California Board of
PSYCHOLOGY

1625 North Market Blvd., Suite N-215, Sacramento, CA 95834
T (916) 574-7720 F (916) 574-8672 Toll-Free (866) 503-3221
www.psychology.ca.gov

MEMORANDUM

DATE	March 30, 2016
TO	Policy and Advocacy Committee
FROM	Jason Glasspiegel Central Services Coordinator
SUBJECT	Agenda Item #5 (a)(14) – Legislative Update – SB 1204 (Hernandez) Health Professions Development: Loan Repayment

Background:

This bill:

- increases the license application and renewal charge for health professionals.
- Increases the monetary limits for loan repayment.
- Expands the eligibility for loan repayment funds to include those physicians providing psychiatric services.
- Provides for the deposit of additional moneys in a continuously appropriated fund.
- Increases the psychology license renewal fee for funding a specified education program.
- Increases licensing fees for Marriage and Family Therapists.
- Relates to loan reimbursement grants

Location: Senate Business, Professions & Economic Development Committee

Status: To Senate Committee on Business, Professions & Economic Development

Action Requested:
The staff recommendation is to recommend the full Board take a "Support" Position on SB 1204 (Hernandez).

Attachment A is the analysis for SB 1204 (Hernandez
Attachment B is the language of SB 1204 (Hernandez)

CALIFORNIA STATE BOARD OF PSYCHOLOGY

BILL ANALYSIS

BILL NUMBER: SB 1204 **VERSION:** **INTRODUCED: 02/18/2016**

AUTHOR: HERNANDEZ (D) **SPONSOR:** AUTHOR

BOARD POSITION: NONE

SUBJECT: HEALTH PROFESSIONS DEVELOPMENT: LOAN REPAYMENT

Overview:

This bill would increase the Mental Health Practitioner Education Fund fee that licensed psychologists pay upon license renewal from $10 to $20.

Existing Law:

1) Establishes a maximum biennial renewal fee that Licensed Psychologists must pay in order to renew a license. (Business and Professions Code (BPC) §§2982

2) Requires that in addition to the regular license renewal fee, Licensed Psychologists must pay an additional $10 renewal fee, which shall be deposited in the Mental Health Practitioner Education Fund. (BPC §§2987.2)

3) Creates the Licensed Mental Health Service Provider Education Program within the Health Professions Education Foundation. Funds from this program are administered by the Office of Statewide Health Planning and Development (OSHPD). (Health and Safety Code (HSC) §§128454(a), 128458)

4) Allows any licensed mental health service provider who provides direct patient care in a publicly funded facility or a mental health professional shortage area to apply for grants under this program to reimburse educational loans related to a career as a licensed mental health service provider. (HSC §128454(c))

5) Defines a "licensed mental health service provider" to include several types of licensed mental health professionals, including psychologists. (HSC §128454(b))

6) Defines a "mental health professional shortage area" as an area given this designation by the Health Resources and Services Administration of the U.S. Department of Health and Human Services. (HSC §128454(b))

7) Requires the Health Professions Education Foundation to develop the program, and allows it to make recommendations to the director of OSHPD regarding the following (HSC §128454(d) and (e)):

   - The length of the contract that a grant recipient must sign obligating him or her to work in a mental health professional shortage area (the law requires it to be at least one year);

- The maximum allowable total grant per person and the maximum annual grant per person;

8) Requires a recipient of a loan repayment grant to provide service for 24 months for no less than 32 hours per week. (22 CCR §97930.8(a))

This Bill:

Increases the Mental Health Practitioner Education Fund Fee charged to Licensed Psychologists at license renewal from $10 to $20.

Comment:

1) **Author's Intent.** The purpose of this bill is to increase the amount of funds available for loan repayment grant programs for mental health professionals who commit to working in underserved areas.

   The author's office notes that California suffers from shortages of mental health providers. They cite a 2013 Substance Abuse and Mental Health Services Administration report that states that recruitment and retention efforts are hampered by inadequate compensation, and calls for an increased effort on providing incentives such as loan repayments and forgiveness programs.

2) **Fee Comparison.** Below is a chart comparing the current biennial renewal fee for each license type, with what the biennial renewal fee would be if this bill became law.

License Type	Current Renewal Fee			Proposed Renewal Fee		
	Renewal Fee	MHP Edu. Fund Fee	**Total Fee**	Renewal Fee	MHP Edu. Fund Fee	**Total Fee**
Licensed Psy	$410	$10	**$420**	$410	$20	**$430**

3) **Fiscal Impact and Revenue Generated.** If this bill became law, each licensed psychologist would pay an extra $10 every two years upon renewal of their license.

   Currently, the Board's total population of Licensed Psychologists is approximately 19,850. Board staff estimates that the proposed increase in the Mental Health Practitioner Education Fund Fee would generate approximately an extra $99,250 per year.

   On its website, OSHPD states that the grant award amount per recipient ranges from a low of $5,000 to a high of $15,000. Therefore, it is likely that the extra revenue generated could fund several new awards.

4) **Delayed Implementation Needed.** This bill is an urgency measure, meaning it becomes effective immediately upon signing by the Governor. However, implementation of this bill will require new fee codes to be established in the BreEZe system. Additionally, staff will need to update renewal forms to reflect the new fee amount. For these reasons, staff recommends the Board consider asking for a delayed implementation date of January 1, 2018.

5) **Support and Opposition.**

Support:

- None at this time.

Opposition:

- None at this time.

6) **History**

2016

03/11/16 Set for hearing April 4.
03/03/16 Referred to Com. on B., P. & E.D.
02/19/16 From printer. May be acted upon on or after March 20.
02/18/16 Introduced. Read first time. To Com. on RLS. for assignment. To print.

California LEGISLATIVE INFORMATION

SB-1204 Health professions development: loan repayment. (2015-2016)

CALIFORNIA LEGISLATURE— 2015–2016 REGULAR SESSION

SENATE BILL **No. 1204**

Introduced by Senator Hernandez

February 18, 2016

An act to amend Sections 2436.5, 2455.1, 2987.2, 4984.75, and 4996.65 of, and to add Section 4999.121 to, the Business and Professions Code, and to amend Sections 128454, 128551, 128552, 128555, and 128556 of the Health and Safety Code, relating to health professions development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1204, as introduced, Hernandez. Health professions development: loan repayment.

(1) Under existing law, the Medical Board of California licenses and regulates physicians and imposes various fees on those licensees. The Osteopathic Medical Board of California licenses and regulates osteopathic physicians and imposes various fees on those licensees. Existing law establishes the Medically Underserved Account for Physicians within the Health Professions Education Fund that is managed by the Health Professions Education Foundation and the Office of Statewide Health Planning and Development. The primary purpose of the account is to fund the Steven M. Thompson Physician Corps Loan Repayment Program, which provides for the repayment of educational loans, as specified, obtained by a physician who practices in a medically underserved area of the state, as defined. Funds placed in the account for those purposes are continuously appropriated for the repayment of loans. Physicians and osteopathic physicians are eligible for the loan repayment program, and the board assesses an additional $25 license charge at the time of the initial application for licensure and license renewal for purposes of funding the loan repayment program.

This bill would increase the license application and renewal charge to $50. The bill would increase the monetary limits for loan repayment, as specified, and would expand the eligibility for loan repayment funds to include those physicians providing psychiatric services. Because this bill would provide for the deposit of additional moneys in a continuously appropriated fund and would expand the purposes for which moneys in a continuously appropriated fund may be used, it would make an appropriation.

(2) The Psychology Licensing Law establishes the Board of Psychology to license and regulate the practice of psychology. That law establishes a biennial license renewal fee, and, in addition, a $10 fee at the time of renewal of a license for deposit in the Mental Health Practitioner Education Fund. Moneys in that fund are available, upon appropriation, for purposes of the Licensed Mental Health Service Provider Education Program.

This bill would increase that additional fee to $20.

(3) The Licensed Marriage and Family Therapist Act, the Clinical Social Worker Practice Act, and the Licensed Professional Clinical Counselor Act make the Board of Behavioral Sciences responsible for the licensure and regulation of marriage and family therapists, clinical social workers, and professional clinical counselors, respectively. Those acts require the board to establish and assess biennial license renewal fees, as specified. The Licensed Marriage and Family Therapist Act and the Clinical Social Worker Practice Act also require the board to collect an additional fee of $10 at the time of license renewal and directs the deposit of these additional fees in the Mental Health Practitioner Education Fund.

This bill would increase those existing additional fees under the Licensed Marriage and Family Therapist Act and the Clinical Social Worker Practice Act from $10 to $20, and would amend the Licensed Professional Clinical Counselor Act to require the Board of Behavioral Sciences to collect an additional $20 fee at the time of renewal of a license for a professional clinical counselor for deposit in the fund.

(4) Existing law authorizes any licensed mental health service provider, as defined, including a mental health service provider who is employed at a publicly funded mental health facility or a public or nonprofit private mental health facility that contracts with a county mental health entity or facility to provide mental health services, who provides direct patient care in a publicly funded facility or a mental health professional shortage area to apply for grants under the Licensed Mental Health Service Provider Education Program to reimburse his or her educational loans related to a career as a licensed mental health service provider, as provided.

This bill would add licensed professional clinical counselors to those licensed mental health service providers eligible for grants to reimburse educational loans.

This bill would also delete obsolete provisions.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 2436.5 of the Business and Professions Code is amended to read:

2436.5. (a) (1) In addition to the fees charged for the initial issuance or biennial renewal of a physician and surgeon's certificate pursuant to Section 2435, and at the time those fees are charged, the board shall charge each applicant or renewing licensee an additional ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee for the purposes of this section.

(2) The ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee shall be paid at the time of application for initial licensure or biennial renewal and shall be due and payable along with the fee for the initial certificate or biennial renewal.

(3) On or before July 1, 2015, the board shall develop a mechanism for a physician and surgeon to pay a voluntary contribution, at the time of application for initial licensure or biennial renewal, for the purposes of this section.

(b) The board shall transfer all funds collected pursuant to this section, on a monthly basis, to the Medically Underserved Account for Physicians created by Section 128555 of the Health and Safety Code for the Steven M. Thompson Physician Corps Loan Repayment Program. Notwithstanding Section 128555 of the Health and Safety Code, these funds shall not be used to provide funding for the Physician Volunteer Program.

(c) Up to 15 percent of the funds collected pursuant to this section shall be dedicated to loan assistance for physicians and surgeons who agree to practice in geriatric care settings or settings that primarily serve adults over 65 years of age or adults with disabilities. Priority consideration shall be given to those physicians and surgeons who are trained in, and practice, geriatrics and who can meet the cultural and linguistic needs and demands of diverse populations of older Californians.

SEC. 2. Section 2455.1 of the Business and Professions Code is amended to read:

2455.1. (a) In addition to the fees charged pursuant to Section 2455, and at the time those fees are charged, the board shall charge each applicant for an original or reciprocity certificate or for a biennial license an additional ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee for the purposes of this section. This ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee shall be due and payable along with the fee for the original or reciprocity certificate or the biennial license.

(b) On or before July 1, 2015, the board shall develop a mechanism for an osteopathic physician and surgeon to pay a voluntary contribution, at the time of initial application for licensure or biennial renewal, for the purposes of this section.

(c) The board shall transfer all funds collected pursuant to this section, on a monthly basis, to the Medically Underserved Account for Physicians created by Section 128555 of the Health and Safety Code for the purposes of the Steven M. Thompson Physician Corps Loan Repayment Program. Notwithstanding Section 128555 of the Health and Safety Code, these funds shall not be used to provide funding for the Physician Volunteer Program.

SEC. 3. Section 2987.2 of the Business and Professions Code is amended to read:

2987.2. In addition to the fees charged pursuant to Section 2987 for the biennial renewal of a license, the board shall collect an additional fee of ~~ten~~ *twenty* dollars ~~($10)~~ *($20)* at the time of renewal. The board shall transfer this amount to the Controller who shall deposit the funds in the Mental Health Practitioner Education Fund.

SEC. 4. Section 4984.75 of the Business and Professions Code is amended to read:

4984.75. In addition to the fees charged pursuant to Section 4984.7 for the biennial renewal of a license pursuant to Section 4984, the board shall collect an additional fee of ~~ten~~ *twenty* dollars ~~($10)~~ *($20)* at the time of renewal. The board shall transfer this amount to the Controller who shall deposit the funds in the Mental Health Practitioner Education Fund.

SEC. 5. Section 4996.65 of the Business and Professions Code is amended to read:

4996.65. In addition to the fees charged pursuant to Section 4996.6 for the biennial renewal of a license, the board shall collect an additional fee of ~~ten~~ *twenty* dollars ~~($10)~~ *($20)* at the time of renewal. The board shall transfer this amount to the Controller who shall deposit the funds in the Mental Health Practitioner Education Fund.

SEC. 6. Section 4999.121 is added to the Business and Professions Code, to read:

4999.121. In addition to the fees charged pursuant to Section 4999.120 for the biennial renewal of a license, the board shall collect an additional fee of twenty dollars ($20) at the time of renewal. The board shall transfer this amount to the Controller who shall deposit the funds in the Mental Health Practitioner Education Fund.

SEC. 7. Section 128454 of the Health and Safety Code is amended to read:

128454. (a) There is hereby created the Licensed Mental Health Service Provider Education Program within the Health Professions Education Foundation.

(b) For purposes of this article, the following definitions shall apply:

(1) "Licensed mental health service provider" means a psychologist licensed by the Board of Psychology, registered psychologist, postdoctoral psychological assistant, postdoctoral psychology trainee employed in an exempt setting pursuant to Section 2910 of the Business and Professions Code, or employed pursuant to a State Department of Health Care Services waiver pursuant to Section 5751.2 of the Welfare and Institutions Code, marriage and family therapist, marriage and family therapist intern, licensed clinical social worker, ~~and~~ associate clinical social ~~worker.~~ *worker, and licensed professional clinical counselor.*

(2) "Mental health professional shortage area" means an area designated as such by the Health Resources and Services Administration (HRSA) of the United States Department of Health and Human Services.

(c) Commencing January 1, 2005, any licensed mental health service provider, including a mental health service provider who is employed at a publicly funded mental health facility or a public or nonprofit private mental health facility that contracts with a county mental health entity or facility to provide mental health services, who provides direct patient care in a publicly funded facility or a mental health professional shortage area may apply for grants under the program to reimburse his or her educational loans related to a career as a licensed mental health service provider.

(d) The Health Professions Education Foundation shall make recommendations to the director of the office concerning all of the following:

(1) A standard contractual agreement to be signed by the director and any licensed mental health service provider who is serving in a publicly funded facility or a mental health professional shortage area that would require the licensed mental health service provider who receives a grant under the program to work in the publicly funded facility or a mental health professional shortage area for at least one year.

(2) The maximum allowable total grant amount per individual licensed mental health service provider.

(3) The maximum allowable annual grant amount per individual licensed mental health service provider.

(e) The Health Professions Education Foundation shall develop the program, which shall comply with all of the following requirements:

(1) The total amount of grants under the program per individual licensed mental health service provider shall not exceed the amount of educational loans related to a career as a licensed mental health service provider incurred by that provider.

(2) The program shall keep the fees from the different licensed providers separate to ensure that all grants are funded by those fees collected from the corresponding licensed provider groups.

(3) A loan forgiveness grant may be provided in installments proportionate to the amount of the service obligation that has been completed.

(4) The number of persons who may be considered for the program shall be limited by the funds made available pursuant to Section 128458.

SEC. 8. Section 128551 of the Health and Safety Code is amended to read:

128551. (a) It is the intent of this article that the Health Professions Education Foundation and the office provide the ongoing program management of the two programs identified in subdivision (b) of Section 128550 as a part of the California Physician Corps Program.

(b) For purposes of subdivision (a), the foundation shall consult with the Medical Board of California, Office of Statewide *Health* Planning and Development, and shall establish and consult with an advisory committee of not more than seven members, that shall include two members recommended by the California Medical Association and may include other members of the medical community, including ethnic representatives, medical schools, health advocates representing ethnic communities, primary care clinics, public hospitals, and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with expertise in health care issues.

SEC. 9. Section 128552 of the Health and Safety Code is amended to read:

128552. For purposes of this article, the following definitions shall apply:

(a) "Account" means the Medically Underserved Account for Physicians established within the Health Professions Education Fund pursuant to this article.

(b) "Foundation" means the Health Professions Education Foundation.

(c) "Fund" means the Health Professions Education Fund.

(d) "Medi-Cal threshold languages" means primary languages spoken by limited-English-proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(e) "Medically underserved area" means an area defined as a health professional shortage area in Part 5 *(commencing with Section 5.1)* of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the California Healthcare Workforce Policy Commission pursuant to Section 128225.

(f) "Medically underserved population" means the Medi-Cal program~~, Healthy Families Program,~~ and uninsured populations.

(g) "Office" means the Office of Statewide Health Planning and Development (OSHPD).

(h) "Physician Volunteer Program" means the Physician Volunteer Registry Program established by the Medical Board of California.

(i) "Practice setting," for the purposes of this article only, means either of the following:

(1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.

(2) A physician owned and operated medical practice setting that provides primary care *or psychiatric services* located in a medically underserved area and has a minimum of 50 percent of patients who are uninsured, Medi-Cal beneficiaries, or beneficiaries of another publicly funded program that serves patients who earn less than 250 percent of the federal poverty level.

(j) "Primary specialty" means family practice, internal medicine, pediatrics, *psychiatry,* or obstetrics/gynecology.

(k) "Program" means the Steven M. Thompson Physician Corps Loan Repayment Program.

(l) "Selection committee" means a minimum three-member committee of the board, that includes a member that was appointed by the Medical Board of California.

SEC. 10. Section 128555 of the Health and Safety Code is amended to read:

128555. (a) The Medically Underserved Account for Physicians is hereby established within the Health Professions Education Fund. The primary purpose of this account is to provide funding for the ongoing operations of the Steven M. Thompson Physician Corps Loan Repayment Program provided for under this article. This account also may be used to provide funding for the Physician Volunteer Program provided for under this article.

~~(b)All moneys in the Medically Underserved Account contained within the Contingent Fund of the Medical Board of California shall be transferred to the Medically Underserved Account for Physicians on July 1, 2006.~~

~~(c)~~

(b) Funds in the account shall be used to repay loans as follows per agreements made with physicians:

(1) Funds paid out for loan repayment may have a funding match from foundations or other private sources.

(2) Loan repayments may not exceed ~~one hundred five thousand dollars ($105,000)~~ *one hundred fifty thousand dollars ($150,000)* per individual licensed physician.

(3) Loan repayments may not exceed the amount of the educational loans incurred by the physician participant.

~~(d)~~

(c) Notwithstanding Section 11105 of the Government Code, ~~effective January 1, 2006,~~ the foundation may seek and receive matching funds from foundations and private sources to be placed in the account. "Matching funds" shall not be construed to be limited to a dollar-for-dollar match of funds.

~~(e)~~

(d) Funds placed in the account for purposes of this article, including funds received pursuant to subdivision (d), are, notwithstanding Section 13340 of the Government Code, continuously appropriated for the repayment of loans. This subdivision shall not apply to funds placed in the account pursuant to Section 1341.45.

~~(f)~~

(e) The account shall also be used to pay for the cost of administering the program and for any other purpose authorized by this article. The costs for administration of the program may be up to 5 percent of the total state appropriation for the program and shall be subject to review and approval annually through the state budget process. This limitation shall only apply to the state appropriation for the program.

~~(g)~~

(f) The office and the foundation shall manage the account established by this section prudently in accordance with the other provisions of law.

SEC. 11. Section 128556 of the Health and Safety Code is amended to read:

128556. The terms of loan repayment granted under this article shall be as follows:

(a) After a program participant has completed one year of providing services as a physician in a medically underserved area, up to ~~twenty-five thousand dollars ($25,000)~~ *forty thousand dollars ($40,000)* for loan repayment shall be provided.

(b) After a program participant has completed two consecutive years of providing services as a physician in a medically underserved area, an additional amount of loan repayment up to ~~thirty-five thousand dollars ($35,000)~~ *fifty thousand dollars ($50,000)* shall be provided, for a total loan repayment of up to ~~sixty thousand dollars ($60,000).~~ *ninety thousand dollars ($90,000).*

(c) After a program participant has completed three consecutive years of providing services as a physician in a medically underserved area, an additional amount of loan repayment up to ~~forty-five thousand dollars ($45,000)~~ *sixty thousand dollars ($60,000)* shall be provided, for a total loan repayment of up to ~~one hundred five thousand dollars ($105,000).~~ *one hundred fifty thousand dollars ($150,000).*

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to address the urgent need for physicians and licensed mental health practitioners in medically underserved areas, it is necessary that this act take effect immediately.