

BOARD OF MEDICAL STUDENT LOANS

Minutes of the meeting of May 29, 2009

The Board of Medical Student Loans held an open public meeting on May 29, 2009 by videoconference at The University of Arizona College of Medicine, 1501 N. Campbell Avenue, Room 2141, Tucson, AZ 85724, and at the Phoenix campus, 550 E. Van Buren Street, Phoenix, AZ 85004, Building 1, Room 1353. From the Tucson location, Carol Q. Galper, Ed.D., Chairperson of the Board, called the meeting to order at 9:03 a.m. Board members present at the Phoenix location were Ross J. Kosinski, Ph.D., Ram R. Krishna, M.D., William R. Martin III, M.D., Thomas E. McWilliams, D.O., Patricia Tarango, Chief, Bureau of Health Systems Development, Arizona Department of Health Services, and Paul Steingard, D.O. Shirley Rheinfelder, M.D. was unable to attend. Also in attendance in Tucson was 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. 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; Debbie Richards, Assistant Director of Financial Services, A. T. Still University, School of Osteopathic Medicine in Arizona (SOMA). In Tucson, present for the first part of the meeting, were participants Janet Vargas, M.D. and Comfort Hines, and appearing on behalf of Comfort Hines, Dr. Art Sanders, professor of Emergency Medicine and mentor in the Societies Program of the College of Medicine curriculum.

The minutes of the meeting of November 14, 2008 had been distributed to the Board for review. Dr. Martin moved that the minutes be approved; the motion was seconded by Dr. Krishna and passed unanimously.

PARTICIPANT REQUESTS AND UPDATES:

Comfort Hines wrote a letter and appeared before the Board to request that she be allowed to enter into a residency and serve in Emergency Medicine to meet the terms of her contracts. Carol Galper reminded the Board that they have approved Emergency Medicine in the past, and in answer to a question, said that there is a need for Emergency Medicine physicians in both rural and urban areas in Arizona. Board discussion centered on the greater need for emergency medicine physicians in rural areas than in urban and the Board urged Comfort Hines to seek a rural site for practice and pointed out that the Board has to approve the practice site. Dr. Steingard moved to accept Emergency Medicine as one of the acceptable service specialties in an eligible service area for Comfort Hines. The motion was seconded by Dr. Krishna and passed unanimously.

Janet Vargas, M.D. appeared before the Board and requested that she be allowed to enter a residency program in Preventive Medicine. Her letter and documents distributed in advance to the Board explained why she left her residency program in Psychiatry. Board discussion centered on the responsibilities and employment opportunities of physicians trained in Preventive Medicine. The Board concluded that Preventive Medicine does not meet the intent of the program to provide direct clinical care to patients in eligible service areas. Dr. McWilliams moved that the Board not approve Preventive Medicine for Dr. Vargas. The motion was seconded by Dr. Krishna and passed unanimously. Janet Vargas asked for a deferment. After discussion, Dr. Galper moved that the Board grant Dr. Vargas a six-month deferment to take USMLE Step 3, look at opportunities to provide clinical care in an eligible service setting, and write the Board a letter telling of her status. Dr. Kosinski seconded the motion and it passed unanimously.

Loretta Belden, D.O. was placed on the agenda to update the Board since she should be going into practice. Maggie Gumble said that according to information she received from Carol Dolan, Dr. Belden graduated in 2005 and went into Family Medicine at John C. Lincoln Hospital in Phoenix, and did a Chief Resident year. She should be going into practice in 2009. Maggie Gumble said that at the time she was accepted into the program, her plan was to practice with her father in an eligible service area in Phoenix. Lisa Veliz indicated that Dr. Belden had not responded to her telephone message. She will write her a letter to submit a written request to the Board of Medical Student Loans, requesting Board approval for her plan to meet her service obligation.

Wayne Davis, D.O. is requesting Board approval to serve as a Family Practice physician at Phoenix Indian Medical Center, 4212 N. 16th Street, Phoenix, AZ 85016. It is confirmed as an Indian Health Service Facility with the designation HPSA #10499904F7 by the AZ Department of Health Services. He plans to begin in August 2009. Dr. Galper moved that the Board approve his service at that location; the motion was seconded by Dr. McWilliams and passed unanimously.

Christopher Dixon, D.O. provided an update to the Board that he will begin service on July 20, 2009 at El Pueblo Health Center, 101 W. Irvington Road, Tucson, AZ 85714. Dr. Krishna moved to approve his service location; the motion was seconded by Dr. Galper and passed unanimously.

Bridget Stiegler, D.O. provided documentation for the Board that she has been accepted as chief resident of the Internal Medicine program at Banner Good Samaritan Medical Center from July 2009 to June 2010. The Board had approved her acceptance of this position and asked for documentation.

J. Brock Amon, M.D. was approved by the Board on August 5, 2005 for part-time service at the satellite clinic in San Luis, AZ to meet his service obligation to the Arizona Medical Student Loan Program. The clinic was located at 1896 E. Babbit Lane, San Luis, AZ 85349 in an eligible service area. He has a two-year service commitment and the full-time equivalency was determined to be 4000 hours. Dr. Amon submitted documentation of 1480 hours at the San Luis Clinic between August 1, 2005 and February 1, 2008 before the clinic closed. He had been working as an OB/Gyn part-time in Yuma which originally did not qualify. Yuma became designated a Health Professional Shortage Area as of February 28, 2007 (HPSA #104027) as confirmed by Tanja James, AZ Department of Health Services. Dr. Amon submitted documentation that he worked 1127 hours in Yuma between Feb. 28, 2007 and Feb. 1, 2008. When the San Luis Clinic closed, he became full-time in Yuma. He works at Women's Health Specialists, 2911 S. 8th Avenue, Yuma, AZ 85364. Dr. Krishna noted that Dr. Brock Amon has put in more than 4000 hours in eligible service sites and moved that the Board accept his service as completed. Dr. Steingard seconded the motion and it passed unanimously.

Jean Amon, M.D. submitted documentation and wrote the Board requesting approval of completion of her two year service obligation. The last action the Board had taken was to approve six months of part-time service at Yuma Pediatrics to complete her two-year obligation. Yuma Pediatrics is located at 2359 S. 22nd Drive, Suite 2, Yuma, AZ 85364 and confirmed that Dr. Jean Amon worked 20 hours per week from August 20, 2007 to November 24, 2008 when they completed the form (15 months). Dr. Krishna moved to approve Dr. Jean Amon's completion of service. It was seconded by Dr. Steingard and unanimously approved.

Trent Batty, M.D. was approved for service in Graham County in the Board meeting of October 5, 2007. He was interviewing three possible sites. Maggie Gumble updated the Board on her conversation with Dr. Batty who is in the process of moving his family with plans to practice at Mount Graham Family Practice, 1300 S. 20th Avenue, Safford, AZ 85546. He will submit a certification of practice from that site after he begins on August 1, 2009.

Melody Jordahl, M.D. requested approval by the Board to serve in an Indian Health Service facility, Hopi Health Care Center in Pollaca, AZ, to begin in August 2009. Confirmation of the site being an Indian Health Service facility was submitted by Tanja James, AZ Department of Health Services. Dr. Galper moved to approve Dr. Jordahl's service at Hopi Health Care Center in Pollaca, AZ and it was seconded by Dr. Krishna. The motion was unanimously approved.

Julissa Ochoa-Buck, M.D. was deferred by the Board for six months through mid-May 2009 to progress in getting her license to practice in an eligible service site. She emailed the Board on May 22, 2009 that she had passed USMLE Step 3 and is in the process of getting her license and DEA number and looking for a position as a pediatrician. The Board tabled her situation until the next Board meeting on July 10, 2009 at which time they will expect an update from her.

Rey Palop, M.D. at the Board meeting of November 14, 2008 updated the Board on his legal issues and requested deferment of his loans due to unemployment. He was deferred for six months at that time by the Board and submitted a letter to the Board on May 18, 2009. Dr. Galper noted that in his letter he is hoping for early release from his probation for which he could be eligible October 10, 2009. Dr. Palop is asking for a seven-month deferment as he continues to mend his medical career. Dr. McWilliams moved to defer him for seven months with

the expectation that he will apply for an Arizona license as soon as he is off probation. The motion was seconded by Dr. Kosinski and unanimously approved. The Board wants Dr. Palop to understand that he needs to apply for his Arizona license as soon as he possibly can or otherwise there won't be further deferments.

Katherine (Gee) Raymer, M.D. "Katie" emailed for a list of eligible locations to practice when she completes her surgery residency in 2011. She updated the Board on her change in name, address, and her plans to fulfill her service obligation. Her husband is a Family Practice physician and they are interested in practicing in a rural area.

Esther Smith, M.D. interviewed for eligible service sites from the list approved by the Board of Medical Student Loans for residents entering service in 2009. She emailed that she will be working for North Country in Winslow and Flagstaff Medical Center as an OB provider for North Country. She will begin August 30, 2009. North Country Community Health Center is located at 2920 N. 4th Street, Flagstaff, AZ 86004 and Flagstaff Medical Center, 1200 N. Beaver Street, Flagstaff, AZ 86001. Dr. McWilliams moved that Dr. Smith be approved for service at these locations; the motion was seconded by Dr. Martin and unanimously approved.

Celia P. Valenzuela, M.D. was approved by the Board to work at Associates in Women's Health at two approved locations (a third location did not qualify) and submit documented hours. She submitted the latest form documenting 2784 total hours since her beginning date on August 1, 2006. The locations at Crossroads Ob/Gyn (formerly known as Associates in Women's Health) were at 1400 W. Valencia, #130, Tucson, AZ 85746 and 1930 N. La Canada, Bldg. 2, Green Valley, AZ 85614. She wrote a letter to the Board asking for approval to work at University Physicians Healthcare Clinics at Kino Campus, 2800 E. Ajo Way, Tucson, AZ 85713. This is on the approved list of eligible sites for both 2008-2009 and 2009-2010. She told Maggie Gumble that she will continue documenting her hours because she will also be working at St. Mary's Hospital which does not qualify for service. Dr. Galper noted that Kino Hospital does not do deliveries. Dr. McWilliams moved to approve her service at the location on the Kino Campus; the motion was seconded by Dr. Kosinski and unanimously approved.

Brooke Vezino, M.D. is completing her Family Medicine residency training in California and wrote asking Board approval for serving at El Rio Community Health Center in Tucson, AZ with a start date of September 14, 2009. She did not specify a clinic location and the El Rio address she noted is the administrative office. El Rio clinics have a facilities designation and qualify as eligible service sites. Maggie Gumble contacted Lupita Haro at El Rio and she said that Dr. Vezino is scheduled to work at El Rio's Northwest Clinic, 320 W. Prince Road, Tucson, AZ 85705 beginning in September 2009. Maggie also clarified the address change with her because the eligible site list has 330 W. Prince Road. Lupita explained that after construction, the address was changed and 320 is correct. Maggie contacted Tanja James who is correcting the address on the new site list. Dr. Krishna moved to approve Dr. Vezino to work at El Rio's Northwest Clinic for the start date requested. The motion was seconded by Dr. Steingard and unanimously approved.

Graduating Students, Class of 2009

Lisa Veliz, Midwestern University, reviewed the ten student participants who are graduating from Midwestern University's AZ College of Osteopathic Medicine in 2009. She provided information on the primary care fields they are each going into and the location of their residencies. Maggie Gumble noted that nine of those students received funding in 2008-2009 and Matthew Payne did not request renewal. Five of the students were originally students on the Medical Student Scholarship Program, which was repealed, the funds transferred into the Medical Student Loan Fund and the students continued on the loan program. Maggie reviewed the three students who are graduating from the University of Arizona College of Medicine and their primary care residency programs. Two of the three students received funding in 2008-2009. One student was a former scholarship recipient.

THE PRIMARY CARE ELIGIBLE SERVICE SITE LIST 2009-2010 prepared by Tanja James, AZ Department of Health Services, was reviewed by the Board. In discussion it was noted that it included service sites such as Advanced Cardiac Specialists. It was explained by ADHS representatives that the sites listed have a geographical designation that qualify them for the list, although a few may not hire primary care physicians or be of interest to our participants. For some communities, having all sites listed can be an advantage to them for qualifying for federal funding. ADHS can be of better assistance by keeping the entire list on the ADHS database of qualifying clinics. Patricia Tarango noted that The American Recovery and Reinvestment Act of 2009 will allow new facilities to open and new agencies to become involved in providing service and the list of qualifying clinics is expected to expand.

The address for El Rio Health Center's Northwest Clinic will be corrected to 320 W. Prince Road.

Maggie Gumble noted that if approved, the list will be made available to participants beginning to seek service sites the rest of 2009 and in 2010 unless there is a change in statute affecting the AZ Medical Student Loan Program.

Dr. Krishna moved to approve the site list and Dr. Galper seconded the motion. It was passed unanimously.

THE MENTAL HEALTH ELIGIBLE SERVICE SITE LIST 2009-2010 prepared by Tanja James, AZ Department of Health Services, was reviewed by the Board. Dr. Martin moved that the list be approved and Dr. Galper seconded the motion. The motion passed unanimously.

Maggie Gumble reviewed the **FINANCIAL REPORT. The Medical Student Loan Fund** beginning balance July 1, 2008 was \$492,256.60 which included loan repayments and the non-lapsing appropriation transferred into that fund when the scholarship program was repealed. **The General Fund Appropriation** as reduced was \$1,121,000.00. **Loan repayments** received to date include \$8,294.00 collected by the AZ Attorney General's Office from Dr. Patrick Arambula, \$3,967.05 from O. Dianna Bell, \$200 from Dr. Rey Palop, and \$616.27 from the Attorney General's Office reversion. Total loan repayments in 2008-2009 by May 16, 2009: \$13,077.32.

The Board was provided with a detailed list of loans made to students attending the University of Arizona College of Medicine, A. T. Still University's School of Osteopathic Medicine in Arizona, and Midwestern University's Arizona College of Osteopathic Medicine. **Total expenditures for student loans** were \$1,457,183.00 including the non-lapsing funds for previous scholarship students. Balance \$169,150.92 between the Medical Student Loan Fund and General Fund Appropriation.

Payments made to students in 2008-2009 from the General Fund and Medical Student Loan Fund were detailed in the report. \$120,000.00 remains from the General Fund Appropriation, held in reserve at the request of the Governor's Office through our analyst, Ilyia Riske. Those funds, which were expected to be swept in the mid-year agency reductions, were left untouched. However, Beth Lazare, Policy Advisor for Health and Human Services in the Governor's Office, called Maggie Gumble on May 6, 2009 and asked that the Board not fund new students moving forward into FY 2010.

Maggie Gumble reported that the current bills in the House and the Senate would approve sufficient funds to renew students at tuition plus \$20,000 living allowance at the three respective schools, but would not provide renewal funding for new students approved if the \$120,000 was utilized for that purpose.

The fund balance in the Medical Student Loan Fund after expenditures for nine students in 2008-2009 is \$49,150.92. That fund is continuously appropriated. In addition to the previous scholarship students, \$64,772.00 was expended to fund the two new students approved by the Board. The use of the Medical Student Loan Funds are not limited to the previous scholarship students, but a sufficient amount was reserved to allow funding for the one continuing previous scholarship student. The funds were utilized at the request of the Governor's analyst for new students in order to reserve \$120,000 General Fund monies.

Projections of amounts needed to provide funding for continuing participants was detailed for 2009-2010. At tuition plus \$20,000 living allowance, the loan amount for AZ College of Osteopathic Medicine students at Midwestern University is \$65,469. The School of Osteopathic Medicine at A. T. Still University \$58,275. The amount at the University of Arizona College of Medicine \$42,384. The latter includes tuition and the tuition surcharge determined by the AZ Board of Regents at their meeting of April 30/May 1, 2009. Fees are not included in loan amounts.

The total needed to renew all the students is \$879,840 with \$508,608 for public school students and \$371,232 for private school students. The amount needed for public school students exceeds private school students because nine of the funded private school students graduate in 2009 whereas most of the University of Arizona College of Medicine students will graduate in 2010. **According to the Arizona Revised Statutes §15-1723A "At least fifty percent of the monies shall be apportioned for students attending private medical schools."** Maggie Gumble reports that there are bills in the House and Senate that would not require the Board to apportion fifty per cent of the monies to the private schools in fiscal year 2009-2010 (Higher Ed BRB and HB 2640). However, assuming a bill is

passed with the requisite language, it would not go into effect for 90 days unless there is an emergency clause that makes the provision effective the date it is signed. If the UA students cannot be approved at the full loan amount in July 2009 without violating existing statute, a new Board meeting would be required to vote in a change in loan amount and contracts would have to be revised in the Fall 2010 after the bill becomes effective, assuming it is passed.

The next Board meeting is scheduled for July 10, 2009 and it is anticipated that the State budget will be adopted by June 30, 2009.

Carol Galper moved that the \$120,000.00 General Fund monies be allowed to lapse instead of funding new students for 2008-2009. In addition to the State of Arizona's economic crisis, the Board discussed that it would not be fair to the students to offer one year of funding and not be able to renew them for a second year when they have a two-year minimum commitment to service. **Dr. Krishna seconded the motion and it was unanimously approved.**

Carol Galper moved that a letter be written on behalf of the Board to express support for the legislation suspending the 50% apportionment for 2009-2010, explaining the problem in issuing contracts and asking for an effective date when the bill is signed by the Governor. Dr. Steingard seconded the motion and it passed unanimously.

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."

Patricia Tarango was asked about the implications if the definition of medically underserved area and medically underserved population was changed, rather than just the Statutes governing the Medical Student Loans. She said that the definition mirrors federal statute, and if the legislature changes the definition in the State, the State Loan Repayment Program could lose a lot of areas available for that program. She shared the above recommendation with their legislative liaison but no specific language was found that had been drafted. She will send Maggie Gumble a link that defines rural in state statute and she can forward that to the Board members. Maggie noted that there is a definition of rural that applies to the Medical Student Loan Program that is in the definitions governing the program but it might not necessarily be the same definition. Dr. Kosinski noted that if the definition went to rural, that the program would lose a lot of applicants.

Maggie Gumble provided the Board with a copy of the email sent to the analysts at JLBC and OSPB in answer to a question regarding how many participants have served in rural areas:

- Based on 2007-2008 statistics, out of 13 physicians serving, 7 were serving in rural areas (54%).
- Physicians serving in eligible service areas after service requirements were met: 33 out of 68 physicians who had served. In 2007-2008, out of the 33, there were 16 practicing in rural areas (48%).

REVIEW OF RENEWAL APPLICATIONS SUBMITTED FOR PARTICIPATION IN 2009-2010:

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 Wolford

After discussion, **Dr. McWilliams moved that the Board approve all the applicants for renewal for 2009-2010. Dr. Martin seconded the motion and it was approved unanimously.**

The loan amounts and processing of contracts will be delayed until the July 10, 2009 meeting of the Board of Medical Student Loans.

Under the current economic crisis for the State of Arizona, **it was decided that no new applicants would be considered for 2009-2010.** The new application has not been posted on websites or distributed and will not be since no funds are expected to be available.

Dr. McWilliams moved to adjourn at 11:11 a.m. and it was seconded by Dr. Galper. The motion passed unanimously.

Minutes available for review June 1, 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