

THE BOARD OF MEDICAL STUDENT LOANS MINUTES OF THE MEETING OF July 13, 2023

The Board of Medical Student Loans held an open public meeting on July 13, 2023 by virtual link through Microsoft Teams at

https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzBiOWUyNjktM2NiNS00YjdkLWFiOTYtZjViZTgwOTAyMTE0%40thread.v2/0?content=%7b%22Tid%22%3a%225ee35505-eb8e-4929-937d-645df5013288%22%2c%22Oid%22%3a%22d849a63d-46a9-4c0e-a9b6-11d320dfa075%22%7d

All members of the Board were in attendance:

Brandon Abbott, DO, MPH – appointed by the Governor of Arizona
Jasleen Chhatwal, MD – appointed by the Governor of Arizona
Edith Di Santo, MPH – designee of the director of the Arizona Department of Health Services
Irene Alexandraki, MD, PhD, MPH – representing The University of Arizona College of Medicine Phoenix
Carlos Gonzales, M.D. – representing The University of Arizona College of Medicine Tucson
Jewel Kling, M.D., representing Mayo Clinic Alix School of Medicine Arizona Campus
Katherine Mitzel, D.O. – representing Midwestern University Arizona College of Osteopathic Medicine
Sharon Obadia, D.O. – representing A.T. Still University School of Medicine in Arizona
Nicole Piemonte, Ph.D. – representing Creighton University School of Medicine, Phoenix Regional Campus

Also in attendance were administrative support staff from The University of Arizona College of Medicine Tucson including Sherri McClellan, Program Coordinator and Jessica Le Duc, Director of Financial Aid.

The meeting of the Board of Medical Student Loans was called to order at 5:04pm.

The meeting began with self-introductions of members in attendance.

Sherri McClellan began with the **election of a board chairperson and vice-chairperson**, listing a few expectations of a chairperson including presence at all board meetings, leading discussions in those meetings, providing signatures on behalf of the Board, and representing the Board at State of Arizona as needed. With no immediate nominations from the Board for chairperson, Sherri suggested Dr. Brandon Abbott. He was a successful recipient of the Arizona Medical Student Loan Program, and therefore knows well the mission of the Board. With Dr. Abbott's acceptance of nomination, Dr. Nicole Piemonte made a motion to approve Dr. Abbott as the Chairperson to the Board of Medical Student Loans. Dr. Jewel King seconded the motion, and all were in favor of approving Dr. Abbott as the Board Chairperson.

Sherri continued the recommendation of **electing a vice-chairperson** to act in the absence of the chairperson. With no immediate nominations from the Board for chairperson, Sherri suggested Dr. Carlos Gonzales who was also a successful recipient of the Arizona Medical Student Loan Program. He has been focused on cultural diversity and medical disparities in his career. Sherri also suggested Dr. Chhatwal due to her focus on mental health, noting that the Board will be making its first loans to students interested in Psychiatry. The floor was open to other nominations. Dr. Chhatwal was gracious in her own nomination, however she put Dr. Gonzales before herself, recommending him for nomination due to his experience in rural health. Dr. Gonzales accepted the nomination. Dr. Sharon Obadia made a motion to approve Dr. Gonzales as the Vice-Chairperson to the Board of Medical Student Loans. Dr. Brandon Abbott seconded the motion, and all were in favor of approving Dr. Gonzales as the Board Vice-Chairperson.

The meeting progressed to the **approval of minutes from the meeting of April 6, 2022**. The minutes were distributed to the Board prior to the meeting. A motion to approve the meeting minutes was called. Dr. Gonzales made a motion to approve the April 6, 2022 meeting minutes. Dr. Abbott seconded the motion, and all were in favor of approving the minutes from the April 6, 2022 meeting.

A review of the **history of the Board was given**. The Board of Medical Student Loans was created in 1978 to provide loans to Arizona residents at Arizona medical students in return for their service as primary care or other specialty physicians in the rural and other underserved regions of the state of Arizona according to A.R.S. § 15-1721 through 15-1725. It started with the University of Arizona College of Medicine, the State's only medical school at the time, it later expanded to include the two private osteopathic medical schools: Midwestern University's Arizona College of Osteopathic Medicine and A.T. Still University School of Osteopathic.

No new loans have been made to medical students since Academic Year 2008-2009. The success of the Board's program has been measured at 71%. The majority of participants completing contracted service or a combination of service and financial repayment with penalties. A few paid their debt through the Attorney General's Office. Some are still paying their debt through the Attorney General.

With new appropriations in 2021, a revised Board, changes to loan terms, and the addition of three medical schools in the state to include The University of Arizona College of Medicine Phoenix, Mayo Clinic Alix School of Medicine, and Creighton University School of Medicine, the Board has State-appropriated funds to offer loans to students committed to Primary Care and Psychiatry.

Most of those funds have been loaded to the Medical Student Loan Fund. Sherri will be working with the State of Arizona to have the remainder of the appropriated funds loaded, as well as some funds due to transfer from the Attorney General. Once all monies are in place, the Board expects to have approximately \$8.2 million in its fund. The Board's fund is non-lapsing, therefore any unspent funds from this fiscal year will carry into the next.

There were no questions or other discussion regarding the history of the Board or its funding.

The meeting continued to discuss the upcoming **process and procedures** to identify applicants to the Arizona Medical Student Loan Program. After the medical schools announce The Arizona Medical Student Loan Program to eligible applicants using a "fact sheet," an application period to collect student information and proof of Arizona residency, applicants will undergo personal interviews with assigned Board members. Sherri reminded the members that, at the last meeting, a concern was raised about asking applicants for their MCAT scores. The consensus then was that MCAT scores are not relevant beyond admission to medical school. As a result, the revised application does not include MCAT scores. The application is meant to collect student information and field questions regarding strength of ties to Arizona, commitment to underserved populations and rural health, and focus on Primary Care or Psychiatry.

Proof of Arizona residency is according to the State's criteria for the purpose of in-state tuition rates. The residency application was drafted from the University of Arizona's Application for Domicile and adjusted to fit the needs of the Program. It is in draft form, pending review from the University of Arizona Residency Classification Office which determines qualification for in-state tuition.

The interviews will be consistent, using questions pertaining to the applicant's history, goals and finances, future plans, and vision. The interviewers will also explain requirements for eligible employment and get an over-all impression of the applicant's character. The interview process also includes an evaluation form with a quantitative score system, which will yield a score of recommendation so that they may be presented to the Board for approval.

After selection by the Board, loan offers will be made. The tuition costs at each medical school range from approximately \$37,000 to \$78,000. Add to that up to \$20,000 in living expenses, some of these loans will be almost \$100,000 per year renewable for up to four or five years.

After graduating medical school, the participant will enter an approved primary care or psychiatry residency program. After successful completion, the participant will practice medicine in a Board-approved, eligible area of Arizona per A.R.S. § 15-1723(E).

The commitment minimum is two years, and up to four or five years depending on the loans received. The Board is required to track progress of the physician's service and see to the fulfillment of the contract with the State. Upon completion of the contract in full, the loan will be forgiven.

If a participant does not fulfill the contract with required service, the loan must be repaid with penalties of 7% interest on the loan with liquidated damages. Interest is determined according to when the student decided not to be in any longer in the program (e.g. if they are dismissed or leave medical school, if they withdraw during residency, or if they withdraw from the program while serving as a physician). Liquidated damages will be applied according to the contract. The total amount must be paid within one year.

Sherri solicited members' questions, thoughts or suggestions regarding the program and the procedures for finding applicants. Dr. Abbott clarified for the Board that the loan is not de facto in the sense that if the board is paying the \$70,000 plus for tuition plus \$20,000 that could pay for two students at a different institution. During the course of the meeting, Dr. Gonzales agreed that this needs to be investigated and discussed further at the next meeting.

Dr. Abbott then asked a question about the forms Sherri presented that were in draft form. Sherri replied that the program application is in draft form because it is not meant to be released yet. The residency application is pending review by the University of Arizona Residency Classification Office. The contract is pending Attorney General review.

Dr. Chattwal asked if the program is open only to first-year students or is it open to third- and fourth-year students as well. Sherri stated that the program is open to all students, but to keep in mind the service minimum of two years. A student who receives one year of funding will still be under contract to work for two years. She posed another question, asking if students can begin repaying service their loan during residency. Sherri answered that, according to the contract, they may not. Service begins after the approved residency program is completed.

Sherri added that the Board may approve a post-residency fellowship program that would be in line with the Board's mission of Primary Care and Psychiatry. Dr. Gonzales added that the Board gave him approval to complete an adolescent medicine fellowship, confirming that exceptions can be made as long as it's in primary care. He went on to add that, in his experience with the Primary Care Scholarship Program at the University of Arizona, they often find that some students postpone making the decision to take this type of loan or scholarship until their third year because they really don't know what they want to do until then. The result is a committed student rather than a novice student who is not yet certain to go into primary care.

Sherri took this opportunity to clarify that, per the contract, that the applicant cannot be committed to any other service program.

Dr. Mitzel asked about the Arizona Medical Student Loan Program "fact sheet" meant to announce the program to medical students. She asked if the financial aid offices at the medical school will be distributing those? And furthermore, when the applications are completed, who decides which students will be interviewed? And finally, who will set up the interviews?

Sherri answered regarding the method for announcing the program to students, saying that this is to be presented as a funding opportunity as would any other type of a scholarship program outside of the medical school's institution. The loan program information may be distributed as the school chooses by way of its Financial Aid, Student Affairs, or Dean's Offices. The medical student would then contact the Board of Medical Student Loans directly to begin the application process and schedule an interview. If they are selected, they will sign a contract with the Board and notify their Financial Aid Office that they are receiving an outside scholarship/loan.

Regarding who will be interviewed, Sherri answered that any student with a complete application and

who satisfies the State's requirement of in-state residency will be interviewed. Sherri will coordinate the interviews between applicants and board members.

Sherri reminded the Board that there has not been an interview for this program in a long time. In the past, the process included three interviews: one with a board member to evaluate commitment to primary care and character, one with a staff member from the Arizona Department of Health Services knowledgeable in the medically underserved areas of the state to answer questions regarding employment for service, and one with the administrative support professional to the Board to confirm the applicant's full understanding of the commitment and the penalties for not fulfilling the contract.

Dr. Abbott spoke to having been a recent participant on the Program, stating that the multi-interview process was "a lot of hoops" to go through, but it was a lot of money and a big commitment. He added that interviewing with the board member from his own medical school was helpful because it was a familiar face, furthermore having the other interviews with outside people from ADHS and someone who knew how the program worked helped him know what to expect during the process from beginning to end.

Edith Di Santo from the Arizona Department of Health Services shared the importance of discussing the health professional shortage areas and medically underserved areas with the applicants, stating that she would be comfortable as an interviewer.

Sherri continued the agenda with the **timelines and next steps of the Board**. She offered an application timeline of late July to early September. She will be the point of contact for all applicants. During that time, applicants will meet with board member(s) and other interviewers as coordinated by Sherri.

The Board is expected to convene again in late September to review applicants and offer loans. Sherri will coordinate the signing of the contracts with the recipients and processing of funding through the State.

In April, the Board will convene to review the progress of the loan recipients, check the balance of funds in its fund, and plan for the application process for the next academic year.

The next agenda item concerned the **reimbursement for administrative support to University of Arizona College** per the statutes. When the Board was still tracking physicians with service in progress, it voted for a reimbursement amount for administrative services. Sherri stated that, with three additional medical schools and funds to make new loans, it is reasonable for the Board to seek other administrative options to operate its program. To disburse the monies from the Medical Student Loans Fund, the Board requires additional support from the State which is offered through the Department of Administration Central Services Bureau. An option is for the Board to secure an Interagency Service Agreement with Central Services Bureau to aid the Board in the processing of funds and navigation of the State's multi-layered departments. This agreement will result in operational expenses that the Board has not had since the University of Arizona historically provided administrative support.

Dr. Chhatwal said that she understood the reasons for needing this additional administrative support, however she suggested that the medical schools could continue to pay reasonable costs rather than using the appropriated monies toward operations. Dr. Abbott asked if tasks of the Central Services Bureau would include lobbying for reappropriated funds. Sherri stated that she is inexperienced at that level of government, and that was another means of support that could be provided with this Interagency Service Agreement. Additionally, she said that she would like to know how other boards function administratively. For example, a board may have an executive director who covers all administrative aspects. She pointed out that many of the Board's procedures that are in place are still rooted in the historical fact that the University of Arizona was the only school at the beginning, and the statutes have not been updated to reflect the current number of medical schools. She went on to share an ideal situation where the University of Arizona is removed from the statutes, so that it may simply be one of the six medical schools eligible for the Program run by the State.

Dr. Abbott then stated that perhaps using the appropriations for administrative costs would be appropriate so as not to tie any of the schools to any administrative obligation. In short, this is better than asking the schools to pay into the system, and then have the schools expect something in return. Sherri asked the individual members of the Board to give this discussion some more thought and recommended tabling this item until more information is gathered.

There were no other items for discussion from members or other attendees.

With the agenda completed, Dr. Gonzales moved to adjourn. Dr. Obadia seconded the motion, and all were in favor of adjourning at 6:13pm.

Minutes are available for review on this day, July 18, 2023.

Respectfully submitted,



Sherri McClellan
Administrative Support Staff

Approved,

Brandon Abbott, DO, MPH
Chairperson

DRAFT