

AMENDED IN SENATE JULY 2, 2013
AMENDED IN ASSEMBLY APRIL 23, 2013
AMENDED IN ASSEMBLY APRIL 10, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 565

Introduced by Assembly Member Salas
(Coauthors: Assembly Members Chesbro, Logue, and Pan)
(Coauthor: Senator Anderson)

February 20, 2013

An act to amend Sections 128552 and 128553 of the Health and Safety Code, relating to physicians and surgeons.

LEGISLATIVE COUNSEL'S DIGEST

AB 565, as amended, Salas. California Physician Corps Program. Existing law establishes the Steven M. Thompson Physician Corps Loan Repayment Program in the California Physician Corps Program within the Health Professions Education Foundation, which provides financial incentives, as specified, to a physician and surgeon for practicing in a medically underserved community. Existing law authorizes the Office of Statewide Health Planning and Development to adopt guidelines by regulation and requires the foundation to use guidelines for selection and placement of program applicants. These guidelines provide priority consideration to applicants who meet specified criteria, including that the applicant has 3 years of experience working in medically underserved areas or with medically underserved populations. The guidelines also must seek to place the most qualified applicants in the areas with the greatest need.

This bill would delete the requirement that the guidelines seek to place the most qualified applicants in the areas of greatest need. The bill would require the guidelines for the selection and placement of program applicants to include criteria that would give priority consideration to program applicants who have 3 years of experience providing health care services to medically underserved populations or in a medically underserved area, as defined. The bill would require the guidelines to give priority to applicants who agree to practice in those areas and serve a medically underserved population, and would require the guidelines to give priority consideration to applicants from rural communities who agree to practice in a physician owned and operated medical practice setting, as defined.

Existing law requires the foundation, in consultation with the Medical Board of California, Office of Statewide Planning and Development, and an advisory committee, to use guidelines developed by the Medical Board of California for selection and placement of applicants until the office adopts other guidelines by regulation.

This bill would instead require the foundation and the office to develop guidelines using specified criteria for selection and placement of applicants.

Existing law defines “practice setting,” for these purposes, to include a community clinic, as defined, a clinic owned and 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 to serve its indigent population and that is located in a medically underserved area and has at least 50% of its patients from that population. *Existing law also defines “practice setting,” for these purposes, to include a medical practice located in a medically underserved area and at least 50% of whose patients are from a medically underserved population.*

This bill would *delete the latter definition and instead include a private-practice physician owned and operated medical practice setting that provides primary care located in a medically underserved area and has a minimum of 30% of patients who are uninsured, Medi-Cal beneficiaries, or other beneficiaries of another publicly funded program that serves patients who earn less than 250% of the federal poverty level, within this definition of “practice setting.”*

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 128552 of the Health and Safety Code
2 is amended to read:

3 128552. For purposes of this article, the following definitions
4 shall apply:

5 (a) “Account” means the Medically Underserved Account for
6 Physicians established within the Health Professions Education
7 Fund pursuant to this article.

8 (b) “Foundation” means the Health Professions Education
9 Foundation.

10 (c) “Fund” means the Health Professions Education Fund.

11 (d) “Medi-Cal threshold languages” means primary languages
12 spoken by limited-English-proficient (LEP) population groups
13 meeting a numeric threshold of 3,000, eligible LEP Medi-Cal
14 beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP
15 beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal
16 beneficiaries residing in two contiguous ZIP Codes.

17 (e) “Medically underserved area” means an area defined as a
18 health professional shortage area in Part 5 of Subchapter A of
19 Chapter 1 of Title 42 of the Code of Federal Regulations or an
20 area of the state where unmet priority needs for physicians exist
21 as determined by the California Healthcare Workforce Policy
22 Commission pursuant to Section 128225.

23 (f) “Medically underserved population” means the Medi-Cal
24 program, Healthy Families Program, and uninsured populations.

25 (g) “Office” means the Office of Statewide Health Planning and
26 Development (OSHPD).

27 (h) “Physician Volunteer Program” means the Physician
28 Volunteer Registry Program established by the Medical Board of
29 California.

30 (i) “~~Practice-setting~~ *setting,*” for the purposes of this article
31 *only*, means either of the following:

32 (1) A community clinic as defined in subdivision (a) of Section
33 1204 and subdivision (c) of Section 1206, a clinic owned or
34 operated by a public hospital and health system, *or* a clinic owned
35 and operated by a hospital that maintains the primary contract with
36 a county government to fulfill the county’s role pursuant to Section
37 17000 of the Welfare and Institutions Code, which is located in a
38 medically underserved area and at least 50 percent of whose

1 patients are from a medically underserved population, or a private
2 practice that provides primary care located in a medically
3 underserved area and has a minimum of 30 percent uninsured,
4 Medi-Cal, or other publicly funded program that serves patients
5 who earn less than 250 percent of the federal poverty level.
6 *population.*

7 ~~(2) A medical practice located in a medically underserved area~~
8 ~~and at least 50 percent of whose patients are from a medically~~
9 ~~underserved population.~~

10 *(2) A physician owned and operated medical practice setting*
11 *that provides primary care located in a medically underserved*
12 *area and has a minimum of 30 percent of patients who are*
13 *uninsured, Medi-Cal beneficiaries, or beneficiaries of another*
14 *publicly funded program that serves patients who earn less than*
15 *250 percent of the federal poverty level.*

16 (j) “Primary specialty” means family practice, internal medicine,
17 pediatrics, or obstetrics/gynecology.

18 (k) “Program” means the Steven M. Thompson Physician Corps
19 Loan Repayment Program.

20 (l) “Selection committee” means a minimum three-member
21 committee of the board, that includes a member that was appointed
22 by the Medical Board of California.

23 SEC. 2. Section 128553 of the Health and Safety Code is
24 amended to read:

25 128553. (a) Program applicants shall possess a current valid
26 license to practice medicine in this state issued pursuant to Section
27 2050 of the Business and Professions Code or pursuant to the
28 Osteopathic Act.

29 (b) ~~The foundation, in consultation with those identified in~~
30 ~~subdivision (b) of Section 123551, shall use guidelines developed~~
31 ~~by the Medical Board of California and the office shall develop~~
32 ~~guidelines using the criteria specified in subdivision (c) for~~
33 ~~selection and placement of applicants until the office adopts other~~
34 ~~guidelines by regulation.~~ The foundation shall interpret the
35 guidelines to apply to both osteopathic and allopathic physicians
36 and surgeons.

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

38 (1) Provide priority consideration to applicants that are best
39 suited to meet the cultural and linguistic needs and demands of

- 1 patients from medically underserved populations and who meet
2 one or more of the following criteria:
- 3 (A) Speak a Medi-Cal threshold language.
 - 4 (B) Come from an economically disadvantaged background.
 - 5 (C) Have received significant training in cultural and
6 linguistically appropriate service delivery.
 - 7 (D) Have three years of experience providing health care
8 services to medically underserved populations or in a medically
9 underserved area, as defined in subdivision (e) of Section 128552.
 - 10 (E) Have recently obtained a license to practice medicine.
- 11 (2) Include a process for determining the needs for physician
12 services identified by the practice setting and for ensuring that the
13 practice setting meets the definition specified in subdivision (h)
14 of Section 128552.
- 15 (3) Give preference to applicants who have completed a
16 three-year residency in a primary specialty.
- 17 (4) Give preference to applicants who agree to practice in a
18 medically underserved area, as defined in subdivision (e) of Section
19 128552, and who agree to serve a medically underserved
20 population.
- 21 (5) Give priority consideration to applicants from rural
22 communities who agree to practice in a physician owned and
23 operated medical practice setting as defined in paragraph (2) of
24 subdivision (i) of Section 128552.
- 25 (6) Include a factor ensuring geographic distribution of
26 placements.
- 27 (7) Provide priority consideration to applicants who agree to
28 practice in a geriatric care setting and are trained in geriatrics, and
29 who can meet the cultural and linguistic needs and demands of a
30 diverse population of older Californians. On and after January 1,
31 2009, up to 15 percent of the funds collected pursuant to Section
32 2436.5 of the Business and Professions Code shall be dedicated
33 to loan assistance for physicians and surgeons who agree to practice
34 in geriatric care settings or settings that primarily serve adults over
35 the age of 65 years or adults with disabilities.
- 36 (d) (1) The foundation may appoint a selection committee that
37 provides policy direction and guidance over the program and that
38 complies with the requirements of subdivision (l) of Section
39 128552.

- 1 (2) The selection committee may fill up to 20 percent of the
- 2 available positions with program applicants from specialties outside
- 3 of the primary care specialties.
- 4 (e) Program participants shall meet all of the following
- 5 requirements:
- 6 (1) Shall be working in or have a signed agreement with an
- 7 eligible practice setting.
- 8 (2) Shall have full-time status at the practice setting. Full-time
- 9 status shall be defined by the board and the selection committee
- 10 may establish exemptions from this requirement on a case-by-case
- 11 basis.
- 12 (3) Shall commit to a minimum of three years of service in a
- 13 medically underserved area. Leaves of absence shall be permitted
- 14 for serious illness, pregnancy, or other natural causes. The selection
- 15 committee shall develop the process for determining the maximum
- 16 permissible length of an absence and the process for reinstatement.
- 17 Loan repayment shall be deferred until the physician is back to
- 18 full-time status.
- 19 (f) The office shall adopt a process that applies if a physician
- 20 is unable to complete his or her three-year obligation.
- 21 (g) The foundation, in consultation with those identified in
- 22 subdivision (b) of Section 128551, shall develop a process for
- 23 outreach to potentially eligible applicants.
- 24 (h) The foundation may recommend to the office any other
- 25 standards of eligibility, placement, and termination appropriate to
- 26 achieve the aim of providing competent health care services in
- 27 approved practice settings.

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