

## Board of Medical Student Loans Meeting October 5, 2007

The Board of Medical Student Loans held an open public meeting on October 5, 2007 at The University of Arizona College of Medicine, 1501 N. Campbell Avenue, Room 2216, Tucson, AZ 85724. Tom McWilliams, D.O., Vice Chairperson of the Board, called the meeting to order at 1:30 p.m. Board members present were Carol Galper, Ed.D., Lane P. Johnson, M.D., M.P.H., Ram R. Krishna, M.D., William R. Martin, III, M.D., Paul Steingard, D.O., and Patricia Tarango, Chief, Office of Health Systems Development, Arizona Department of Health Services. There is a vacancy on the Board and paperwork is in process at the Governor's Office to appoint a new member of the Board: Ross J. Kosinski, Ph.D., Dean of Student Services, Arizona College of Osteopathic Medicine, Midwestern University, who attended this meeting. Also in attendance: Maggie Gumble, Associate Director, Yolanda Carrasco, Senior Program Coordinator, and Doshia Davis, Senior Office Specialist, of The University of Arizona College of Medicine Financial Aid Office; Tara Cunningham, Director of Academic Services, The University of Arizona College of Medicine-Phoenix in partnership with Arizona State University; Tanja James, Workforce Programs Specialist II of the Arizona Department of Health Services; Carol Dolan, Director, and Tim Rund, Financial Aid Administrator, Office of Student Financial Services, Midwestern University; and Debbie Richards, Assistant Director of Financial Services, A.T. Still University, School of Osteopathic Medicine in Arizona. In attendance for the luncheon and special presentations were Tim B. Hunter, M.D., Past Chairperson, Board of Medical Student Loans, and Christopher A. Leadem, Ph.D., also past Chairperson and member of the Board, and Senior Associate Dean of Admissions and Student Affairs, The University of Arizona College of Medicine. University of Arizona College of Medicine students attending the luncheon and presentations: Elizabeth Bierer, Allison Castro, Juan Hernandez, Michael Kushner, Maurice Lee, Rachel Martin, Valerie Matthew, Sean Smithson, and Melinda Valichnac. Joaquin Bermudez, student at the Arizona College of Osteopathic Medicine at Midwestern University, attended the luncheon and presentations and the first part of the Board meeting in which his request was discussed by the Board. Present for part of the Board meeting was Gary Hart, Ph.D., Director of the University of Arizona Rural Health Office in the College of Public Health.

**Special presentations of plaques** were made to two individuals who had served on the Board as chairpersons and members for many years. Tom McWilliams presented: "The Board of Medical Student Loans presents to **Tim B. Hunter, M.D.** in appreciation of 8 Years of Leadership and Service to The Arizona Medical Student Loan Program, October 5, 2007. Plaque presented by Carol Galper read: "The Board of Medical Student Loans presents to **Christopher A. Leadem, Ph.D.** in recognition of 16 Years of Dedicated Service and Support to The Arizona Medical Student Loan Program October 5, 2007.

**Dr. William Martin** was welcomed to the Board of Medical Student Loans.

**College of Medicine** students from UA and Midwestern were welcomed, introduced themselves, and expressed their appreciation to the Board for the support and the relief they feel from pressing financial concerns, particularly those students with children to support.

The **minutes** of the meeting of April 26, 2007 had been distributed to the Board for review. Maggie Gumble requested an editorial correction to the minutes to read: "Maggie reported on the preliminary results of the survey of openings; a significant number of primary care physicians are needed in those eligible service sites, as well as some specialists." Carol Galper moved that the minutes be approved as corrected; the motion was seconded by Paul Steingard, and it was unanimously approved.

**Joaquin Bermudez**, student from the Arizona College of Osteopathic Medicine at Midwestern, asked that the Board approve his request to seek a residency program and fulfillment of his service commitment in psychiatry. He discussed his background as a school psychologist and the inadequate numbers of psychiatrists in Arizona. He is interested in rural medicine, and in particular, Safford, AZ. Patricia Tarango, Arizona Department of Health Services, confirmed the need for psychiatric services in the State and the need to utilize alternative means, such as telemedicine. Health Professional Shortage Areas in Mental Health are designated outside Pima and Maricopa Counties. ADHS does support psychiatry through other programs but there is a shortage of psychiatric services and a great need in the State. Paul Steingard moved that the Board accept psychiatry as an acceptable specialty to be approved for Joaquin Bermudez and that Safford be accepted as an eligible practice location for Joaquin. Carol

Galper seconded the motion. After considerable discussion of designated areas which are large areas, including the Southeastern Area Behavioral Health System (SEBAS) which would include Safford, and discussion with the student who had not specifically asked for a site designation to be included in his contract, Paul Steingard modified his motion to include psychiatry as an acceptable specialty to be written into Joaquin's contract. Carol Galper seconded the motion and it was unanimously approved.

**Scott Salmon**, 4<sup>th</sup> year medical student at the Arizona College of Osteopathic Medicine at Midwestern requested to be able to speak to the Board by teleconference. Tom McWilliams explained that Scott had decided to go into urology and had repaid his loan from 2006-2007 with interest. Scott Salmon requested that the liquidated damages be waived. Tom McWilliams went on to explain that Brian Luse, Arizona Attorney General's Office, had reviewed the Arizona Revised Statutes and advised the Board that they do not have the authority to waive liquidated damages in the case of a student who simply fails to fulfill the conditions of his contract.

Brian Luse and Scott Salmon were connected to the Board meeting by teleconference. Scott appealed to the Board explaining that he had intended to go into Ob/Gyn at the time he signed his contract, but in his 4<sup>th</sup> year did a rotation in Urology and fell in love with it. In order to pay back the loan and interest, he and his wife moved into the basement of his parent's home and took out more federal loans. He believed that the Board could use the funds repaid to pay another student for last year and put them on this year and the State would not have suffered any damages. Maggie Gumble noted that it is not possible to pay a student for a previous year. Tom McWilliams asked Brian Luse if he could advise the Board of alternatives, but Mr. Luse said that he could not give legal advice during an open public meeting unless the Board waived the right of client confidentiality. The Board could go into Executive Session to receive his advice. Carol Galper moved that the Board go into Executive Session; it was seconded by William Martin. Everyone except Board members and Maggie Gumble, who was requested to stay and take minutes of the Executive Session, left the room. The teleconference call was ended.

The Board reconvened in public session and the teleconference call was reestablished with Scott Salmon and Brian Luse. Tom McWilliams outlined the Board's options. The Board could move to make urology a covered specialty for purposes of repayment and Scott would retain ownership of the funds he sent to cover principal and interest, or the Board could recognize service in urology as service to the State and Scott could serve two years in an eligible service area in lieu of paying back liquidated damages.

Maggie Gumble asked Scott if he was definitely going into urology or might go into a different specialty. Scott explained to the Board that he is applying to urology for residency, but that the AOA changed urology from a 6 year program to a 5 year program and there won't be many spots open. He might have to go into an interim year for internship and then reapply the next year. If he didn't get in the next year, he would have to make a decision at that time. Maggie also pointed out that because of the great need for primary care physicians in eligible service areas that a community might need specialists but not be able to afford them and instead put available funds into primary care positions. A participant would have the option to open a practice in an eligible service area but might have financial difficulty if there wasn't enough demand for that specialty.

Ram Krishna moved to deny the request to waive liquidated damages. The motion was seconded by Carol Galper and unanimously approved.

Maggie Gumble asked Scott Salmon if he was sure he wouldn't possibly go into primary care at some point, because in the Contract 5a repayment is due within one year following such a decision or the date such service was to have begun, whichever is later. Once the check he sent to the Board is deposited, there is no option to reinstate if he decides to go into primary care. It was determined that he graduates June 2008 and repayment would be due June 2011. Scott asked if he would be able to have more time to pay the liquidated damages and if interest would accrue on liquidated damages. Maggie quoted the contract in 5b which says "On receipt of supporting documentation, the Board for good cause shown the board may defer the loan recipient's...payment obligation...if the Board determines that this action is justified after a review of the individual's circumstances." The consensus of the Board was that he would have to petition the Board at that time for consideration of deferment of repayment. Regarding interest on liquidated damages, Brian Luse stated that there is no provision in the statutes for interest to accrue on liquidated damages. It is presumed that interest would accrue if not paid on time. Scott Salmon asked the legal basis for that and Brian Luse said that is standard contract law.

Scott Salmon directed the Board to deposit the check representing payment of principal and interest. The teleconference ended.

The Board meeting continued with the review of other letters and documentation received from participants and provided to the Board in advance of the meeting.

**Bryan Davis**, medical student at the Arizona College of Osteopathic Medicine, Midwestern, had sent a thank you letter to Dr. Hunter and the Board.

**John Kercheval, D.O.** requested approval for service at Sun Life Family Health Center, 865 N. Arizola Avenue, Casa Grande, AZ 85222 retroactive to July 10, 2007 when he started his position there as a family physician. On February 13, 2007, Tanja James, Arizona Department of Health Services, confirmed that this location qualified. Maggie Gumble confirmed that the site was on the list of eligible service sites approved by the Board for residents entering service in 2007 and said that he could sign his contract and write a letter to the Board requesting approval. Carol Dolan gave John Kercheval this information, but despite several reminders, Dr. Kercheval did not send a letter to the Board requesting approval for the site for the April 26, 2007 Board meeting. The Board therefore tabled the issue until the next meeting and he has now written a letter requesting approval. Carol Galper moved to approve John Kercheval's service location; Paul Steingard seconded the motion and it was unanimously approved.

**MariLynn Mulheron:** Carol Dolan explained that in 2006-2007 MariLynn was approved by the Board for a loan, but before she picked up the check, she took a medical leave of absence and the check was voided. Her sister then became very ill and was in intensive care and MariLynn took care of her sister and her children. She wrote the Board to explain the circumstances and request that the Board might consider an application from her later when her situation is resolved and she returns to school. The Board appreciated her letter.

**Edwin Wehling, D.O.** wrote a letter to the Board regarding his current status and future plans. Dr. Wehling requests that the Board grant an extension of time until July 2008 to begin fulfillment of his service commitment. He requests an amendment or addendum to his current contract to enable him to practice general, trauma, and vascular surgery in an eligible service site in Arizona. Carol Dolan reviewed the background for the Board. Ed Wehling received one loan in 1999-2000 but then did not take a second loan because he decided to go into emergency medicine. He only wrote the Board a short note while he was still in school and did not respond to an email that Tom McWilliams wrote him the year he graduated asking him to update the Board on his plans to fulfill his commitment. Carol Dolan sent him repeated letters and disclosure statements including in 2005 and 2006. He ultimately went into surgery and moved on more than one occasion and did not send a change of address. Carol Dolan finally called his mother to locate him and talked to him on the telephone recently which resulted in this latest letter. He is currently a fellow in a Vascular Surgical Fellowship in Fort Worth, Texas until June 30, 2008. He indicates that he will return to Arizona to practice and emphasized to the Board that he will practice in an eligible service area in general, trauma, and vascular surgery. The Board discussed the situation and that Dr. Wehling had been obligated in his contract to notify the Board of changes of address and status and based upon his past history that there is no assurance that he will do what he says he will do in a year. Carol Galper moved that the Board reject his requests. The motion was seconded by Ram Krishna. There were four ayes and one nay; the motion passed. A stern letter is to be sent to Dr. Wehling billing him for the amount owed the Board and that lack of payment will result in referral to the Attorney General's Office.

**Jean Amon, M.D.** wrote the Board requesting approval for part-time service beginning May 1, 2007 and for a change of location to Yuma Pediatrics, 2359 S. 22<sup>nd</sup> Drive, Suite 2, Yuma, AZ 85364 beginning in August 2007. She indicated that as of May 1, 2007 she had 3 months to complete her 2 year commitment, which would be 6 months of part time work. Maggie Gumble reviewed the history for the Board. Jean Amon, M.D. had a 2 year commitment for loans received in 1997-1998 and 1998-1999. She and her husband, also a recipient, appeared before the Board when determining how and where they might meet their service commitment. She was expecting a baby and her husband was completing his residency in Ob/Gyn in Phoenix in 2005. A letter from the Board on May 27, 2004 to Dr. Amon agreed to (1) defer service if necessary (2) approve part-time service in an eligible site in the Phoenix area (3) approve part-time service in an eligible site in and around Yuma at a site authorized by the Board.

Dr. Jean Amon was full-time at San Luis Walk-In Clinic, a site approved by the Board, from August 1, 2005 until May 1, 2007. Her letter of May 16, 2007 indicates that as of May 1, 2007 she became part-time at San Luis and would work there until June 30, 2007. She would then begin working part-time as a pediatrician at Yuma Pediatrics in August 2007.

She would still have 3 months of full-time service and would complete her service obligation in 6 months as part-time. She indicates that Yuma was recently designated a Health Professional Shortage Area (HPSA) and should qualify towards her repayment. AZ Dept. of Health Services documentation by Tanja James confirmed that Yuma was designated as HPSA #104027 (Yuma County designation) effective February 28, 2007. Ram Krishna moved that the Board accept Dr. Jean Amon's request for approval of the Yuma site and half-time service for 6 months to complete her commitment. Carol Galper seconded the motion and it was unanimously approved.

**Trent Batty, M.D.** requested approval of potential service sites in Safford, AZ 85546, located in Graham County which currently qualifies for service. He is a second-year resident in Family Practice in Casper, WY with plans to interview in January 2008. He requests approval to serve in Graham County (Safford) for his full four years of service commitment even if the area designation changes over time. Maggie Gumble noted that as a second-year resident, he would complete his residency program in 2009. She also noted that once the participant is approved for a service location, even if that service location loses eligible designation, the physician isn't required to leave the site. Tanja James, Arizona Department of Health Services, confirmed that Graham County is designated a Medically Underserved Population and is eligible for service. Carol Galper moved that Trent Batty be approved for service in Graham County; Lane Johnson seconded the motion and it was unanimously approved.

**Darrell Brimhall's** request for approval to serve his commitment in Navajo County and that it be written into his contract, will be handled later in the meeting with his application for 2007-2008.

**Matthew Hinton, M.D.** requested approval for completion of his three years of service to the Arizona Medical Student Loan Program. He began working in July 2004 at Ponderosa Pediatrics in two locations: 3120 Clear Water Drive, Prescott, AZ 86305-7131 and 3198 N. Windsong Drive, Prescott Valley, AZ 86314. Maggie Gumble noted that he received three years of loans in 1998-1999, 1999-2000, and 2000-2001 and that the addresses listed are in Yavapai County, a federally designated Medically Underserved Population approved by the Board November 7, 2003 as eligible service sites for Dr. Hinton. He began serving July 2, 2004 per documentation in his file. Carol Galper moved to approve completion of his service; the motion was seconded by William Martin and unanimously approved.

**Valerie Miranda, M.D.** requested an extension for residency. She graduated in 2005 and completed one year of residency training in Family Medicine in December 2006, extended due to illness. She took one year off due to family concerns and plans to return to training in July 2008 or earlier if a position becomes available. She reconfirms her primary care commitment to underserved populations in Arizona. The Board expressed displeasure that she did not write them a year ago instead of after the fact, and said that she should be written a stern letter. Lane Johnson moved that a letter be sent to her that the Board does not appreciate her not writing them at the time and is uncomfortable granting an extension after the fact. (1) Consideration of an extension is contingent upon her obtaining a residency program in 2008; otherwise payment is due in 2008. (2) The Board wants outside verification of the circumstances such as a letter from a physician. Carol Galper seconded the motion and it was unanimously approved.

**Shirley Rheinfelder, M.D.** requested approval for completion of her four-year service commitment. She began working at the Gila Valley Clinic, 2016 W. 16<sup>th</sup> Street, Safford, AZ 85546, on August 15, 2003 and completed her service obligation in August 2007. She continues to work at the clinic. Lane Johnson moved for approval of her service completion. Carol Galper seconded the motion and it was unanimously approved.

**Denise C. Schweda, M.D.** requested approval for completion of her four-year service commitment. The Board approved her full-time service between two locations beginning with her start date in July 2003: Phoenix Indian Medical Center, 4212 N. 16<sup>th</sup> Street, Phoenix, AZ 85016 and Yavapai-Apache Health Center, 2400 W. Datsi Rd., Camp Verde, AZ 86322. Carol Galper moved that the Board approve her service completion. William Johnson seconded the motion and it was unanimously approved.

**Janet Vargas, M.D.** in her letter thanked the Board for the one-year deferment granted her in August 2006. Maggie Gumble noted that at the August 2006 Board meeting, Janet requested that the Board grant her a deferment for her Arizona Medical Student Loans for one year until she decided what area of medicine she would pursue. She anticipated entering a residency program in July 2007. She asked that the Board consider allowing Pathology and Psychiatry as acceptable areas of medicine for service payback. The Board said that pathology was not acceptable but they would consider psychiatry and she should consider that in her decision. Janet Vargas was accepted into the Psychiatry Residency Program at the UA July 1, 2007 and will complete it June 30, 2011. She included statistics and documentation

justifying the need for psychiatrists in Arizona. She has a four-year service commitment. Carol Galper moved that Janet Vargas' request to complete her residency and service commitment in psychiatry be approved. The motion was seconded by Paul Steingard and unanimously approved.

Tom McWilliams asked Maggie Gumble to give the **financial report**. The first page was H.B. 2781 showing the Board's appropriations for both FY 2008 and FY 2009 as \$1,809,800 in Medical Student Financial Assistance with \$1,500,000 from the General Fund and \$ 309,800 from the Medical Student Loan Fund. The Board is on a biennial budget; however, a budget request has to be submitted each year, regardless. The amount of \$309,800 was actually an error which took place when a Board representative was not in attendance. There was not that much in loan repayment funds available. The beginning balance of the Medical Student Loan Fund July 1, 2006 was \$230,136.32. The remainder of the State appropriation \$1,176,852.00 from the Medical Student Scholarship Fund was transferred in to the Medical Student Loan Fund. Total loan repayments of \$2,972.57 from O. Dianna Bell was received through the Arizona Attorney General's Office and \$800.00 from Rey Palop, M.D. collected by the Board. Attorney General reversions of \$35.32 and \$12.19 were collected. The Attorney General's Office keeps a portion of collections for expenses and at the end of the year, reverts excess amounts to the agencies. Total receipts from collections \$3,820.08 in FY 2007. Expenditures for student loans from all appropriations totaled \$1,750,736.00 with a balance in the Medical Student Loan Fund \$1,101,008.40. The General Fund appropriation was \$1,500,000.00 and expenditures from the General Fund totaled \$1,440,936.00 leaving \$59,064.00 unexpended. Those funds will lapse. The Medical Student Loan Fund was appropriated \$309,800.00. That amount was utilized for the seven students who had originally been on the Medical Student Scholarship Program which was created in 2005-2006. Maggie Gumble said she didn't "test the system" and try to spend more because there were some technical difficulties in the wording of the law transferring the remaining funds appropriated for that program. The Medical Student Loan Fund was subject to appropriation. The scholarship appropriation was non-lapsing and designated to be available for those scholarship students for the duration of their contracts with the Board. Some General Fund monies were used to complete payments to those former scholarship students in FY 2007. The Board discussed that even though \$59,064.00 would lapse, the Board went from a program under \$300,000 two years ago to nearly \$2 million in 2007-2008.

Maggie Gumble reviewed the agency record for July 1, 2007 through September 21, 2007. The beginning balance of the Medical Student Loan Fund was \$1,101,008.40. Half of the General Fund Appropriation, \$750,000.00 was made available in the first quarter at the Board's request as well as half of the Medical Student Loan Fund appropriation \$154,900.00. The Attorney General's Office had collected \$1,577.76 to be paid to the Board from O. Dianna Bell and the Board had collected \$600.00 from Rey Palop, M.D. for a total in collections of \$2,177.76. Student Loans in the amount of \$293,983.50 were paid to 16 University of Arizona College of Medicine students. The agency balance as of September 21, 2007 was \$1,714,102.66. \$36,755.00 was paid in loans to the two previous UA scholarship students and the other students were paid out of the General Fund. The balance in the Medical Student Loan Fund was \$1,066,431.16.

The status of loan repayments from individuals in repayment status as of June 30, 2007 was provided to the Board. Four of these individuals had been referred to the Arizona Attorney General's Office and a report on collection efforts from the Bankruptcy and Collection Enforcement Division was provided.

Maggie Gumble provided a page from H.B. 2791 effective September 19, 2007 which made changes to Section 15-1725 Medical Student Loan Fund to read: "Monies in the fund are continuously appropriated for use by the Board." According to the GAO appropriations representative, that means the Board does not have to request appropriations from that fund and it resolves the technical issue with the scholarship funds that were transferred into the Medical Student Loan Fund.

Selected pages from the FY 2009 Budget Request were provided to the Board members, including the letter to the Governor, the transmittal statement, Budget Justification, and the Sources and Uses of Funds for the Medical Student Scholarship Fund and the Medical Student Loan Fund.

A projection worksheet for 2007-2008 was provided to the Board. In a previous Board meeting, loan amounts provided to the students were set at tuition plus \$20,000 living allowance for this academic year. The statutes contain that formula and allow an inflationary factor on the living allowance which the Board did not include. The amount for students at the Arizona College of Osteopathic Medicine (AZCOM) at Midwestern University was set at

\$61,242. The amount for students at the School of Osteopathic Medicine in Arizona (SOMA) at A. T. Still University is \$55,520. The University of Arizona College of Medicine has a different amount of tuition for each graduating class. Applicants today are in the first year or the second year of medical school. The amount for a first-year student in the Class of 2011 would be \$37,512 and the amount for a second-year student in the Class of 2010 would be \$36,867.

A list of the students approved by the Board for renewal with amounts to be paid to them out of the General Fund for 2007-2008 was provided, totaling a projected expenditure of \$1,310,603.00. That would leave \$189,397.00 available from the General Fund for new applicants. In the Medical Student Loan Fund, Maggie Gumble listed the seven previous scholarship applicants separately for the Board, with expenditures totaling \$379,720.00 for those students. Maggie noted that the State General Accounting Office isn't tracking the Medical Student Loan funds the same way, but she is tracking those transferred funds for use by those seven students until they graduate from medical school. The beginning balance of loan repayments received was \$233,956.40 and with repayments as of September 21, 2007 there is \$236,134.16 available. Maggie Gumble noted that when the loan repayment funds are spent, they are gone but that we expect 11 students to graduate in 2008; assuming that the General Fund Appropriation of \$1,500,000 is approved for FY 2009, the new students could be renewed under that anticipated funding.

Due to an anticipated shortfall in Arizona, other agencies are being asked for cost reduction measures for the current fiscal year. The Board of Medical Student Loans has not been asked to plan to reduce costs per our analyst at the Governor's Office of Strategic Planning and Budgeting.

There were 13 loan applications submitted in advance for review by the Board along with evaluations by the interviewers. Fabian Valle and Tanja James from the Arizona Department of Health Services had interviewed all the candidates, and interviewers at each school also interviewed their own student applicants. Maggie Gumble noted that each school provided a chart confirming that the student applicants all have legal status in the U.S.A. confirmed through the federal financial aid process at each school.

One Midwestern student had originally been classified as a non-resident of Arizona but he appealed that status and was approved for residency. In order to be eligible for the Arizona Medical Student Loan Program, students must be classified as Arizona residents for tuition purposes under the Arizona Revised Statutes. Since the private schools don't have residency classification offices, the University of Arizona Domicile Office evaluates the affidavits for the Board of Medical Student Loans. All student applicants are classified as Arizona residents.

Each school provided a chart summarizing the evaluations of the applicants and providing a rank. The Board reviewed each summary and discussed the applicants. Maggie Gumble noted that Darrell Brimhall who is ranked number one from the UA comes from Snowflake, AZ and wants to return there; he requests that Navajo County be written into his contract as an approved service site. He wanted Snowflake, but she told him service in the county is easier to administer and he could still be in Snowflake without the Board having to review the city limits. Navajo County is a Federal Medically Underserved Area.

Lane Johnson moved that **Darrell Brimhall** and **Mariposa Wolford** from the University of Arizona College of Medicine, **Juan Gabriel Martinez** and **Jonathan Willms** from the Arizona College of Osteopathic Medicine, **Midwestern**, and **Brandon Abbott** and **Linda Shuler** from the School of Osteopathic Medicine in Arizona at A. T. Still University be approved for medical student loans. Carol Galper seconded the motion and it passed unanimously. Maggie Gumble reported that loans for these students total \$307,903 at tuition plus \$20,000 per student, according to the school and class year. After discussion, Carol Galper moved that no other applicants be approved; William Martin seconded the motion and it passed unanimously.

The Board was provided with a list of Provider Eligible Service Sites prepared by Tanja James of the Arizona Department of Health Services August 30, 2007. Tanja reviewed the list as well as the fact sheets and maps with the Board, which were provided for background information. She noted that the column titled AMSLP denotes eligible service sites for the Arizona Medical Student Loan Program and this year included more hospitals. The fact sheets and maps for the Arizona Medically Underserved Areas, the Health Professional Shortage Areas, and Federal Medically Underserved Areas and Populations were included in the Budget Submission books for the FY 2009 request. The map of Frontier, Rural, Urban, and Indian Primary Care Areas was just provided for the Board as a visual and doesn't directly

relate to eligible service areas.

Maggie Gumble requested that the Board approve the **Provider Eligible Service Sites list** for physicians with service obligations to the Arizona Medical Student Loan Program seeking employment to begin providing service in 2008. The list is not comprehensive and other sites may qualify. Lane Johnson moved that the list be approved by the Board; Paul Steingard seconded the motion and it passed unanimously.

**A survey of eligible service sites from the August 2006 list was conducted last year and the final results of openings for physicians in those locations were tabulated for Board review and discussion.** There were openings for 33 family practice physicians, 17 pediatricians, 15 obstetricians/gynecologists, 30 internal medicine physicians, 5 emergency medicine physicians, 6 surgeons, 5 psychiatrists, and 54 other specialists. Maggie noted that there was one opening for a urologist.

A survey of 88 participants in the Arizona Medical Student Loan Program was conducted in August 2007, including current students, residents, physicians serving, physicians who have completed their obligations in recent years, and participants who are or should be repaying whose addresses were known. **The average Customer Satisfaction Rating on a scale of 1-8 with 8 being the highest score was determined to be 7.3.** Out of 88 surveys, there was a 52% response rate. Survey documents, responses, and comments were provided to the Board.

The Board elected a new Chairperson for the Board of Medical Student Loans. Ram Krishna nominated **Carol Galper to serve as Chairperson**; the motion was seconded by Lane Johnson and passed unanimously. Lane Johnson nominated **Tom McWilliams as Vice Chairperson**; Ram Krishna seconded the motion and it passed unanimously. Maggie Gumble, who coordinates the program for the Board of Medical Student Loans, requested a title to use in her position with the Board. Paul Steingard moved that **Maggie Gumble** be given the title of **Executive Director of the Board of Medical Student Loans**. Ram Krishna seconded the motion and it passed unanimously.

**2008-2009 planning:** Maggie Gumble had provided the Board with copies of the 2007-2008 application, Interview Notes and Evaluation Form, and the questions used in interviews by the Arizona Department of Health Services with all the applicants. Schools who interview separately must use their own questions so that the students aren't asked exactly the same questions twice. The new application for 2008-2009 will be provided to students in January 2008 before the next Board meeting, so if anyone has any recommendations or requests for changes, they should contact Maggie. It had been discussed and determined between Carol Dolan, Maggie Gumble, Tanja James and Fabian Valle that it would be wise to build in a question and discussion of liquidated damages with every interview of applicants by ADHS since they interview all students regardless of school. The Board noted that the application certification, a question in the application, and the contract all address the issue; school representatives also attempt to be sure the student applicants read and understand the implications of signing the contract, but the issue will be looked at again to see if that provision can be strengthened in the process.

**School Participation and Administrative Support:** the Arizona Revised Statutes 15-1723 H call for reimbursement to the University of Arizona by private schools of administrative expenses related to the processing of loans. Maggie Gumble reminded the Board that several years ago the Board had agreed upon \$500 per year from Midwestern University. A.T. Still University is now participating in the program with the first class of the School of Osteopathic Medicine in Arizona accepted for Fall 2007. After discussion, Carol Galper moved that \$1000 be reimbursed to the University of Arizona by each of the private schools participating in the program. Lane Johnson seconded the motion and it passed unanimously.

Maggie Gumble and Carol Dolan raised the question of possibly requesting a bill to revise the statutes to allow the Board to request an appropriation to include operating expenses. Both the University of Arizona College of Medicine and Midwestern University provide a lot of staff time to this program and it has really become overwhelming in the past two years. The amount of staff time needed has increased dramatically beginning with the advent of the Medical Student Scholarship Program and annual appropriation of \$1,500,000, the multiple Board meetings which resulted, the increase in applicants and interviewing, the work with legislators and staff and trips to Phoenix, the expansion of Board materials provided; all have increased the amount of time devoted to this program. Now a third school has been added. Maggie pointed out that the schools do their part in publicizing and coordinating the student application and interview process, coordinating the funding, and preparing materials for the Board. The question also was raised whether following operating expenses being built into the statutes, if the future administration of the Arizona Medical Student Loan

Program should be provided by the Arizona Department of Health Services instead of the University of Arizona College of Medicine being the central office. Patricia Tarango discussed the reductions in her office that have occurred and that with a \$700 million shortfall expected in Arizona that the Arizona Department of Health Services was looking at a possible 15% reduction this year for their office. The State Loan Repayment Program does not provide any operating expenses for that program. Even if the statutes allowed for FTE and operating expenses, it doesn't mean that funds would be appropriated. Maggie Gumble noted that the State legislators like the fact that the Board does not ask for operating expenses and that all funds go to the medical students. The Board serves with no compensation. William Martin pointed out that with this being the case, the Board might want to be cautious about pursuing legislation for operating expenses. The conclusion by the Board was that it would be best for the program for the schools to continue to support the Board rather than moving it to ADHS or exploring legislation at this time.

At 4:50 pm, William Martin moved that the meeting be adjourned. The motion was seconded by Carol Galper and passed unanimously.

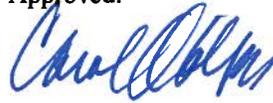
Minutes available for review October 10, 2007.

Respectfully Submitted,



Maggie Gumble  
Executive Director  
Board of Medical Student Loans

Approved:



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