

AMENDED IN SENATE JUNE 17, 2002

AMENDED IN SENATE MAY 29, 2002

AMENDED IN ASSEMBLY JUNE 5, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 982**

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**Introduced by Assembly Member Firebaugh**

February 23, 2001

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An act to add Article 9.5 (commencing with Section 1970) to Chapter 4 of, and Article 7.75 (commencing with Section 2155) to Chapter 5 of, Division 2 of the Business and Professions Code, and to add *Section 128224 to, and to add Article 5 (commencing with Section ~~128050~~ 128045)* to Chapter 2 of Part 3 of Division 107 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 982, as amended, Firebaugh. Health care.

Existing law, the Dental Practice Act and the Medical Practice Act, regulate the practice of medicine and dentistry in this state.

This bill would establish the California Dental Corps Loan Assumption Program and the California Physician Corps Loan Assumption Program which would be administered by the Office of Statewide Health Planning and Development. The bill would authorize loan repayments, up to a specified amount, to participating, qualified, and licensed physicians and dentists who practice in underserved areas of the state. The bill would require the office to administer financial or

other incentives to experienced dentists and physicians in an effort to market the programs at medical and dental schools in the state.

This bill would create the Community Healthcare Service Expansion Fund containing the Dentally Underserved Account and the Medically Underserved Account. The bill would authorize the Dentally Underserved Account to be funded by a \$3,000,000 transfer from the State Dentistry Fund. The bill would authorize the Medically Underserved Account to be funded by a \$3,000,000 transfer from the Contingent Fund of the Medical Board of California.

This bill would require both programs to report to the Legislature on an annual basis regarding the number of program participants, practice locations, and the costs of the programs.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. This act shall be known as the Community
- 2 Healthcare Service Expansion Act.
- 3 SEC. 2. The Legislature finds and declares all of the
- 4 following:
- 5 (a) According to the 2000 Census and its Supplementary
- 6 Survey, communities of color represent a majority, 53 percent, of
- 7 the state’s population. In addition, almost 40 percent of
- 8 Californians speak a language other than English at home.
- 9 (b) To improve the health care of diverse populations and to
- 10 eliminate health disparities, culturally and linguistically
- 11 appropriate services are critical. For example, the provision of
- 12 language assistance services results in improved quality of health
- 13 care, increased access to health services, reduced medical errors,
- 14 and greater provider-patient trust and satisfaction for
- 15 limited-English proficient populations.
- 16 (c) The Department of Health and Human Services Office of
- 17 Minority Health published standards for culturally and
- 18 linguistically appropriate services (CLAS) on December 22, 2000.
- 19 These CLAS standards outlined requirements, guidelines and
- 20 recommendations on how health care organizations can make their
- 21 practices more culturally and linguistically accessible, with the
- 22 ultimate goal of eliminating racial and ethnic health disparities.



1 (d) The cost of receiving medical and dental education and  
2 training results in many new physicians and dentists being unable  
3 to afford to work in underserved communities, including those that  
4 face cultural and linguistic barriers to care, because of the need to  
5 repay student loans.

6 (e) Despite some existing programs to repay student loans for  
7 physicians who commit to work in underserved areas, there are  
8 still inadequate numbers of physicians that are culturally or  
9 linguistically competent to serve these areas. The same holds true  
10 for dentists, for whom few subsidized loan repayment programs  
11 or options exist.

12 (f) It is in the interest of the state and its residents that medical  
13 and dental services be provided throughout California in a manner  
14 that can be effectively accessed by the residents of all  
15 communities.

16 SEC. 3. Article 9.5 (commencing with Section 1970) is added  
17 to Chapter 4 of Division 2 of the Business and Professions Code,  
18 to read:

19

20 Article 9.5. California Dental Corps Loan Repayment  
21 Program

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23 1970. This program shall be known and may be cited as the  
24 California Dental Corps Loan Repayment Program of 2002.

25 1970.05. It is the intent of the Legislature to create a voluntary  
26 advisory committee to provide input and development of the  
27 California Dental Corps Loan Repayment Program. The advisory  
28 committee shall be a group formed by the Division of Licensing,  
29 the Office of Statewide Health Planning and Development, and the  
30 Dental Board of California, consisting of, at a minimum, the  
31 medical and dental community including ethnic representatives,  
32 medical and dental schools, health advocates representing ethnic  
33 communities, primary care clinics, statewide agencies  
34 administering state and federally funded programs targeting  
35 underserved communities and members of the public with health  
36 care issue-area expertise.

37 1971. For the purposes of this article, the following terms  
38 have the following meanings:

39 (a) "Board" means the Dental Board of California.



1 (b) “Office” means Office of Statewide Health Planning and  
2 Development.

3 (c) “Program” means the California Dental Corps Loan  
4 Repayment Program.

5 (d) “Dentally underserved area” means a geographic area  
6 eligible to be designated as having a shortage of dental  
7 professionals pursuant to Part I of Appendix B to Part 5 of Chapter  
8 1 of Title 42 of the Code of Federal Regulations *or an area of the*  
9 *state where unmet priority needs for dentists exist as determined*  
10 *by the Health Manpower Policy Commission pursuant to Section*  
11 *128224 of the Health and Safety Code.*

12 (e) “Dentally underserved population” means uninsured  
13 persons and persons eligible for the Denti-Cal and Healthy  
14 Families Programs who are population groups described as having  
15 a shortage of dental care professionals in Part I of Appendix B to  
16 Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

17 (f) “Practice setting” means:

18 (1) A community clinic, as defined in subdivision (a) of  
19 Section 1204 and subdivision (c) of Section 1206 of the Health and  
20 Safety Code, which is located in a dentally underserved area and  
21 at least 75 percent of whose patients are from a dentally  
22 underserved population; or

23 (2) A dental practice or dental corporation, as defined in  
24 Section 1800 of this code, located in a dentally underserved area  
25 and at least ~~75~~ 50 percent of whose patients are from a dentally  
26 underserved population.

27 (g) “Medi-Cal threshold languages” means primary languages  
28 spoken by limited-English proficient (LEP) population groups  
29 meeting a numeric threshold of 3,000, eligible LEP Medi-Cal  
30 beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP  
31 beneficiaries residing in a single ZIP Code, or 1,500 LEP  
32 Medi-Cal beneficiaries residing in two contiguous ZIP Codes. ~~The~~  
33 ~~current Medi-Cal threshold languages are Spanish, Vietnamese,~~  
34 ~~Cambodian, Hmong, Armenian, Cantonese, Mandarin, Korean,~~  
35 ~~Russian, Farsi, Khmer, and Lao.~~

36 (h) “Fund” means the Community Healthcare Service  
37 Expansion Fund.

38 (i) “Account” means the Dentally Underserved Account  
39 which is contained within the fund.



1 1972. (a) Program applicants shall possess a current valid  
2 license to practice dentistry in this state issued by the board  
3 pursuant to Section 1626.

4 (b) The board, in collaboration with the office and the advisory  
5 committee, shall develop the guidelines for selection and  
6 placement of applicants.

7 (1) Guidelines shall include, but not be limited to, ensuring  
8 loan repayment to applicants who have received a warrant  
9 pursuant to Article 5 (commencing with Section 128050) of  
10 Chapter 2 of Part 3 of Division 107 of the Health and Safety Code  
11 and meet the following conditions:

12 (A) Applicants shall be working in a dentally underserved area  
13 *or have a signed agreement to work in a dentally underserved area.*

14 (B) Applicants shall work in an eligible practice setting as  
15 defined in this article.

16 (2) Guidelines shall provide priority consideration to  
17 applicants who are best suited to meet the cultural and linguistic  
18 needs and demands of medically underserved populations and that  
19 meet one or more of the following criteria:

20 (A) Speak a Medi-Cal threshold language.

21 (B) Come from an economically disadvantaged background.

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

24 (D) Have worked with dentally underserved communities for  
25 at least three years.

26 (E) Recently received a license to practice dentistry.

27 (3) The guidelines shall include a process for determining the  
28 needs for dentist services identified by the practice setting. *At a*  
29 *minimum, the practice setting shall meet the following criteria:*

30 (A) *The practice setting shall be located in a dentally*  
31 *underserved area.*

32 (B) *The practice setting shall ensure that the program*  
33 *participant serves a patient population that consists of at least 50*  
34 *percent dentally underserved populations.*

35 (4) Guidelines shall seek to place the most qualified applicants  
36 under this section in the areas with the greatest need.

37 (5) Guidelines shall include a factor ensuring geographic  
38 distribution of placements.



1 (c) The board may fill up to 20 percent of the available  
2 positions with program applicants from specialties outside of the  
3 primary care specialties.

4 (d) Program applicants shall be working in or have a signed  
5 agreement with an eligible practice setting. The program  
6 participant shall have full-time status.

7 (e) Program participants shall commit to a minimum of three  
8 years of service in a dentally underserved area. The board, in  
9 collaboration with the advisory committee, shall develop the  
10 process for determining the maximum length of an absence and the  
11 process for reinstatement. Loan repayment shall be deferred until  
12 the dentist is back to full-time status.

13 (f) The board, in collaboration with the advisory committee,  
14 shall develop the process if a dentist is not able to complete his or  
15 her three-year obligation.

16 (g) The board, in collaboration with the office and the advisory  
17 committee, shall develop a process for outreach to potentially  
18 eligible applicants. The process shall include outreach to  
19 undergraduate students and medical magnet high schools.

20 (h) The board may adopt any other standards of eligibility,  
21 placement and termination appropriate to achieve the aim of  
22 providing competent dental services in these approved practice  
23 settings.

24 1973. (a) The Dentally Underserved Account is hereby  
25 created in the Community Healthcare Service Expansion Fund.

26 (b) The sum of three million dollars (\$3,000,000) is hereby  
27 transferred from the State Dentistry Fund to the Dentally  
28 Underserved Account in the Community Healthcare Service  
29 Expansion Fund. Moneys in the account may be expended for the  
30 purposes of this article when appropriated by the Legislature.

31 (c) The board is authorized to seek matching funds from  
32 foundations and private sources for the purposes of this article.

33 1975. The terms of loan repayment granted under this article  
34 shall be as follows:

35 (a) After a program participant has completed one year of  
36 providing services as a dentist in a dentally underserved area, the  
37 ~~division~~ board shall provide up to twenty-five thousand dollars  
38 (\$25,000) for loan repayment.

39 (b) After a program participant has completed two consecutive  
40 years of providing services as a dentist in a dentally underserved



1 area, the ~~division~~ *board* shall provide up to an additional thirty-five  
2 thousand dollars (\$35,000) of loan repayment, for a total loan  
3 repayment of up to sixty thousand dollars (\$60,000).

4 (c) After a program participant has completed three  
5 consecutive years of providing services as a dentist in a dentally  
6 underserved area, the ~~division~~ *board* shall provide up to a  
7 maximum of an additional forty-five thousand dollars (\$45,000)  
8 of loan repayment, for a total loan repayment of up to one hundred  
9 five thousand dollars (\$105,000).

10 1976. The board shall report to the Legislature annually on the  
11 following:

- 12 (a) Number of the program participants.
- 13 (b) Practice locations.
- 14 (c) Amount expended for the program.
- 15 (d) Information on annual performance reviews by the practice  
16 settings and program participants.

17 1977. (a) On January 1, 2003, applications from dentists for  
18 program participation may be submitted until January 30, 2003.

19 (b) The board shall report to the Legislature, no later than  
20 October 1, 2004, the experience of the program since its inception,  
21 an evaluation of its effectiveness in improving access to dental care  
22 for underserved populations, and recommendations for  
23 maintaining or expanding its operation.

24 (c) The board may promulgate emergency regulations to  
25 implement the program.

26 1978. It is the intent of the Legislature that the program  
27 created under this article be developed into a continuous program  
28 administered by the office.

29 SEC. 4. Article 7.7 (commencing with Section 2155) is added  
30 to Chapter 5 of Division 2 of the Business and Professions Code,  
31 to read:

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33 Article 7.7. California Physician Corps Loan Repayment  
34 Program

35

36 2155. This program shall be known and may be cited as the  
37 California Physician Corps Loan Repayment Program of 2002.

38 2155.05. It is the intent of the Legislature to create a voluntary  
39 advisory committee to provide input and development of the  
40 California Physician Corps Loan Repayment Program. The



1 advisory committee shall be a group formed by the Division of  
2 Licensing, the Office of Statewide Health Planning and  
3 Development, and the Medical Board of California, consisting of,  
4 at a minimum, the medical and dental community including ethnic  
5 representatives, medical and dental schools, health advocates  
6 representing ethnic communities, primary care clinics, statewide  
7 agencies administering state and federally funded programs  
8 targeting underserved communities and members of the public  
9 with health care issue-area expertise.

10 2155.1. For the purposes of this article, the following terms  
11 have the following meanings:

12 (a) “Division” means the Division of Licensing.

13 (b) “Office” means Office of Statewide Health Planning and  
14 Development (OSHPD).

15 (c) “Program” means the California Physician Corps Loan  
16 Repayment Program.

17 (d) “Medically underserved area” means an area as defined in  
18 Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations  
19 or an area of the state where unmet priority needs for physicians  
20 exist as determined by the Health Manpower Policy Commission  
21 pursuant to Section 128225 of the Health and Safety Code.

22 (e) “Medically underserved population” means the Medi-Cal,  
23 Healthy Families, and uninsured populations.

24 (f) “Practice setting” means:

25 (1) A community clinic as defined in subdivision (a) of Section  
26 1204 and subdivision (c) of Section 1206 of the Health and Safety  
27 Code, which is located in a medically underserved area and at least  
28 75 percent of whose patients are from a medically underserved  
29 population.

30 (2) A medical practice or medical corporation, as defined in  
31 Section 2406 of this code located in a medically underserved area  
32 and at least ~~75~~ 50 percent of whose patients are from a medically  
33 underserved population.

34 (g) “Primary specialty” means family practice, internal  
35 medicine, pediatrics, or obstetrics/gynecology.

36 (h) “Medi-Cal threshold languages” means primary languages  
37 spoken by limited-English proficient (LEP) population groups  
38 meeting a numeric threshold of 3,000, eligible LEP Medi-Cal  
39 beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP  
40 beneficiaries residing in a single ZIP Code, or 1,500 LEP



1 Medi-Cal beneficiaries residing in two contiguous ZIP Codes. ~~The~~  
2 ~~current Medi-Cal threshold languages are Spanish, Vietnamese,~~  
3 ~~Cambodian, Hmong, Armenian, Cantonese, Mandarin, Korean,~~  
4 ~~Russian, Farsi, Khmer, and Lao.~~

5 (i) “Fund” means the Community Healthcare Services  
6 Expansion Fund.

7 (j) “Account” means the Medically Underserved Account  
8 which is contained within the fund.

9 2155.2. (a) Program applicants shall possess a current valid  
10 license to practice medicine in this state issued by the board  
11 pursuant to Section 2050.

12 (b) The division, in collaboration with the office and the  
13 advisory committee, shall develop the guidelines for selection and  
14 placement of applicants.

15 (1) Guidelines shall include, but not be limited to, ensuring  
16 loan repayment to applicants, who have received a warrant,  
17 pursuant to Article 5 (commencing with Section 128050) of  
18 Chapter 2 of Part 3 of Division 107 of the Health and Safety Code  
19 and who meet the following conditions:

20 (A) Be working in a medically underserved area *or have a*  
21 *signed agreement to work in a medically underserved area.*

22 (B) Work in an eligible practice setting as defined in this article.

23 (2) Guidelines shall provide priority consideration to  
24 applicants that are best suited to meet the cultural and linguistic  
25 needs and demands of patients from medically underserved  
26 populations and shall meet one or more of the following criteria:

27 (A) Speak a Medi-Cal threshold language.

28 (B) Come from an economically disadvantaged background.

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

31 (D) Have three years of experience working in medically  
32 underserved areas or with medically underserved populations.

33 (E) Have recently obtained their license to practice medicine.

34 (3) The guidelines shall include a process for determining the  
35 needs for physician services identified by the practice setting. At  
36 a minimum, the practice setting shall meet the following criteria:

37 (A) The practice setting shall be located in a medically  
38 underserved area.



1 (B) The practice setting shall ensure that the program  
2 participant serves a patient population that consists of at least 75  
3 percent medically underserved populations.

4 (4) The guidelines shall give preference to applicants who have  
5 completed a three-year residency in a primary specialty.

6 (5) Guidelines shall seek to place the most qualified applicants  
7 under this section in the areas with the greatest need.

8 (6) Guidelines shall include a factor ensuring geographic  
9 distribution of placements.

10 (c) The division may fill up to 20 percent of the available  
11 positions with program applicants from specialties outside of the  
12 primary care specialties.

13 (d) Program applicants shall be working in or have a signed  
14 agreement with an eligible practice setting. The program  
15 participant shall have full-time status.

16 (e) Program participants shall commit to a minimum of three  
17 years of service in a medically underserved area. Leaves of  
18 absences will be permitted for serious illnesses, pregnancy, or  
19 other natural causes. The division, in collaboration with the  
20 advisory committee, shall develop the process for determining the  
21 maximum permissible length of an absence and the process for  
22 reinstatement. Loan repayment shall be deferred until the  
23 physician is back to full-time status.

24 (f) The division, in collaboration with the advisory committee,  
25 shall develop the process should a physician be unable to complete  
26 his or her three-year obligation.

27 (g) The division, in collaboration with the office and the  
28 advisory committee, shall develop a process for outreach to  
29 potentially eligible applicants. The process shall include outreach  
30 to undergraduate students and medical magnet high schools.

31 (h) The division may adopt any other standards of eligibility,  
32 placement, and termination appropriate to achieve the aim of  
33 providing competent health care services in these approved  
34 practice settings.

35 2155.3. (a) The Medically Underserved Account is hereby  
36 created in the Community Healthcare Service Expansion Fund.

37 (b) The sum of three million dollars (\$3,000,000) is hereby  
38 transferred from the Contingent Fund of the Medical Board of  
39 California to the Medically Underserved Account in the  
40 Community Healthcare Service Expansion Fund. Moneys in the



1 account may be expended for the purposes of this article when  
2 appropriated by the Legislature.

3 (c) The division has the authority to seek matching funds from  
4 foundations and private sources for the purposes of this article.

5 2155.4. The terms of loan repayment granted under this  
6 article shall be as follows:

7 (a) After a program participant has completed one year of  
8 providing services as a physician in a medically underserved area,  
9 the division shall provide up to twenty-five thousand dollars  
10 (\$25,000) for loan repayment.

11 (b) After a program participant has completed two consecutive  
12 years of providing services as a physician in a medically  
13 underserved area, the division shall provide up to an additional  
14 thirty-five thousand dollars (\$35,000) of loan repayment, for a  
15 total loan repayment of up to sixty thousand dollars (\$60,000).

16 (c) After a program participant has completed three  
17 consecutive years of providing services as a physician in a  
18 medically underserved area, the division shall provide up to a  
19 maximum of an additional forty-five thousand dollars (\$45,000)  
20 of loan repayment, for a total loan repayment of up to one hundred  
21 five thousand dollars (\$105,000).

22 2155.6. Pursuant to Section 2313, the division shall also  
23 include the following in its annual report:

24 (a) Number of the program participants.

25 (b) Practice locations.

26 (c) Amount expended for the program.

27 (d) Information on annual performance reviews by the practice  
28 settings and program participants.

29 2155.7. (a) On January 1, 2003, applications from physicians  
30 for program participation may be submitted until January 30,  
31 2003.

32 (b) The division shall report to the Legislature, no later than  
33 October 1, 2004, the experience of the program since the  
34 inception, an evaluation of its effectiveness in improving access to  
35 health care for underserved populations, and recommendations for  
36 maintaining or expanding its operation.

37 (c) The division may promulgate emergency regulations to  
38 implement the program.

1 2155.8. It is the intent of the Legislature that the program  
2 created under this article be developed into a continuous program  
3 administered by the office.

4 SEC. 5. The Legislature finds and declares all of the  
5 following:

6 (a) An overwhelming number of California preclinical medical  
7 students plan to complete their residency training in California and  
8 eventually practice in California. Over half of clinical medical  
9 students in their final years of medical school similarly plan to  
10 complete their residency training in California in hopes of  
11 practicing in the state and a significant number of medical students  
12 plan to practice in an underserved community at any salary. Many  
13 California dental students plan to practice in California upon  
14 graduation and more would do so if loan forgiveness or repayment  
15 financial incentives existed to offset the higher cost of living in  
16 California.

17 (b) In response to linguistic barriers in underserved  
18 communities a significant number of California medical and  
19 dental students will be able to communicate in Spanish in a clinical  
20 environment before entering practice. In addition, California  
21 medical and dental students speak over 40 different languages,  
22 ranging from Arabic to Tagalog.

23 (c) It is, therefore, the intent of the Legislature to develop  
24 ongoing, retrospective and concurrent methods and strategies to  
25 increase the supply of physicians and dentists in California and to  
26 strengthen existing programs aimed at medical and dental students  
27 that could eliminate maldistribution and ease the current access to  
28 care crisis in California.

29 SEC. 6. Article 5 (commencing with Section ~~128050~~)  
30 *128045*) is added to Chapter 2 of Part 3 of Division 107 of the  
31 Health and Safety Code, to read:

32

33 Article 5. California Physician and Dentist Corps Loan  
34 Assumption Program

35

36 *128045. This article shall be known and may be cited as the*  
37 *California Physician and Dentist Corps Loan Assumption*  
38 *Program.*

39 *128046. It is the intent of the Legislature to create a voluntary*  
40 *advisory committee to provide input and development of the*



1 *California Physician and Dentist Corps Loan Assumption*  
2 *Program. The advisory committee shall be a group formed by the*  
3 *Division of Licensing, as defined in Section 2005 of the Business*  
4 *and Professions Code, the Office of Statewide Health Planning*  
5 *and Development, and the Dental Board of California, consisting*  
6 *of, at a minimum, the medical and dental community including*  
7 *ethnic representatives, medical and dental schools, health*  
8 *advocates representing ethnic communities, primary care clinics,*  
9 *statewide agencies administering state and federally funded*  
10 *programs targeting under-served communities and members of the*  
11 *public with health care issue area expertise.*

12 128050. (a) There is hereby established in the Office of  
13 Statewide Health Planning and Development the California  
14 Physician and Dentist Corps Loan Assumption Program.

15 (b) The Office of Statewide Health Planning and Development  
16 shall operate the California Physician and Dentist Corps Loan  
17 Assumption Program in accordance with, but not limited to, the  
18 following:

19 (1) Increased efforts in educating medical and dental students  
20 and medical residents of the need for physicians and dentists in  
21 underserved communities, and of programs that are available that  
22 provide incentives, financial and otherwise, to practice in settings  
23 and areas in need.

24 (2) Strategic collaboration with California medical and dental  
25 schools and postgraduate programs to better prepare physicians  
26 and dentists to meet the distinctive cultural and medical needs of  
27 underserved populations.

28 (3) Encourage the University of California and other medical  
29 and dental schools to increase the number of medical and dental  
30 students and medical residency program positions.

31 (4) Establish, encourage, and expand programs for medical and  
32 dental students and medical residents for mentoring at primary and  
33 secondary schools, and college levels to increase the number of  
34 students entering the medical and dental sciences.

35 (5) Administer financial or other incentives to encourage new  
36 or experienced physicians and dentists to practice in underserved  
37 areas.

38 128051. For purposes of this part, the following terms have  
39 the following meanings:



1 (a) “Program” means the California Physician and Dentist  
2 Corps Loan Assumption Program.

3 (b) (1) “Medically underserved area” means an area as  
4 defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal  
5 Regulations or an area of the state where unmet priority needs for  
6 physicians exists as determined by the Health Manpower Policy  
7 Commission pursuant to Section 128225 of the Health and Safety  
8 Code.

9 (2) “Dentally underserved area” means a geographic area  
10 eligible to be designated as having a shortage of dental  
11 professionals pursuant to Part I of Appendix B to Part 5 of Chapter  
12 1 of Title 42 of the Code of Federal Regulations *or an area of the*  
13 *state where unmet priority needs for dentists exist as determined*  
14 *by the Health Manpower Policy Commission pursuant to Section*  
15 *128224 of the Health and Safety Code.*

16 (c) (1) “Medically underserved population” means the  
17 Medi-Cal, Healthy Families and uninsured population.

18 (2) “Dentally underserved population” means uninsured  
19 persons and persons eligible for the Denti-Cal and Healthy  
20 Families Programs who are population groups described as having  
21 a shortage of dental care professionals in Part I of Appendix B to  
22 Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

23 (d) “Medi-Cal threshold languages” means primary languages  
24 spoken by limited-English proficient (LEP) population groups  
25 meeting a numeric threshold of 3,000 eligible LEP Medi-Cal  
26 beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP  
27 beneficiaries residing in a single ZIP Code, or 1,500 LEP  
28 Medi-Cal beneficiaries residing in two contiguous ZIP Codes. ~~The~~  
29 ~~current Medi-Cal threshold languages are Spanish, Vietnamese,~~  
30 ~~Cambodian, Hmong, Armenian, Cantonese, Mandarin, Korean,~~  
31 ~~Russian, Farsi, Khmer, and Lao. Codes~~

32 (e) “Office” means the Office of Statewide Health Planning  
33 and Development.

34 ~~(f) “Advisory committee” means a group formed by the~~  
35 ~~Division of Licensing, Office of Statewide Health Planning and~~  
36 ~~Development and the Dental Board of California consisting of, at~~  
37 ~~a minimum, the ethnic medical and dental community, medical~~  
38 ~~and dental schools, health advocates representing ethnic~~  
39 ~~communities, primary care clinics, statewide agencies~~  
40 ~~administering state and federally funded programs targeting~~



1 ~~underserved communities, and members of the public with health~~  
2 ~~care issue area expertise.~~

3 128052. (a) The office shall administer the California  
4 Physician and Dentist Corps Loan Assumption Program. Any  
5 individual enrolled in an institution of postsecondary education  
6 participating in the loan assumption set forth in this article may be  
7 eligible to receive a conditional warrant for loan assumption, to be  
8 redeemed pursuant to Article 9.5 (commencing with Section  
9 1970) of Chapter 4 or Article 7.7 (commencing with Section 2155)  
10 of Chapter 5 of Division 2 of the Business and Professions Code,  
11 upon becoming employed as a physician or dentist. In order to be  
12 eligible to receive a conditional loan assumption warrant, an  
13 applicant shall satisfy all of the following conditions:

14 (1) The applicant has been judged by his or her postsecondary  
15 institution to have outstanding ability on the basis of criteria that  
16 may include, but not be limited to, any of the following:

17 (A) Grade point average.

18 (B) Test scores.

19 (C) Faculty evaluations.

20 (D) Interviews.

21 (E) Other recommendations.

22 (2) In order to meet the costs associated with obtaining a  
23 medical or dental degree, the applicant has received, or is approved  
24 to receive, a loan under one or more of the following designated  
25 loan programs:

26 (A) The Federal Family Education Loan Program (10 U.S.C.  
27 Sec. 1071 et seq.).

28 (B) Any loan program approved by the Student Aid  
29 Commission.

30 (3) The applicant has agreed to provide services as a licensed  
31 physician for up to three consecutive years, after obtaining a  
32 license from the Medical Board of California in a medically  
33 underserved area, or the applicant has agreed to provide services  
34 as a licensed dentist for up to three consecutive years, after  
35 obtaining a license from the Dental Board of California in a  
36 dentally underserved area.

37 (4) The applicant has agreed to work in an eligible practice  
38 setting as defined in Article 9.5 (commencing with Section 1970)  
39 of Chapter 4 of or Article 7.7 (commencing with Section 2155) of  
40 Chapter 5 Division 2 of the Business and Professions Code.



1 (b) The office shall ensure that priority consideration be given  
2 to applicants who are best suited to meet the cultural and linguistic  
3 needs and demands of medically and dentally underserved  
4 populations and who meet one or more of the following criteria:

- 5 (1) Speak a Medi-Cal threshold language.
- 6 (2) Come from an economically disadvantaged background.
- 7 (3) Have received *significant* training in cultural and  
8 linguistically appropriate service delivery.
- 9 (4) Have done a medical rotation serving medically  
10 underserved populations or provided dental services to members  
11 of a dentally underserved population.

12 (c) A person participating in the program pursuant to this  
13 section shall not receive more than one warrant.

14 (d) The office shall adopt rules and regulations regarding the  
15 reallocation of warrants if a participating institution is unable to  
16 utilize its allocated warrants or is unable to distribute them within  
17 a reasonable time period.

18 128053. (a) The office, in collaboration with the Medical  
19 Board of California, Division of Licensing and the Dental Board  
20 of California, shall redeem an applicant's warrant, and commence  
21 loan assumption payments, pursuant to Article 9.5 (commencing  
22 with Section 1970) of Chapter 4 or Article 7.7 (commencing with  
23 Section 2155) of Chapter 5 of Division 2 of the Business and  
24 Professions Code.

25 128054.5. (a) The office shall distribute student applications  
26 to participate in the loan assumption program to postsecondary  
27 institutions eligible to participate in the state and federal financial  
28 aid programs and that have a program of professional preparation  
29 that has been approved by the Medical Board of California or the  
30 Dental Board of California. Each eligible institution shall receive  
31 at least one application.

32 (b) Each participating institution shall sign an institutional  
33 agreement with the office, certifying its intent to administer the  
34 loan assumption program according to all applicable published  
35 rules, regulations, and guidelines, and shall make special efforts to  
36 notify students regarding the availability of the program,  
37 particularly to economically disadvantaged students.

38 (c) To the extent feasible, the office and each participating  
39 institution shall coordinate the loan assumption program with  
40 other existing programs designed to recruit or encourage students



1 to enter the medical profession. These programs shall include, but  
2 not be limited to, the following:

3 (1) The Song-Brown Family Physician Training Act.

4 (2) The Health Education and Academic Loan Act.

5 (3) The National Health Service Corp.

6 128055. (a) The office shall administer this article, and shall  
7 adopt rules and regulations for that purpose. The rules and  
8 regulations shall include, but not be limited to, provisions  
9 regarding the period of time for which a warrant shall remain valid,  
10 the reallocation of warrants that are not utilized, and the  
11 development of projections for funding purposes. The office shall  
12 ~~solicit the advice of representatives from postsecondary education~~  
13 ~~institutions, the Medical Board of California, the Dental Board of~~  
14 ~~California, and public and nonprofit agencies providing the~~  
15 ~~services of physicians or dentists regarding the proposed rules and~~  
16 *solicit the advice of the advisory committee regarding the proposed*  
17 *rules and regulations.*

18 (b) The office shall work in conjunction with lenders  
19 participating in federal or similar loan programs to develop a  
20 streamlined application process for participation in the program  
21 set forth in this article.

22 *SEC. 7. Section 128224 is added to the Health and Safety*  
23 *Code, to read:*

24 *128224. The commission shall identify specific areas of the*  
25 *state where unmet priority needs for dentists exist.*

