SENATE BILL **No. 606**

Introduced by Senator Ducheny

February 27, 2009

An act to amend Sections 2436.5 and 2455 of, and to add Section 2455.1 to, the Business and Professions Code, and to amend Section 128553 of the Health and Safety Code, relating to physicians and surgeons, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 606, as introduced, Ducheny. Physicians and surgeons: loan repayment.

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. Under existing law, 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 and surgeon who practices in a medically underserved area of the state, as defined. Under existing law, funds placed in the account for those purposes are continuously appropriated to the Steven M. Thompson Physician Corps Loan Repayment Program. Existing law requires that applicants for the loan repayment program be licensed by the Medical Board of California. Existing law imposes a $25 licensure fee on physicians and surgeons for purposes of the loan repayment program.

Existing law provides for the licensure and regulation of osteopathic physicians and surgeons by the Osteopathic Medical Board of California and imposes various fees on those licensees.

This bill would make osteopathic physicians and surgeons eligible for the loan repayment program and would require the Osteopathic

Medical Board of California to assess an additional $75 licensure fee for that purpose. The bill would specify that payment of $25 of the fee is mandatory and that payment of $50 of the fee would be a voluntary contribution. The bill would also require the Medical Board of California to assess an additional $50 fee for the loan repayment program, which would also be a voluntary contribution. The bill would direct the deposit of those fees into the Medically Underserved Account for Physicians for purposes of the loan repayment program. By increasing the amount of revenue in a continuously appropriated fund, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated 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) 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) fee for the purposes of this section.

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

(b) (1) In addition to the fees charged pursuant to subdivision (a), and at the time those fees are charged, the board shall charge each applicant or renewing licensee an additional fifty dollars ($50) for the purposes of this section. The board shall inform the applicant or licensee that the fee is a tax deductible contribution.

(2) Notwithstanding paragraph (1), the board shall provide each applicant or renewing licensee the option of deducting any portion of the fifty dollar ($50) fee from the total amount due if the applicant or renewing licensee elects not to contribute the fifty dollars ($50). In the alternative, the board shall also provide each applicant or renewing licensee the ability to contribute more than fifty dollars ($50).

(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 Steven M. Thompson Physician Corps Loan Repayment Program.

(d) Up to 15 percent of the funds collected pursuant 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 the age of 65 years 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 of the Business and Professions Code is amended to read:

2455. The amount of fees and refunds is that established by the following schedule for any certificate issued by the Osteopathic Medical Board of California. All other fees and refunds for any certificate issued by the Osteopathic Medical Board of California which are not prescribed in this schedule, are prescribed in ~~Section~~ *Sections 2455.1 and* 2456. Any and all fees received by the Osteopathic Medical Board of California shall be for the sole purpose of the operation of the board and shall not be used for any other purpose*, except as specified in Section 2455.1*.

(a) Each applicant for an original or reciprocity Physicians and Surgeons Certificate shall pay an application fee in a sum not to exceed four hundred dollars ($400) at the time his or her application is filed.

(b) The biennial license fee, unless otherwise provided, shall be set by the board on or before November 1 of each year for the ensuing calendar year at a sum as the board determines necessary to defray the expenses of administering this chapter, under the Osteopathic Act, relating to the issuance of certificates to those applicants, which sum, however, shall not exceed four hundred dollars ($400) nor be less than twenty-five dollars ($25).

(c) The board shall set a biennial license fee in an amount less than that levied pursuant to subdivision (b) that shall be paid by any applicant who indicates to the board in writing that he or she does not intend to practice under the Osteopathic Act during the current renewal period.

(d) The fee for failure to pay the biennial license fee shall be 50 percent of the renewal fee but not more than two hundred dollars ($200).

SEC. 3. Section 2455.1 is added to the Business and Professions Code, 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) fee for the purposes of this section. This twenty-five dollar ($25) fee shall be due and payable along with the fee for the original or reciprocity certificate or the biennial license.

(b) (1) In addition to the fees charged pursuant to subdivision (a), 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 fifty dollars ($50) for the purposes of this section. The board shall inform the applicant or licensee that the fee is a tax deductible contribution.

(2) Notwithstanding paragraph (1), the board shall provide each applicant or renewing licensee the option of deducting any portion of the fifty dollar ($50) fee from the total amount due if the applicant or renewing licensee elects not to contribute the fifty dollars ($50). In the alternative, the board shall also provide each applicant or renewing licensee the ability to contribute more than fifty dollars ($50).

(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. 4. 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, in consultation with those identified in subdivision (b) of Section 123551, shall use guidelines developed by the Medical Board of California for selection and placement of applicants until the office adopts other guidelines by regulation. *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 working in medically underserved areas or with medically underserved populations.

(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) of Section 128552.

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

(4) Seek to place the most qualified applicants under this section in the areas with the greatest need.

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

(6) 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 (*l*) 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 or have a signed agreement 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.

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