicine. All but one of those seven students graduated in 2009 and one UA student is continuing in 2009-2010. Two new students were funded using $64,772.00 from the Medical Student Loan Fund. Total expenditures from the Medical Student Loan Fund $456,183.00.

Maggie Gumble reported that Senate Bill 1188 appropriated $866,900.00 from the General Fund and $47,000.00 from the Medical Student Loan Fund for a total of $913,900.00 for 2009-2010. This is sufficient to renew continuing students who have applied for renewal at tuition plus $20,000 living allowance at the three respective schools. However, according to the Arizona Revised Statutes §15-1723A “At least fifty percent of the monies shall be apportioned for students attending private medical schools.” Senate Bill 1029 which would have suspended that provision for 2009-2010 was vetoed. The legislature is in special session to negotiate budget items and Beth Lazare, Policy Advisor for Health and Human Services in the Governor’s Office, called to say that this is on their radar and they realize it is needed for the start of school.

Tuition of $45,469 and $20,000 living allowance would be a total loan amount of $65,469 for students attending Midwestern University’s Arizona College of Osteopathic Medicine. Expenditures for three renewal students would total $196,407.

Tuition of $38,275 and $20,000 living allowance would be a total loan amount of $58,275.00 for students attending A. T. Still University’s School of Osteopathic Medicine in Arizona. Expenditures for three renewal students would total $174,825.

Tuition of $22,384 including the tuition surcharge and $20,000 living allowance would be a total loan amount of $42,384 for students attending the University of Arizona College of Medicine. There is no distinction in tuition amounts between graduating classes for 2009-2010 as there has been the last few years. Total expenditures for twelve renewal students would total $508,608.

The total amount to renew six private school students at tuition plus $20,000 living allowance is $371,232.
The total amount to renew twelve public school students at tuition plus $20,000 living allowance is $508,608.

Under current statute, the Board of Medical Student Loans has no authority to apportion more than fifty percent of the monies to public school students. The situation has arisen because 10 Midwestern students graduated in 2009 and only 3 are continuing students. Most of the UA medical students are graduating in 2010. Funds are not available for new applicants to restore the balance for 2009-2010. Maggie Gumble provided the Board with projections, reducing each UA student by $11,448 to a loan amount of $30,936 to lower total public school student expenditures to $371,232, the same amount needed for the six private school students at tuition and $20,000 living allowance. A loan of $30,936 provides the UA students with tuition and $8,552 living allowance.

Maggie Gumble indicated that providing all the students with tuition plus $8,552 living allowance would still result in an imbalance between funds apportioned to public and private schools and would have to be resolved within the 2009-2010 year. The Board would still need to give the total loan amount to the private school students to resolve the situation. It would require that all 18 contracts be revised instead of the 12 UA contracts, if the language in the statutes ends up being changed for 2009-2010. It would require more administrative work for all three schools and adjustment of any federal aid twice instead of once. The most significant result is that the six private school students would have difficulty in planning a budget for the academic year. She recommends funding the private school students at tuition and $20,000 living allowance. Fund the UA students at tuition and $8,552 living allowance and pay the entire living allowance in the Fall semester. She has reviewed the contracts and it calls for students to be paid within the academic year and divided into allotments for semester(s) or quarter(s) but does not specify equal allotments as it did many years ago. If the situation is resolved by statute within the academic year, then revise the UA contracts and increase the amount of the loans to UA students to tuition and $20,000 living allowance. The Board discussed the situation and Board members representing both osteopathic and allopathic schools lamented the fact that the statute was unfair to the UA students. Maggie Gumble commented that the provision in the statutes removes Board discretion.
Dr. McWilliams made a motion to pay Midwestern University osteopathic students $45,469 tuition and $20,000 living allowance for a loan amount of $65,469 for 2009-2010; pay A. T. Still University osteopathic students $38,275 tuition and $20,000 living allowance for a loan amount of $58,275 for 2009-2010; pay University of Arizona College of Medicine students $22,384 tuition and $8,552 living allowance for a loan amount of $30,936 for 2009-2010; increase the loan amount for University of Arizona College of Medicine students to $22,384 tuition and $20,000 living allowance for a total loan amount of $42,384 if the Arizona Revised Statutes governing the Board of Medical Student Loans is revised to allow more than fifty percent of the monies to be apportioned for students attending public medical schools in 2009-2010. Dr. Krishna seconded the motion and it passed unanimously.

Students who applied for renewal and approved in the Board meeting of May 29, 2009:

**A. T. Still University's School of Osteopathic Medicine:**
Brandon Abbott
Jesse Crane
Linda Shuler

**Midwestern University AZ College of Osteopathic Medicine:**
Tam Chu
Juan Martinez
Jonathan Willms

**University of Arizona College of Medicine:**
Tomas Acuna
Michelle L. Aguilar
Darrell M. Brimhall
Claudia Chavez
Juan Hernandez
Comfort Hines
Michael Kushner
Aileen Lo
Maurice Lee
Valerie Matthew
Melinda Valichnac
Mariposa Wofford

The FY 2010 JLBC recommendation included under STATUTORY CHANGES: “The JLBC would include a permanent law provision that would narrow the definition of a medically underserved area or population to rural Arizona.” Maggie Gumble said that the proposed statutory change to a rural service requirement did not appear in any legislation to date from her knowledge from her contacts with the analysts on the JLBC and OSPB staff. The Board discussed possible ways of targeting future funding to students who will serve in rural areas in the application, interview and evaluation process.

The FY 2011 Budget request must be submitted by September 1, 2009. The Board agreed to request the amount of funds appropriated this year from the General Fund. The budget process allows the Board to submit critical issues; the program does not meet the criteria to submit a decision package. The revenue shortfall in Arizona is expected to continue and 12 of the 18 funded students are scheduled to graduate in 2010.

The Board of Medical Student Loans honored Tanja James for her valued contributions to the Arizona Medical Student Loan Program. She was presented with a framed certificate from The Board of Medical Student Loans. Tanja is leaving the Bureau of Health Systems Development at the end of July 2009 to work with the WIC Community Services Team under the Bureau of USDA Nutrition Programs within the Arizona Department of Health Services. For the past several years, Tanja has prepared the Eligible Service Sites Lists for the Arizona Medical Student Loan Program, which has made a tremendous difference in assisting residents to find eligible locations in which to serve. She has provided prompt, accurate, professional assistance as needed to staff working with the Board. She has been interviewing and evaluating applicants for several years along with Fabian Valle. The Arizona Department of Health Services including Tanja James, Fabian Valle, and Patricia Tarango have been critical
to the success of the Arizona Medical Student Loan Program. Dr. McWilliams asked that a copy of the certificate be provided to Tanja’s employer.

Carol Galper asked that an update on Scott Salmon’s residency program be provided to the Board along with a reminder as to the date his payment of liquidated damages is due to be paid to the Board of Medical Student Loans. He repaid his loan with interest while he was in medical school.

The next meeting will probably be in December 2009.

Dr. McWilliams moved to adjourn at 10:35 a.m. and it was seconded by Dr. Kosinski. The motion passed unanimously.

Minutes available for review July 14, 2009

Respectfully Submitted,

Maggie Gumble
Executive Director
AZ Medical Student Loan Program

Approved:

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