

ARIZONA MEDICAL STUDENT LOAN PROGRAM
BOARD MEETING
December 10, 2004

The Board of Medical Student Loans held an open public meeting on December 10, 2004 by video teleconference at the University of Arizona College of Medicine/University Medical Center, 1501 N. Campbell Ave., Room 3230, Tucson, Arizona 85724, and at the University of Arizona College of Medicine, Arizona Health Sciences Center, 4001 N. 3rd St, Room 415, Phoenix, Arizona 85012. Tim B. Hunter, M.D. called the meeting to order at 10:40 a.m. Other Board members attending in Tucson: Ram R. Krishna, M.D., Christopher A. Leadem, Ph.D., and Lane P. Johnson, M.D., M.P.H. Attending in Phoenix: Lyn McKay, Tom McWilliams, D.O., Patricia Tarango, and Paul Steingard, D.O. Also present at the meeting, in Tucson: Maggie Gumble, Senior Program Coordinator, University of Arizona College of Medicine and Amy Oggel, University of Arizona Rural Health Office. Attending in Phoenix: Carol Dolan, Director, Office of Student Financial Services, Midwestern University; Fabian Valle, Tanja James, and Michael Allison, Arizona Department of Health Services. Janet Vargas, medical student, addressed the Board at 12:45 p.m. from the Tucson location.

The minutes of the meeting of April 30, 2004 had been distributed to the Board for review. Lane Johnson moved that the minutes be accepted; the motion was seconded by Ram Krishna and unanimously approved.

Maggie reviewed the roles of Carol Dolan at Midwestern University and herself at the University of Arizona College of Medicine, as well as the Arizona Department of Health Services staff in their support roles to the Board of Medical Student Loans. Carol Dolan is Director of Financial Services for Midwestern University. Maggie Gumble is Senior Program Coordinator at the University of Arizona College of Medicine Financial Aid Office. The program began in 1978-1979 with the UA College of Medicine students being eligible, and the College of Medicine agreed to provide support services. In 1999-2000, Midwestern University's Arizona College of Osteopathic Medicine students became eligible to participate in the program. Carol Dolan has provided the support from Midwestern, letting their students know about the program, accepting applications, and providing other support services, including arranging interviews and tracking participants. Each school is responsible for maintaining original borrower records for their school and each Bursar's Office logs checks in and delivers funds to the students. The UA College of Medicine continues to serve as the central office for the Board and Midwestern University coordinates with the UA in providing needed services. Each financial aid office obtains signed contracts from approved students and prepares the paperwork to send to the General Accounting Office at the State to order student checks. Checks from the State are sent to the UA College of Medicine Financial Aid Office, and Maggie or Sherri McClellan review copies of the paperwork with the checks and they forward the checks to Carol Dolan at Midwestern for delivery to those students. The Arizona Department of Health Services (ADHS) is responsible for determining whether proposed service sites are in an Arizona Medically Underserved Area (AzMUA), a federally-designated Medically Underserved Area (MUA), a Medically Underserved Population (MUP), and/or a Health Professional Shortage Area (HPSA), or on an Indian Reservation, and advising the Board of Medical Student Loans. Fabian Valle and Tanja James have been working with Maggie Gumble in determining the eligibility of sites for physicians looking for positions.

ADHS also annually provides a list of eligible service sites, primarily drawn from their database of sliding-fee-scale sites. The list is not comprehensive, and physicians may also provide complete addresses with zip codes to be reviewed for eligibility. Fabian and Tanja have been assisting in determining eligibility for those additional sites. Maggie has done a survey of openings from the site list for the last two years. From a total of 34 responses in April 2004, there were 15 openings for Family Practice physicians, 4 openings for Pediatricians, 11 or possibly 12 funded openings for Internal Medicine physicians, 1 Med/Peds position, and 3 Ob/Gyn positions. The list has been a valuable resource for residents looking for positions and has strengthened the program since it has begun to be provided, per Maggie. It assists residents in knowing specific clinics to contact. The list of AzMUAs, MUA/MUPs and HPSAs with the block numbers designating eligible areas are not much help to the layperson.

The Agency Summary was reviewed. This is part of the Arizona Master List of State Government Programs submitted yearly with the budget requests. The three goals of the program and some of the performance measures were reviewed. Goal #1: to successfully recruit and retain students to participate in the program by providing substantial funding of educational loans. Goal #2: to provide physicians to rural and other medically underserved areas, medically underserved populations, and Indian reservations located in Arizona. Goal #3: to increase the number of physicians providing service to rural and other medically underserved areas, medically underserved populations, and Indian reservations in Arizona. The loan amount of \$26,963 for 2004-2005 provides approximately 89% of the average annual cost of public medical school education. The loan amount is based on a formula in the Arizona Revised Statutes and includes public medical school tuition plus a stipend for books, supplies, and other living expenses. The Arizona College of Osteopathic Medicine is a private school and tuition alone for 2004-2005 is \$34,099. The Board of Medical Student Loan attempts to fund as close to the amount allowed by law as funds permit. Tim Hunter noted that priority is given to funding a substantial amount to the students rather than to give a lower amount of funding to more students. With the increase in public medical school tuition the last few years and a decrease in funding from the State of Arizona, the number of students funded have dropped from 16 students per year to 11 students per year. Maggie noted that there were 15 physicians serving their commitment in 2003-2004 and 30 physicians who had completed their service commitment still working in eligible service areas. That represents a 58% retention rate. Tim Hunter noted that in all submissions to the State, the Board emphasizes that all funds appropriated go to the students, and no operating expenses are requested. The Board receives no financial compensation or funds for travel and support services are provided free of charge by the University of Arizona, Midwestern University, and the Arizona Department of Health Services. Maggie indicated that she had been contacted numerous times by the new analysts who have been reviewing the Board's budget requests. Holly Baumann is our analyst with the Governor's Office of Strategic Planning and Budgeting (OSPB), and Justin Narducci is with Joint Legislative Budget Committee (JLBC). Both Holly and Justin spent a good amount of time learning the program and seem favorably inclined toward it. Tim Hunter as Chairperson and Maggie Gumble agreed with them that the three performance measures regarding cumulative percent of physicians providing service would be revised to one performance measure: "1992 to date, percent of physicians who have provided service in eligible sites." The original three measures were requested by JLBC to compare the results of changes made in the Arizona Revised Statutes about 12 years ago. The changes were effective in strengthening the program and raising the percentage of physicians providing service from 57% to 96%. It is estimated that the percentage of physicians providing service will remain at about 93%-95% in the next few years. The decrease from 100% to 96% represents one physician who chose to join the United States Air Force instead of serving his commitment. The further decrease represents the possible loss of two other physicians in reaction to events in their lives, leading them into repayment status.

Maggie Gumble gave the financial report, beginning with 2003-2004. The beginning balance on July 1, 2003 was \$41,274.46. The State appropriated \$283,400.00 from the Arizona Medical Board Fund for 2003-2004. Loan repayments totaled \$ 38,771.49. Paul Budnick, M.D. and Rose Ibanez, J.D. paid in full through the Arizona Attorney General's Office. The Attorney General's Office retains 35% of collections, and may revert funds at the end of the year depending upon their collection costs. Last year, with the relatively large amounts collected from Dr. Budnick and Rose Ibanez, \$765.74 was reverted to the Board of Medical Student Loans. Three individuals remain referred to the Attorney General's Office. Tim Hunter noted that one of these three is in military service and cannot be pursued under the Soldier's and Sailor's Act, so no funds will be forthcoming until he gets out of the service. Total receipts from 2003-2004 including the appropriation from the Arizona Medical Board Fund was \$322,171.49. Thirteen students received \$25,430.00 each for total expenditures of \$330,590.00. There was a balance of \$32,855.95 in the Medical Student Loan Fund which carried forward. The Board is on a biennial budget and can spend the amount appropriated, but funds in the Medical Student Loan Fund are not lost. \$47,200.00 was appropriated from the Medical Student Loan Fund in 2003-2004.

For the period July 1, 2004 through November 30, 2004, the beginning balance in the Medical Student Loan Fund was \$32,855.95. Loan repayments to date total \$243.75 from O. Dianna Bell through the State Attorney General's Office. Ms. Bell is not a physician. The first half of the appropriation from the Arizona Medical Board Fund was transferred in and total receipts were \$141,943.75. Nine students were paid for the first semester/quarters for a total expenditure of \$121,336.50 through November 30, 2004.

The Board has two openings for 2004-2005 to be funded at \$26,963.00 each. It is anticipated that all of the Arizona Medical Board Fund appropriation will be spent and there will be \$7.00 left in the appropriation from the Medical Student Loan Fund.

The Board of Medical Student Loans submitted budget requests for FY 2006 and FY 2007 sufficient to fund 11 students at \$30,600 in FY 2006 and \$32,100 in FY 2007, representing an estimated 100% of the amount per student allowed under the formula in the Arizona Revised Statutes. This included an estimated increase in public medical school tuition based upon the average increase over the last five years, and the inflationary factor allowed in the statutes for increases in books and supplies and other living costs. Student contracts fund students \$26,963 for 2004-2005. Maggie Gumble expressed concern that since the Board has requested that funding be from the General Fund rather than the Arizona Medical Board Fund, this is an uncertain time for funding students in the next two years. The State tapped the Arizona Medical Board Fund in the economic crisis experienced in Arizona during the last few years, but it is not a long-term solution. Ram Krishna explained that the Arizona Medical Board is obligated to keep three months of operating expenses in that fund by Statute. The fund is totally funded by licensing fees from allopathic physicians. Maggie noted that the lobbyist for the Arizona Medical Board was at the appropriation hearing two years ago and distributed material which showed that the fund would become bankrupt in a few years. Funds had been tapped for the Board of Medical Student Loans, the Arizona Loan Repayment Program, and continuing education at the College of Medicine. In Maggie's contacts with the analysts at the JLBC and the OSPB, they indicated that no decisions regarding recommendations from those offices have been made. There will be an appropriations hearing in January 2005.

A Customer Satisfaction Survey has been completed and results were provided in the Board materials and were discussed. Past participants were not included in the survey because the program has gone through many changes over the years with changes in the contracts, funding levels, amount of liquidated damages, and administration of the program. A customer satisfaction rating on a scale of 1-8 (Very Dissatisfied to Very Satisfied) is published by the State in the appropriations bill. The Board surveyed 48 current students, residents, and physicians in service and repayment and 21 responses were received (44% response rate). The surveys were not anonymous. The Board received 9 responses from physicians, 10 responses from residents, and 2 responses from students. Responses and comments were reported to the Board by classification rather than by individual names. The average score was 7.3 out of 8.0. The Board expressed some concern with comments that indicated dissatisfaction with clinic experiences where the administration did not keep promises about scheduling, pay, and time off, and the feeling of being seriously underpaid and overworked. The Board discussed that participants under the program do not have as much flexibility to leave when they have the Arizona Medical Student Loan Program commitment. Maggie said she has heard similar complaints to those expressed on the survey from other participants. She noted that some physicians have changed positions and served their total commitment in two locations where they have been happier. The Board has no control over the service sites. Positive comments from the survey included: "The Arizona Loan Program was a great way to reduce my debt burden while still enabling me to work in an excellent practice setting with an underserved population. I would recommend it to anyone interested in primary care." "The Arizona Medical Student Loan Program was perfect for me as I knew early on I wanted to do primary care and work with underserved populations. I love working in Nogales and I enjoyed the freedom of searching for the right practice for me. It would have been nice to have had some assistance in the job search process, however." Maggie noted that when this individual was searching for a site, he contacted her after he found an eligible position to be sure it qualified. However, the annual site list that is now being provided by ADHS was also not available at that time.

The Board reviewed applications from candidates applying for 2004-2005. Currently there are nine students whose contracts were renewed; there are two openings and four applications. Applications have been received from **Elizabeth Bierer, Wayne Davis, Andrea Hutchison, and Bryan McConnell**. All students had been interviewed by representatives at their respective universities, and Patricia Tarango, Arizona Department of Health Services, interviewed all candidates from both campuses. All interviewers submitted evaluations which had been reviewed by Board members. Discussion included a preference for students who would be more likely to serve in a rural area in Arizona. Christopher Leadem moved that **Elizabeth Bierer and Wayne Davis** be approved for participation for 2004-2005; the motion was seconded by Tom McWilliams and unanimously approved. Ram Krishna moved that **Andrea Hutchison** be approved as an alternate for 2004-

2005 if one of those candidates selected did not sign the contract offered; the motion was seconded by Tom McWilliams and unanimously approved.

Participant requests and updates were discussed:

Maggie Gumble requested that the site list prepared by the Arizona Department of Health Services (ADHS) in April 2004 and distributed to participants looking for positions in the calendar years of 2004 and 2005 be approved by the Board of Medical Student Loans as eligible service sites. The list has been distributed to **Jean Amon, M.D., John "Brock" Amon, M.D., Gail Guerrero-Tucker, M.D., Daniel Sabol, D.O., Catherine O'Rourke Taylor, M.D., and Robert Truesdale, M.D.** Ram Krishna moved that the Board approve the sites on the list as eligible service sites; Christopher Leadem seconded the motion, and it was unanimously approved.

Denise Schweda, M.D. is requesting approval of an additional service location. Previously on November 7, 2003, the Board approved her service at Yavapai-Apache Health Center, 2400 W. Datsi Road, Camp Verde, AZ 86322 for 20 hours/week with half-time credit toward her commitment. At that time, documentation was not clear as to the eligibility of the second site: Phoenix Indian Medical Center (PIMC) at 4212 N. 16th Street, Phoenix, AZ 85016. Since that time, the Board received a FAX from Patricia Tarango, ADHS, documenting that Phoenix Indian Medical Center is designated as a Health Professional Shortage Area. Because there was a date posted on the website by that entry, clarification was sought regarding the date. An e-mail from Andy Jordan (U.S. Department of Health and Human Services, Human Resources and Services Administration i.e. HRSA) of August 6, 2004 stated that PIMC always had automatic HPSA status. Documentation from Dr. Schweda's employer indicated that Denise has been working full-time between both locations since July 28, 2003 when she started at the Phoenix Indian Medical Center. Chris Leadem moved that Phoenix Indian Medical Center, 4212 N. 16th Street, Phoenix, AZ 85016 be approved for service and that the service count since July 28, 2003 when Dr. Schweda first began practice at that location. Tom McWilliams seconded the motion and it was unanimously approved.

Tina Younger, M.D. requested approval of service in which she will be working between two locations: South Central Family Health Center, 33 W. Tamarisk Avenue, Phoenix, AZ 85041 and Maricopa Medical Center, 2601 E. Roosevelt, Phoenix, AZ 85008. Lane Johnson moved that these locations be approved for service; the motion was seconded by Christopher Leadem and unanimously approved.

Juanita Padilla, M.D. An update was given to the Board by Maggie Gumble. Juanita graduated with the Class of 2001 and would have gone into practice in July 2004. She completed her first year of internship but dropped out of her Family Practice residency program in April 2003. She has not contacted Maggie Gumble or the Board of Medical Student Loans, and therefore has failed to abide by her contracts. Since the last Board meeting in April 2004, a certified letter was sent to 609 E. Speedway, Tucson, AZ 85714 but was returned marked "Moved, left no address." A certified letter was recently sent to 831 W. Lincoln Street, Tucson, AZ 85714, with no answer to date. However, Maggie has received a telephone message indicating the party might be able to provide an address for Juanita, and to please stop sending mail to their address. So far, she has not been able to talk with that individual and has left messages. She might be able to get an address through family references. Paul Steingard moved that a letter be sent to Juanita by certified mail indicating that if we don't hear from her, that she will be referred to the Arizona Attorney General's Office for collection. Maggie Gumble is given discretion to take that action on behalf of the Board after two months of attempting to locate and contact her. Christopher Leadem seconded the motion and it was unanimously approved.

Richard E. Hendrix, M.D. has opened his practice at 5300 Hwy 95, Suite H, Fort Mohave, AZ 86426. The original address approved by the Board did not work out but he had been told that as long as the practice was within the 86426 zip code, that it would qualify. Per documentation from the AZ Department of Health Services, the 86426 zip code area is in the Fort Mohave Primary Care Health Professional Shortage Area. Ram Krishna moved that the new location specified be approved; Lane Johnson seconded the motion and it was unanimously approved.

Laura Harrington, M.D. has changed locations and the Arizona Department of Health Services has evaluated the site as qualifying for service. It is in a Health Professional Shortage Area (HPSA) South Central Phoenix, an Arizona Medically Underserved Area, and designated as a federal Medically-Underserved Area. The

address is 1331 N. 7th Avenue, Suite 300, Phoenix, AZ 85006. Paul Steingard moved that this address be accepted for service; Christopher Leadem seconded the motion, and it was unanimously approved.

Approval of service completion:

Nicolas Gonzalez, M.D. requested approval for completion of his three-year service commitment. His location at Maryvale Family Health Center is in a federally-designated Medically Underserved Area and had been approved by the Board on August 10, 2001. His dates of service were from September 16, 2001 through September 15, 2004 and he continues to practice in that location: Maryvale Family Health Center, 4011 N. 51st Avenue, Phoenix, AZ 85031.

Dario Lizarraga, M.D. was approved by the Board on April 21, 2000 to practice in Florence, AZ, a Medically Underserved Area and Health Professional Shortage Area to meet his four-year service commitment. He began working at Florence Clinic, 150 South Main Street, Florence, AZ 85232. On April 5, 2002, the Board approved his opening his own practice in the 85232 zip code, which is an eligible service area. On June 28, 2002 the Board was updated that Dr. Lizarraga opened his own practice at 65 E. Ruggles, P.O. Box 2818, Florence, AZ 85232. He later reported the grand opening of his new office in Florence on March 26, 2004: Main Street Family Practice, 660 S. Main Street, P.O. Box 2818, Florence, AZ 85232 and the Board approved that site. Dr. Lizarraga was at Florence Clinic August 1, 2000 – June 28, 2002. He was at the Ruggles Street location from July 2, 2001 – March 21, 2004. The Main Street Family Practice began March 22, 2004 and his service was completed July 31, 2004. He is continuing to practice in Florence and intends to stay; this is his home community. He told Maggie that he is now holds the position of Medical Director for Public Health in Pinal County.

Dianna Mahoney, M.D. (previously Williams) requested approval for completion of her three-year commitment. She was approved by the Board to work at the Indian Health Service in Whiteriver, AZ, mainly working at their remote clinic in Cibecue (the site is on an Indian Reservation located in Arizona). Her dates of service were from August 1, 2000 through July 31, 2003. She is continuing to practice there and has served as a preceptor for a medical student in the University of Arizona College of Medicine Rural Health Professions Program. The addresses are: Whiteriver Indian Hospital, P.O. Box 860, Whiteriver, AZ 85941 and Cibecue, 2 W. 3rd Street, Cibecue, AZ 85911.

Andrew Mayberry, M.D. has completed four years of service at 890 W. 4th Street, Benson, AZ 85602, the location approved by the Board on October 23, 1998. Per Maggie Gumble, he served from July 1, 2000 through June 30, 2004 and continues to practice at that location. He is in his home community and is in practice with his brother and his cousin.

Lane Johnson moved that **Nicolas Gonzalez, M.D., Dario Lizarraga, M.D., Dianna Mahoney, M.D., and Andrew Mayberry, M.D.** be approved for completion of service; the motion was seconded by Ram Krishna and unanimously approved.

Maggie indicated that **Dr. Jean Amon and Dr. Brock Amon** continue to look for service sites. Brock had thought he might attend the meeting to address the Board and they were put on the agenda, but Brock is meeting with representatives from Yuma and therefore decided not to attend.

Janet Vargas, medical student and a participant of the Arizona Medical Student Loan Program, addressed the Board. She requested that the Board consider expanding the Arizona Medical Student Loan Program beyond primary care, opening it up to all specialties as it was prior to 1993. She cited her personal experience growing up in a home where both parents worked hard but did not earn enough money to get medical care. A doctor recommended she get glasses when she was in 2nd grade, but she didn't get her first pair of glasses until she was in her first year of college. In her experiences with patients from underserved areas, patients are polite when referred for specialty care, but she knows that they cannot afford care, and even if they are given a referral, they do not have the means to follow through. She gave an example of a Native American gentleman in the Ajo area that has needs beyond primary care, but there are no specialists in the Ajo area. She referenced a study on Physician Supply and Demand Trends and Their Impact on the Hospital Management System conducted by John Ransom & Associates and published in Equity Research in July 2004. "The distribution of physicians is unequal with many metropolitan areas becoming crowded with high priced specialists while many rural areas

go begging for even basic services.” She referred to the Council on Graduate Medical Education and said that “some of the council’s current work recommends that medical education and physician workforce policies steer toward adding a greater portion of specialists to reflect the distribution of the market demand.” Janet noted that “the 78 million baby boomers approaching age 60 will bring with it an increased demand for surgical procedures by this population alone...and an increased need for other specialties including pathologists and radiologists.” She quoted Community Health Systems “A core group of primary care physicians is necessary as an initial contact point for all local healthcare. The addition of specialists who offer services, including general surgery, Ob/Gyn, cardiovascular services, orthopedics, and urology completes the full range of medical and surgical services required to meet a community’s core healthcare needs.” Janet believes that to reach the goal of providing equitable health care for the underserved populations of the state of Arizona, that it is imperative that medical students in this program also be trained in specialty areas of medicine.

The Board discussed Janet’s concerns and agreed with her that there is a need for specialists among rural and underserved populations. Limited funding is one problem. The Board of Medical Student Loans’ actions are governed by the Arizona Revised Statutes which requires the program to be limited to primary care, and change would require legislative changes. The Board has discussed the perceived need in previous Board meetings, with the sense that general surgeons, psychiatrists, and physicians in some other specialties are needed. It would be easier to attract students into the program if students had more options when they signed the contracts. However, the Board’s experience in years past also gave them concern that funded positions were not always available in specialties when the residents were looking for eligible service sites. If a rural clinic can only hire one physician, they might hire a Family Practice physician who can serve a broader population than a Pediatrician, for example. Patients in need of specialty care can be sent elsewhere. If the Arizona Medical Student Loan Program were expanded, it would cut availability of Family Practice physicians. The survey of openings on the eligible site list in April 2004 resulted in clinics on the list indicating that they were seeking 15 Family Practice physicians, 4 Pediatricians, 11 or possibly 12 Internal Medicine physicians, 1 physician trained in Med/Peds, and 3 Ob/Gyn physicians. They also were looking for two General Surgeons, three Emergency Medicine physicians, an Orthopedic Surgeon, and a Hospitalist. Board discussion included the following: Ob/Gyn physicians need to be near a hospital as do most specialists. The more critical needs are in primary care. In order to bring about changes in legislation, the health care community and legislators would have to be behind the issue, and currently, it doesn’t appear that there is support for that change. The Board currently is most concerned about funding for students on the program and getting more funding for more students to be able to participate. When there are enough physicians in an area and a critical mass is reached, then expansion into the specialties would be the next step. Janet said she recognized the need to go to the legislature for changes and offered to be of whatever assistance she could in this regard. She also recognized that there were many clinics opening up around the state that will need to be staffed. She said that in order to bring equity to health care, there is a need for specialists. Patients can be referred to other areas, but they do not always have transportation to follow through on referrals. She expressed gratitude for being funded under the Arizona Medical Student Loan Program and said that hers is a long-term commitment to the underserved. This is a second career for her and previously 98% of her time was spent serving an underserved population.

The meeting was adjourned at 1:20 p.m.

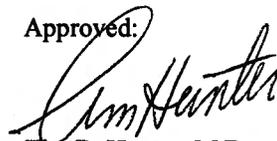
Minutes available for review Wednesday, December 15, 2004.

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