California Board of
PSYCHOLOGY

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MEMORANDUM

DATE	May 6, 2016
TO	Board of Psychology
FROM	Jason Glasspiegel Central Services Coordinator
SUBJECT	Agenda Item #22 (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. Staff contacted Senator Hernandez's office and confirmed they have decided not to pursue this bill at the current time, but have moved to SB 1471 (Hernandez) which only applies to Physicians, Surgeons, and Psychiatrists under the Steven Thompson Physician Loan Repayment Program.

Action Requested:
The Policy and Advocacy Committee recommended the full Board take a "Support" position; however, due to the lack of pursuit from the author, no action is required at this time. The staff will continue to watch 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 his or her license.

   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

03/15/16 April 4 set for first hearing canceled at the request of author.
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. 120**

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 4999.1 to, the Business and Professions Code, and to amend Sections 128454, 128551, 128552, 128555, anc 128556 of the Health and Safety Code, relating to health professions development, making an appropriat 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 f on those licensees. The Osteopathic Medical Board of California licenses and regulates osteopathic physicians a imposes various fees on those licensees. Existing law establishes the Medically Underserved Account for Physici within the Health Professions Education Fund that is managed by the Health Professions Education Foundation a the Office of Statewide Health Planning and Development. The primary purpose of the account is to fund Steven M. Thompson Physician Corps Loan Repayment Program, which provides for the repayment of educatic loans, as specified, obtained by a physician who practices in a medically underserved area of the state, as defin Funds placed in the account for those purposes are continuously appropriated for the repayment of loa Physicians and osteopathic physicians are eligible for the loan repayment program, and the board assesses additional $25 license charge at the time of the initial application for licensure and license renewal for purposes funding the loan repayment program.

This bill would increase the license application and renewal charge to $50. The bill would increase the monet limits for loan repayment, as specified, and would expand the eligibility for loan repayment funds to include th physicians providing psychiatric services. Because this bill would provide for the deposit of additional moneys i continuously appropriated fund and would expand the purposes for which moneys in a continuously appropria 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 psychology. That law establishes a biennial license renewal fee, and, in addition, a $10 fee at the time of renewa a license for deposit in the Mental Health Practitioner Education Fund. Moneys in that fund are available, u 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 Licen

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

This bill would increase those existing additional fees under the Licensed Marriage and Family Therapist Act and Clinical Social Worker Practice Act from $10 to $20, and would amend the Licensed Professional Clinical Couns Act to require the Board of Behavioral Sciences to collect an additional $20 fee at the time of renewal of a lice 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 hea service provider who is employed at a publicly funded mental health facility or a public or nonprofit private mer health facility that contracts with a county mental health entity or facility to provide mental health services, v provides direct patient care in a publicly funded facility or a mental health professional shortage area to apply grants under the Licensed Mental Health Service Provider Education Program to reimburse his or her educatic 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 eligi 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 a surgeon's certificate pursuant to Section 2435, and at the time those fees are charged, the board shall charge e applicant or renewing licensee an additional ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee for the purposes of t section.

(2) The ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee shall be paid at the time of application for initial licensure 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 volunt 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 Medic Underserved Account for Physicians created by Section 128555 of the Health and Safety Code for the Steven Thompson Physician Corps Loan Repayment Program. Notwithstanding Section 128555 of the Health and Saf 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 physicians and surgeons who agree to practice in geriatric care settings or settings that primarily serve adults o 65 years of age or adults with disabilities. Priority consideration shall be given to those physicians and surge who are trained in, and practice, geriatrics and who can meet the cultural and linguistic needs and demands 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, board shall charge each applicant for an original or reciprocity certificate or for a biennial license an additio ~~twenty-five-dollar ($25)~~ *fifty-dollar ($50)* fee for the purposes of this section. This ~~twenty-five-dollar ($25)~~ *fi dollar ($50)* fee shall be due and payable along with the fee for the original or reciprocity certificate or the bien license.

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

(c) The board shall transfer all funds collected pursuant to this section, on a monthly basis, to the Medic Underserved Account for Physicians created by Section 128555 of the Health and Safety Code for the purpose: the Steven M. Thompson Physician Corps Loan Repayment Program. Notwithstanding Section 128555 of the Hea 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 bo shall collect an additional fee of ~~ten~~ *twenty* dollars ~~($10)~~ *($20)* at the time of renewal. The board shall transfer t 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 Section 4984, the board shall collect an additional fee of ~~ten~~ *twenty* dollars ~~($10)~~ *($20)* at the time of renewal. T board shall transfer this amount to the Controller who shall deposit the funds in the Mental Health Practitio 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 bo shall collect an additional fee of ~~ten~~ *twenty* dollars ~~($10)~~ *($20)* at the time of renewal. The board shall transfer t 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, board shall collect an additional fee of twenty dollars ($20) at the time of renewal. The board shall transfer t 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 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, registe psychologist, postdoctoral psychological assistant, postdoctoral psychology trainee employed in an exempt sett pursuant to Section 2910 of the Business and Professions Code, or employed pursuant to a State Department Health Care Services waiver pursuant to Section 5751.2 of the Welfare and Institutions Code, marriage and fan therapist, marriage and family therapist intern, licensed clinical social worker, ~~and~~ associate clinical social ~~work~~ *worker, and licensed professional clinical counselor.*

(2) "Mental health professional shortage area" means an area designated as such by the Health Resources a 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 serv provider who is employed at a publicly funded mental health facility or a public or nonprofit private mental hea facility that contracts with a county mental health entity or facility to provide mental health services, who provi direct patient care in a publicly funded facility or a mental health professional shortage area may apply for gra under the program to reimburse his or her educational loans related to a career as a licensed mental health serv provider.

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

(1) A standard contractual agreement to be signed by the director and any licensed mental health service provi who is serving in a publicly funded facility or a mental health professional shortage area that would require licensed mental health service provider who receives a grant under the program to work in the publicly fun 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 following requirements:

(1) The total amount of grants under the program per individual licensed mental health service provider shall exceed the amount of educational loans related to a career as a licensed mental health service provider incurred that provider.

(2) The program shall keep the fees from the different licensed providers separate to ensure that all grants 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 obligat that has been completed.

(4) The number of persons who may be considered for the program shall be limited by the funds made availa 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 ongoing program management of the two programs identified in subdivision (b) of Section 128550 as a part of California Physician Corps Program.

(b) For purposes of subdivision (a), the foundation shall consult with the Medical Board of California, Office Statewide *Health* Planning and Development, and shall establish and consult with an advisory committee of more than seven members, that shall include two members recommended by the California Medical Association a may include other members of the medical community, including ethnic representatives, medical schools, hea advocates representing ethnic communities, primary care clinics, public hospitals, and health systems, statew agencies administering state and federally funded programs targeting underserved communities, and members 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 Professi 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) populat groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,(Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in t contiguous ZIP Codes.

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

(f) "Medically underserved population" means the Medi-Cal program~~, Healthy Families Program,~~ and uninsu 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 Med 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 cl owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital t maintains the primary contract with a county government to fulfill the county's role pursuant to Section 1700(the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent

whose patients are from a medically underserved population.

(2) A physician owned and operated medical practice setting that provides primary care *or psychiatric servi* located in a medically underserved area and has a minimum of 50 percent of patients who are uninsured, Medi- beneficiaries, or beneficiaries of another publicly funded program that serves patients who earn less than 2 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 t 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 Professi Education Fund. The primary purpose of this account is to provide funding for the ongoing operations of the Ste M. Thompson Physician Corps Loan Repayment Program provided for under this article. This account also may 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 Boarc 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 thous 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 s and receive matching funds from foundations and private sources to be placed in the account. "Matching fun 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 (are, notwithstanding Section 13340 of the Government Code, continuously appropriated for the repayment 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 purp authorized by this article. The costs for administration of the program may be up to 5 percent of the total st appropriation for the program and shall be subject to review and approval annually through the state bud 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 w 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 medic underserved area, up to ~~twenty-five thousand dollars ($25,000)~~ *forty thousand dollars ($40,000)* for l repayment shall be provided.

(b) After a program participant has completed two consecutive years of providing services as a physician i

medically underserved area, an additional amount of loan repayment up to ~~thirty-five thousand dollars ($35,0~~ *fifty thousand dollars ($50,000)* shall be provided, for a total loan repayment of up to ~~sixty thousand dol~~ ~~($60,000).~~ *ninety thousand dollars ($90,000).*

(c) After a program participant has completed three consecutive years of providing services as a physician i medically underserved area, an additional amount of loan repayment up to ~~forty-five thousand dollars ($45,0~~ *sixty thousand dollars ($60,000)* shall be provided, for a total loan repayment of up to ~~one hundred five thous~~ ~~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, safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constitut the necessity are:

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