

ARIZONA MEDICAL STUDENT LOAN PROGRAM
BOARD MEETING
April 4, 2003

The Board of Medical Student Loans held an open public meeting on April 4, 2003 by video teleconference at the Arizona Health Sciences Center, 1501 N. Campbell Ave., Room 3230, Tucson, Arizona 85724, and at the Arizona Health Sciences Center, 4001 N. 3rd St, Room 415, Phoenix, Arizona 85012. Tim B. Hunter, M.D. called the meeting to order at 3:10 p.m. Other Board members attending: Tom McWilliams, D.O., Christopher A. Leadem, Ph.D., Paul Steingard, D.O., and Patricia Tarango. Lane P. Johnson, M.D., M.P.H., Ram R. Krishna, M.D., and Lyn McKay were not able to attend. Also present at the meeting: Maggie Gumble, Senior Program Coordinator, University of Arizona College of Medicine, Carol Dolan, Director, Student Financial Services, Midwestern University, John Payne, Health Professions Specialist, Arizona Department of Health Services, and Marcos Rodriguez from the University of Arizona Rural Health Office.

The minutes of the meeting of September 27, 2002 had been distributed to the Board for review. Tom McWilliams moved that the minutes be accepted; the motion was seconded by Chris Leadem and unanimously approved.

Maggie Gumble reviewed the agency goals: (1) to successfully recruit and retain students to participate in the program by providing substantial funding of educational costs to medical students (2) to provide physicians to rural and other medically underserved areas, medically underserved populations, and Indian reservations located in Arizona and (3) to increase the number of physicians providing service to rural and other medically underserved areas, medically underserved populations, and Indian reservations located in Arizona. A list of eligible service sites identified by the Arizona Department of Health Services was provided to the Board. It is not a comprehensive list, but includes many sliding fee scale clinics in Arizona. A survey of 68 sites on the list that utilize primary care physicians was mailed in February 2003 to determine the number of physician openings. Seventeen sites said they were looking for physicians: 22 openings in Family Practice; 7 in Pediatrics; 3 Ob/Gyn; 10 in Internal Medicine. Two indicated a need for surgeons. Maggie Gumble sent Arizona Medical Student Loan Program residents, who are looking for service sites for 2003 and 2004, copies of the surveys as well as the site list.

Discussion during the Board meeting led to the suggestion that open positions be sent out in the newsletter to UA College of Medicine alumni to help recruit physicians. Maggie will connect Patricia Tarango with the Alumni Director to make that request.

Maggie Gumble presented the financial report. The beginning balance on July 1, 2002 was \$17,251.95. The General Fund appropriation for 2002-2003 was \$283,400.00. Loan repayments from July 1, 2002 through March 26, 2003 totaled \$36,832.51 with payment in full by Colleen Huber. Twelve students have been paid a total of \$268,260.00 and there is a balance of \$69,224.46. The Board reserved 10% of the General Fund appropriation (\$28,340.00) until this April meeting due to anticipated budget cuts from the State. Katharine Gee has been approved by the Board for participation in the program, pending availability of funds. Maggie talked with her and Katharine is still committed to the program and submitted a signed contract for \$22,815.00 for consideration. Three students signed reduced contracts of \$20,975.00 each and were given scholarship funding by the schools to maintain the amount of funding they had applied to receive. The Board was spared from the 10% cut imposed on other State agencies, and no further reductions are planned by the State for 2002-2003, according to Robert Chapko from the Governor's Office of Strategic Planning and Budgeting and Michael Stelpstra from the Joint Legislative Budget Committee. The Medical Student Loan Fund appropriation was \$13,200 and was utilized in full to fund students. The total appropriation was \$296,600 for 2002-2003 with \$283,400 from the General Fund and \$13,200 from the Medical Student Loan Fund. The amount reserved will enable the Board to fund Katharine Gee at \$22,815 and increase Trent Batty, Christopher Dixon, and Julio Garcia to \$22,815 each. The maximum loan for 2002-2003 is \$26,574 (\$10,574 public medical school tuition plus \$16,000). There is an additional \$5.00 available in the General Fund appropriation that originally was expected to be carried forward in the Medical Student Loan Fund. Maggie Gumble recommended that the \$5.00 be added to Christopher Dixon's contract since he has the highest educational cost of those four students. His loan amount would be

\$22,820. Paul Steingard moved that the remaining students be funded as follows: **Katharine Gee** \$22,815; **Trent Batty** \$22,815; **Julio Garcia** \$22,815, and **Christopher Dixon** \$22,820. Tom McWilliams seconded the motion and it passed unanimously.

The budget request for FY 2004 was \$356,500 and for FY 2005 \$366,200. The Governor's Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislative Budget Committee (JLBC) both recommended \$330,600 for FY 2004, with an increase from \$13,200 to \$47,200 appropriation from the Medical Student Loan Fund (MSLF). We had requested the additional appropriation since extra funds were available, primarily from the repayment by Colleen Huber. Their recommendations for FY 2005 were both \$296,600, the same amount as appropriated for the current year, with \$13,200 from the Medical Student Loan Fund. Maggie noted that in the past, additional MSLF monies were used to reduce the amount from the General Fund, and it was primarily because of this that our current shortfall exists. When the financial crisis hit the State, the FY 2003 appropriations were revised, using as a base the amount from the FY 2002 revised appropriation. Instead of our General Fund appropriation increasing by \$64,900, our budget was cut by that amount, leading to a reduction from 16 students on the program to 13. The difference between the OSPB and JLBC recommendations is in the source of the funds. OSPB recommended \$283,400 from the General Fund, and JLBC \$283,400 from the Arizona Medical Board Fund. Maggie explained that carryforward funds from the Arizona Medical Board were recommended to be used to fund the Arizona Medical Student Loan Program \$283,400, the Arizona Loan Repayment Program \$100,000, and the University of Arizona College of Medicine \$500,000. She talked to the lobbyist from the Arizona Medical Board and obtained their handout given to the State Subappropriations Committee, and learned that a carryforward of 3 months is mandated by the State statutes to be available in case of unexpected adjudication expenses. There were also plans for some specific programs benefiting allopathic physicians. The Board had voted to raise licensing fees \$50.00 for allopathic physicians effective July 1 to develop a cushion of 6 months. These are the funds recommended by JLBC to be used elsewhere and the Arizona Medical Board is protesting the use of these funds. According to Maggie, both Robert Chapko, OSPB, and Michael Stelpstra, JLBC, expressed the opinion that the Board of Medical Student Loans would be funded, but the question is the source of the funds.

Maggie noted that the Executive Recommendations listed Agency Requested amounts under Administrative Costs. This was an error since the Board requested no funding for administrative costs. Christine Sato, OSPB analyst, thought perhaps the software program had a default amount and had said she would request correction on the website.

The Board was provided with a written summary presented by Tom McWilliams to the Appropriation Subcommittee in February 2003. A copy of an organizational chart was also provided by Maggie per the Committee's request, detailing support services provided at no expense to the Board. The Appropriations Subcommittee voted to accept the JLBC recommendation: FY 2004 \$330,600 with \$283,400 from the Arizona Medical Board and \$47,200 from the Medical Student Loan Fund.

After discussion about the financial situation, the Board considered the student applications submitted. Two students are not requesting funding: **Valerie Miranda** had planned to get a joint M.D. and Ph.D. in Epidemiology to fulfill her plans to be a clinician with clinical research skills. She changed her degree plans and is getting an M.D. degree and Master of Science degree in Epidemiology instead. She plans to return to the medical curriculum in 2003-2004, but is not requesting funding. She received three years of funding and will graduate in May 2005. **Brooke Vallenari** has a two-year commitment to service but has decided not to request funding for the final two years of medical school. Eleven students have applied for renewal: **Trent Batty, Christopher Dixon, Julio Garcia, Katharine Gee, Melody Jordahl, John Kercheval, Julissa Ochoa-Buck, Agnes Oviemhada, Terrence Rousseau, Bridget Stiegler, and Janet Vargas.** Tom McWilliams, Associate Dean of the Arizona College of Osteopathic Medicine, and Chris Leadem, Senior Associate Dean of Admissions and Student Affairs, University of Arizona College of Medicine, confirmed that the students are making satisfactory academic progress. Tom McWilliams moved that these eleven students be approved for funding for 2003-2004, contingent upon the funds being available. The motion was seconded by Chris Leadem and unanimously approved.

Bridget B. Stiegler, a second-year student at the Arizona College of Osteopathic Medicine (AZCOM), wrote a letter to the Board regarding her selection as one of two students offered a pre-doctoral fellowship by AZCOM. She requested acceptance of a delayed start of service due to the fellowship. It will extend her degree from four to five years by integrating twelve additional months of rotations, teaching and research experience. Tom McWilliams said that Bridget is an excellent student and this is a very good fellowship program. He strongly endorses her request. Carol Dolan said that Bridget is very committed to the program and to primary care, goal-oriented, and that it is an honor for Bridget to have been chosen. She confirmed that Bridget would be enrolled as a full-time medical student for all years. After discussion, Tom McWilliams moved to extend Bridget Stiegler's plan for the additional year. Chris Leadem seconded the motion, and it passed unanimously.

Maggie Gumble noted that there are three written applications received from admitted students for 2003-2004. The maximum loan for 2002-2003 was \$26,574 based upon public medical school tuition plus \$16,000. Public medical school tuition increased by \$909 for 2003-2004 as set by the Arizona Board of Regents for the University of Arizona College of Medicine. The maximum loan amount for 2003-2004 therefore increases by \$909 as well as by an inflationary factor determined by the percentage change in the GDP price deflators. Three students are graduating in 2004. The Board discussed the financial status of the program and agreed to continue to fund 13 students for 2003-2004, assuming funds are available. Tom McWilliams moved to fund each student \$25,430 provided that the State appropriates sufficient funds and contracts are not signed until the budget has been passed. Paul Steingard seconded the motion and it passed unanimously.

Participant requests and updates were discussed by the Board:

Kirsten Grahn is graduating in May 2003 with a joint M.D. and Master of Public Health degree. She has completed an exit interview and confirmed her five-year service commitment. She is entering the Pediatrics residency program with the University of Arizona Affiliated Hospitals, Tucson, AZ.

A site list and survey responses have been sent to physicians who are eligible to begin service in 2003 and 2004. The four physicians for 2003 are all in Family Practice and are on the agenda for further discussion. Participants expected to enter service in 2004: **Jean Amon, M.D.**, Pediatrics; **Richard Hendrix, M.D.**, Family Medicine; **Matthew Hinton, M.D.**, Pediatrics; **Juanita Padilla, M.D.**, Family Medicine; **Tina Younger, M.D.**, Med/Peds. Dr. Hendrix and Dr. Hinton had already contacted Maggie Gumble regarding obtaining a site list. All five have been sent the site list and survey responses indicating openings or potential openings.

Patrick Arambula, M.D.: the Arizona Attorney General's Office has converted his file from bankruptcy and will send a demand letter to Dr. Arambula.

Robert Babyar, M.D. accepted the position of Medical Director at his service site, Sun Life Family Health Center in Casa Grande, AZ 85222. Tim Hunter noted that he and Tom McWilliams reviewed Dr. Babyar's contract and confirmed for him that this position continues to meet the service commitment for the Arizona Medical Student Loan Program.

Olanethia Dianna Bell: the Arizona Attorney General's Office in July 2002 put her file into suspense for six to nine months because Ms. Bell's position was eliminated. She was to contact the Attorney General's Office when she began working and has signed a part-pay agreement. Linda Foste checked the records and learned Ms. Bell began working in the 3rd quarter 2002, and worked in the 4th quarter 2002. First quarter records for 2003 were not yet available. They will garnish her wages or get a judgment.

Richard Benedict, M.D.: Maggie Gumble requested approval of an address correction for his service site (same zip code): 5300 S. Highway 95, Suite K, Ft. Mohave, AZ 86426. The motion to approve was made by Paul Steingard, seconded by Chris Leadem, and unanimously approved.

Paul Budnick, M.D.: the Arizona Attorney General's Office, per Board members' approval, turned down Dr. Budnick's offer of \$17,000 to settle the case. Dr. Budnick owed \$31,882.50 as of 6-30-2002 per our records. The Attorney General's Office believes he has the ability to pay based upon documents received of Dr. Budnick's income and expenses. They recommended that the Board not accept the offer. April 1, 2003 update: documents were sent to record the judgment. Dr. Budnick is an emergency room physician in Michigan.

Carla Denham, M.D. requested approval for completion of her four-year service commitment at Maricopa Medical Center. The Board approved her service with Maricopa Medical Center at the Board meeting of July 31, 1998, for 30 hours per week with extended time to meet the 2000 hours per year as called for in her contract. Her start date was 7/1/1997. The address of Maricopa Medical Center was not specified. Dr. Denham has continued to work at Maricopa Medical Center, but the psychiatric unit, a locked facility, was moved to 570 W. Brown, Mesa, Arizona, 85201 in June 2001. According to Dr. Denham's letter, all of her psychiatric inpatients are brought into the hospital involuntarily, for court ordered evaluations and treatment. She is treating the same patient demographic in Mesa that she did in Phoenix. Maggie Gumble learned of the change in location in August 2002 and was finally able to contact Carla Denham and obtain documentation for Board review for this meeting. She noted that the address of Maricopa Medical Center was never specified in any of the correspondence with Dr. Denham, who believed she was in compliance with her contract. Dr. Denham began working 36 hours per week in May 2002, per conversation with Bobbie Seher, Program Coordinator, Department of Psychiatry, and is full-time with three paid vacation weeks per year. Maggie noted that Senate Bill 1109 which became effective August 2001, stated in Sec. 6C: "Service locations approved by the board of medical student loans before July 1, 2000 are deemed to be approved service locations until the program participants fulfill the conditions of their contracts." Maricopa Medical Center, 2601 E. Roosevelt Street, Phoenix, AZ 85008 is an eligible site, but the Mesa facility is not, and currently would not be approved. Maggie noted that current procedures are to specify an exact address, including zip code, and participants going into service at this time are approved for an exact location. This wasn't the case with Dr. Denham. Per Maggie's calculations, at 30 hours per week for 49 weeks from July 1997 through May 2002 and 36 hours per week since then, Dr. Denham completed over 8000 hours per service, estimated at 8562 by the end of March 2003. After discussion, Chris Leadem moved to approve the completion of Dr. Carla Denham's service. The motion was seconded by Paul Steingard and unanimously approved.

It was explained by Patricia Tarango that the designation of "Medically Underserved Population" is still a geographic designation. It can be a facility designation, such as the Department of Corrections' facilities.

Paul Steingard asked how many physicians continue to serve in eligible areas after they fulfill their commitments. Maggie Gumble stated that between 1984 -2001, out of 45 service providers, 20 physicians were serving in eligible service locations in 2001-2002.

David Damstra, M.D.: the Arizona Attorney General's Office sent a letter to Dr. Damstra's Commanding Officer on February 11, 2003 to enlist his assistance in collecting repayment from Dr. Damstra. He is protected by the Soldier's and Sailors Act. (Chris Leadem noted that the letter mistakenly referred to Northern Arizona University. Maggie Gumble will bring that to the attention of the Attorney General's Office).

Alan DeWitt, M.D. Maggie Gumble requested that an updated address be approved for Dr. DeWitt's service site (same zip code): Snowflake Medical Center, 590 S. Main Street, Snowflake, AZ 85937. Chris Leadem moved that the change be approved. The motion was seconded by Tom McWilliams and unanimously approved.

Laura E. Harrington, M.D. requested approval for the service site at 926 E. McDowell Rd., #123, Phoenix, AZ 85006. She has a three-year service commitment. According to the Arizona Department of Health Services' e-mail received from Rodney Cluff, the office is located in the South/Central Phoenix HPSA/AzMUA. Chris Leadem moved to approve this site for Dr. Harrington's service. The motion was seconded by Paul Steingard and unanimously approved.

Barbara Hartley, M.D. requested approval for completion of her three-year service commitment at 860 W. 4th Street, Benson, AZ 85602. Chris Leadem made a motion to approve completion of Dr. Hartley's service. The motion was seconded by Tom McWilliams and unanimously approved.

Mario-Luis Islas, M.D. requested approval for completion of his three-year service commitment at Las Fuentes Health Clinic of Guadalupe, 8625 S. Avenida del Yaqui, Guadalupe, AZ 85283. He was full time from 8/18/1999 through 8/31/2002. Chris Leadem moved to approve completion of Dr. Islas' service; the motion was seconded by Tom McWilliams and unanimously approved. Maggie noted that Dr. Islas' office reports he continues to work at the clinic two days a week, and is practicing in Tucson. Las Fuentes' staff believes he is working at the El Rio Health Clinic.

Gabrielle Ochoa, M.D. requested approval of service at El Rio Southwest Clinic, 1500 W. Commerce Court, Tucson, AZ 85746, effective July 8, 2002. She was approved at Kino Hospital and was full-time there from 9/1/2000 to 6/28/2002. She has a three-year commitment. She contacted Maggie Gumble and John Payne before making the change and the Board was notified on June 28, 2002. Chris Leadem moved to approve the site for Dr. Ochoa's service. The motion was seconded by Paul Steingard and unanimously approved.

Rey Palop, M.D. wrote a letter to the Board and had a long telephone conversation with Maggie Gumble. Due to personal circumstances, he has proposed to begin repaying monthly in July 2003 when he expects to begin a military assignment. As of 1/27/2003 he owed \$76,782.97 principal and interest and \$38,160.00 in liquidated damages, for a total of \$114,942.97. In addition, he says his federal loans total \$270,000, which he consolidated and has a 30-year repayment. After discussion, the Board directed Maggie to write a letter to Dr. Palop to submit a specific repayment plan by July 1, 2003.

Shirley Rheinfelder, M.D. wrote to the Board, confirming that she has accepted a position at Gila Valley Clinic, 2016 W. 16th Street, Safford, AZ 85546, and will begin August 15, 2003. This site was approved for her service on June 28, 2002. She has a four-year service commitment.

Denise Schweda, M.D. who is completing her Family Practice residency program in June 2003, has been corresponding by e-mail with Maggie Gumble, and has been sent a site list and survey responses. She would like to serve in the Phoenix area because she has two girls in high school and her husband works in Phoenix.

Lourdes Vizcarra, M.D. requested the Board's approval for a service site under consideration: Winslow Indian Health Center, 500 N. Indiana Avenue, Winslow, AZ 86047. Documentation submitted by John Payne, ADHS, indicates that Winslow is a primary care Health Professions Shortage Area (HPSA). Dr. Steingard moved to accept Dr. Vizcarra's service at that location. The motion was seconded by Tom McWilliams and unanimously approved.

The Board meeting was adjourned at 4:55 p.m.

Minutes available for review Wednesday, April 9, 2002.

Respectfully submitted,



Maggie Gumble
Senior Program Coordinator
University of Arizona College of Medicine

Approved:



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