

ASSEMBLY BILL

No. 589

Introduced by Assembly Member Perea

February 16, 2011

An act to amend Section 128555 of the Health and Safety Code, relating to health professions.

LEGISLATIVE COUNSEL'S DIGEST

AB 589, as introduced, Perea. 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 prescribed educational loans, not to exceed \$105,000, obtained by a physician and surgeon who practices in a medically underserved area of the state. Under existing law, specified funds placed in the account for those purposes are continuously appropriated for the repayment of loans and may be used for any other authorized purpose.

This bill would instead provide for an unspecified amount of loan repayment.

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

3 128555. (a) The Medically Underserved Account for
4 Physicians is hereby established within the Health Professions
5 Education Fund. The primary purpose of this account is to provide
6 funding for the ongoing operations of the Steven M. Thompson
7 Physician Corps Loan Repayment Program provided for under
8 this article. This account also may be used to provide funding for
9 the Physician Volunteer Program provided for under this article.

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

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

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

18 (2) Loan repayments may not exceed ~~one hundred five~~
19 ~~thousand~~ _____ dollars (\$~~105,000~~_____) per individual licensed
20 physician.

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

23 (d) ~~Notwithstanding Section 11105 of the Government Code,~~
24 ~~effective~~ *Effective* January 1, 2006, the foundation may seek and
25 receive matching funds from foundations and private sources to
26 be placed in the account. “Matching funds” shall not be construed
27 to be limited to a dollar-for-dollar match of funds.

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

34 (f) The account shall also be used to pay for the cost of
35 administering the program and for any other purpose authorized
36 by this article. The costs for administration of the program may
37 be up to 5 percent of the total state appropriation for the program
38 and shall be subject to review and approval annually through the

1 state budget process. This limitation shall only apply to the state
2 appropriation for the program.

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

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