


## MEMORANDUM

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| <b>DATE</b>    | April 30, 2018   |
| <b>TO</b>      | Board of Psychology  |
| <b>FROM</b>    | <br>Cherise Burns<br>Central Services Manager |
| <b>SUBJECT</b> | Agenda Item #21(b)(2)(N) – AB 2539 (Mathis) California Physician Corps Program: Practice Setting                               |

### **Background:**

Current law states that the Steven M. Thompson Physician Corps Loan Repayment Program (program) shall provide financial incentives, including repayment of educational loans to a physician and surgeon who practices in a medically underserved area. Current law defines “practice setting” as a community clinic, 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, which is located in a medically underserved area. Under current law, enrollment to the program requires at least 50 percent of the practice setting’s patients are from a medically underserved population, or 50 percent who are uninsured.

AB 2539 (Mathis) would create a 2-year window for enrollees on or after January 1, 2019, and before January 1, 2021 to qualify for the program with lower percentages if the clinic is in a rural area. Under this bill, during this time frame a clinic must have at least 30 percent of patients (if the area is a rural area), or at least 50 percent of patients (if the area is not a rural area), who are from a medically underserved population in order to be eligible. For purposes of this bill, “rural area” means a medical service study area with a population density of fewer than 250 persons per square mile and no population center in excess of 50,000 within the area, as determined by the office.

**Location:** 4/26/2018 Assembly Floor

**Status:** 4/26/2018 Read second time. Ordered to Consent Calendar.

**Votes:** 4/3/2018 Assembly Committee on Health (15-0-0)  
4/25/2018 Assembly Committee on Appropriations (17-0-0)

### **Action Requested:**

The Policy and Advocacy Committee recommends the Board watch AB 2539 (Mathis) to view the impacts of the reduced percentages on access to care.

Attachment A: AB 2539 (Mathis) Bill Text


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**AB-2539 California Physician Corps Program: practice setting.** (2017-2018)

**SECTION 1.** 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 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:~~ *meets the following conditions:*

*(A) For program participants who enrolled in the program before January 1, 2019, and who continue to participate in the program on or after that date, the clinic has at least 50 percent of patients who are from a medically underserved population.*

*(B) Until January 1, 2021, for program participants who enroll in the program on or after January 1, 2019, and before January 1, 2021, the clinic has at least 30 percent of patients, if the area is a rural area, or at least 50 percent of patients, if the area is not a rural area, who are from a medically underserved population.*

*(C) Commencing January 1, 2021, for program participants who enroll in the program on or after January 1, 2021, and for program participants described in subparagraph (A) or (B), the clinic has at least 50 percent of patients who are from a medically underserved population.*

(2) *A physician owned and operated medical practice setting that provides primary care located in a medically underserved area and meets the following conditions:*

~~(2) (A) A physician owned and operated medical practice setting that provides primary care located in a~~

~~medically underserved area and~~ For program participants who enrolled in the program before January 1, 2019, and who continue to participate in the program on or after that date, the medical practice setting 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.

(B) Until January 1, 2021, for program participants who enroll in the program on or after January 1, 2019, and before January 1, 2021, the medical practice setting has at least 30 percent of patients, if the area is a rural area, or at least 50 percent of patients, if the area is not a rural area, 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.

(C) Commencing January 1, 2021, for program participants who enroll in the program on or after January 1, 2021, and for program participants described in subparagraph (A) or (B), the medical practice setting 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, or obstetrics/gynecology.

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

(l) "Rural area" means a medical service study area with a population density of fewer than 250 persons per square mile and no population center in excess of 50,000 within the area, as determined by the office.

~~(m)~~ (m) "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. 2.** Section 128553 of the Health and Safety Code is amended to read:

**128553.** (a) Program applicants shall possess a current valid license to practice medicine in this state issued pursuant to Section 2050 of the Business and Professions Code or pursuant to the Osteopathic Act.

(b) The foundation and the office shall develop guidelines using the criteria specified in subdivision (c) for selection and placement of applicants. The foundation shall interpret the guidelines to apply to both osteopathic and allopathic physicians and surgeons.

(c) The guidelines shall meet all of the following criteria:

(1) Provide priority consideration to applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one or more of the following criteria:

(A) Speak a Medi-Cal threshold language.

(B) Come from an economically disadvantaged background.

(C) Have received significant training in cultural and linguistically appropriate service delivery.

(D) Have three years of experience providing health care services to medically underserved populations or in a medically underserved area, as defined in subdivision (e) of Section 128552.

(E) Have recently obtained a license to practice medicine.

(2) Include a process for determining the needs for physician services identified by the practice setting and for ensuring that the practice setting meets the definition specified in subdivision ~~(h)~~ (i) of Section 128552.

(3) Give preference to applicants who have completed a three-year residency in a primary specialty.

(4) Give preference to applicants who agree to practice in a medically underserved area, as defined in subdivision (e) of Section 128552, and who agree to serve a medically underserved population.

(5) Give priority consideration to applicants from rural communities who agree to practice in a physician owned and operated medical practice setting as defined in paragraph (2) of subdivision (i) of Section 128552.

(6) Include a factor ensuring geographic distribution of placements.

(7) Provide priority consideration to applicants who agree to practice in a geriatric care setting and are trained in geriatrics, and who can meet the cultural and linguistic needs and demands of a diverse population of older Californians. On and after January 1, 2009, up to 15 percent of the funds collected pursuant to Section 2436.5 of

the Business and Professions Code 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 the age of 65 years or adults with disabilities.

(d) (1) The foundation may appoint a selection committee that provides policy direction and guidance over the program and that complies with the requirements of subdivision ~~(h)~~ (1) of Section 128552.

(2) The selection committee may fill up to 20 percent of the available positions with program applicants from specialties outside of the primary care specialties.

(e) Program participants shall meet all of the following requirements:

(1) Shall be working ~~in~~ *in*, or have a signed agreement ~~with~~ *with*, an eligible practice setting.

(2) Shall have full-time status at the practice setting. Full-time status shall be defined by the board and the selection committee may establish exemptions from this requirement on a case-by-case basis.

(3) Shall commit to a minimum of three years of service in a medically underserved area. Leaves of absence shall be permitted for serious illness, pregnancy, or other natural causes. The selection committee shall develop the process for determining the maximum permissible length of an absence and the process for reinstatement. Loan repayment shall be deferred until the physician is back to full-time status.

(f) The office shall adopt a process that applies if a physician is unable to complete his or her three-year obligation.

(g) The foundation, in consultation with those identified in subdivision (b) of Section 128551, shall develop a process for outreach to potentially eligible applicants.

(h) The foundation may recommend to the office any other standards of eligibility, placement, and termination appropriate to achieve the aim of providing competent health care services in approved practice settings.

**SEC. 3.** *Section 128557.5 is added to the Health and Safety Code, to read:*

**128557.5.** *(a) The foundation shall prepare a study to determine the effect that subparagraph (B) of paragraph (1) of, and subparagraph (B) of paragraph (2) of, subdivision (i) of Section 128552 have on funding for loan repayment granted under this article during the calendar years 2019 and 2020.*

*(b) (1) (A) By March 1, 2020, the foundation shall submit a report of the study described in subdivision (a) to the Legislature, including program data for the calendar year 2019 as compared to program data for the calendar years 2017 and 2018.*

*(B) By March 1, 2021, the foundation shall submit a report of the study described in subdivision (a) to the Legislature, including program data for the calendar year 2020.*

*(2) At a minimum, the reports described in paragraph (1) shall identify all of the following:*

*(A) The name and location of all practice settings with program participants, with the practice settings disaggregated by type as defined in paragraphs (1) and (2) of subdivision (i) of Section 128552.*

*(B) The number of patients described in subparagraph (B) of paragraph (1) of, or subparagraph (B) of paragraph (2) of, subdivision (i) of Section 128552 in a practice setting, disaggregated by type of area, including a rural area, among others, and the number of total patients in that practice setting.*

*(C) The number of awards and amount of funding for loan repayment granted under this article, disaggregated by type of program participants as described in paragraphs (1) and (2) of subdivision (i) of Section 128552.*

*(c) A report submitted pursuant to subdivision (b) shall be submitted in compliance with Section 9795 of the Government Code.*

*(d) Pursuant to Section 10231.5 of the Government Code, this section shall become inoperative on March 1, 2025, and shall be repealed on January 1, 2026.*

**SEC. 4.** *The sum of one hundred twenty thousand dollars (\$120,000) is hereby appropriated from the General Fund to the Office of Statewide Health Planning and Development to fund the following items for the purpose of implementing this act:*

*(a) Amending regulations as applicable.*

*(b) Providing technical assistance to the increased number of applicants under the Steven M. Thompson Physician Corps Loan Repayment Program as a result of the implementation of subparagraph (B) of paragraph (1) of, and subparagraph (B) of paragraph (2) of, subdivision (i) of Section 128552 of the Health and Safety Code.*

*(c) Preparing the study and reports described in Section 128557.5 of the Health and Safety Code.*