

AMENDED IN SENATE APRIL 21, 2015

SENATE BILL

No. 22

Introduced by Senator Roth

December 1, 2014

An act to add ~~Article 4 Chapter 6~~ (commencing with Section ~~128310~~
~~128590~~) to ~~Chapter 4~~ of Part 3 of Division 107 of the Health and Safety
Code, relating to health ~~care~~; *care, and making an appropriation*
therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 22, as amended, Roth. ~~Medical residency training program grants.~~
Residency training.

Existing law, the Song-Brown Family Physician Training Act, declares the intent of the Legislature to increase the number of students and residents receiving quality education and training in the specialty of family practice and as primary care physician's assistants and primary care nurse practitioners. Existing law establishes, for this purpose, a state medical contract program with accredited medical schools, programs that train primary care physician's assistants, programs that train primary care nurse practitioners, registered nurses, hospitals, and other health care delivery systems.

Existing law establishes the California Healthcare Workforce Policy Commission and requires the commission, among other things, to identify specific areas of the state where unmet priority needs for primary care family physicians and registered nurses exist, establish standards for family practice training programs, family practice residency programs, primary care physician assistants programs, and programs that train primary care nurse practitioners, and review and make recommendations to the Director of the Office of Statewide Health

Planning and Development concerning the funding of those programs that are submitted to the Healthcare Workforce Development Division for participation in the state medical contract program.

This bill would require the Office of Statewide Health Planning and Development to establish a nonprofit public benefit corporation, to be known as the California Medical Residency Training Foundation, to be governed by a board of trustees consisting of a total of 13 members, 9 members appointed by the Governor, one member appointed by the Speaker of the Assembly, one member appointed by the Senate Committee on Rules, and 2 members of the Medical Board of California appointed by the Medical Board of California.

~~The bill would create the Graduate California Medical Education Trust Residency Training Fund in the State Treasury, to consist of funds from public-private partnerships created to fund grants to a continuously appropriated fund, and would require the foundation to solicit and accept funds from business, industry, foundations, and other private or public sources for the purpose of establishing and funding new graduate medical residency training programs and any interest that accrues on those moneys, and would require that moneys in the fund be used, upon appropriation by the Legislature, for those purposes, as specified. in medically underserved areas of the state, as specified. By creating a continuously appropriated fund, the bill would make an appropriation. The bill would require the Office of Statewide Health Planning and Development, in consultation with the California Healthcare Workforce Policy Commission, to develop criteria, upon receipt of private donations of sufficient moneys to develop the criteria, for distribution of available funds. Development to, among other things, provide technical support and financial management for the foundation, establish criteria for ranking geographical areas with the highest need for primary care residencies, and give preference to funding residencies in those areas, as specified.~~

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

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

- 1 SECTION 1. Chapter 6 (commencing with Section 128590) is
- 2 added to Part 3 of Division 107 of the Health and Safety Code, to
- 3 read:

CHAPTER 6. CALIFORNIA MEDICAL RESIDENCY TRAINING
FOUNDATION

128590. As used in this chapter:

(a) “Board” means the Board of Trustees of the California Medical Residency Training Foundation.

(b) “Commission” means the California Healthcare Workforce Policy Commission.

(c) “Director” means the Director of the Office of Statewide Health Planning and Development.

(d) “Foundation” means the California Medical Residency Training Foundation.

(e) “Fund” means the Medical Residency Training Fund.

(f) “Office” means the Office of Statewide Health Planning and Development.

(g) “Primary care” means the medical practice areas of family medicine, general surgery, internal medicine, obstetrics and gynecology, pediatrics, and psychiatry.

(h) “Residency position” means a graduate medical education residency position in the field of primary care.

128591. (a) (1) The office shall establish a nonprofit public benefit corporation to be known as the California Medical Residency Training Foundation.

(2) The foundation shall be governed by a board of trustees consisting of a total of 13 members. Nine members shall be appointed by the Governor, one member shall be appointed by the Speaker of the Assembly, one member shall be appointed by the Senate Committee on Rules, and two members of the Medical Board of California shall be appointed by the Medical Board of California.

(3) The members of the foundation board appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules may include representatives of public and private hospitals, community clinics, public and private health insurance providers, the pharmaceutical industry, associations of health care practitioners, and other appropriate members of health or related professions.

(4) All persons considered for appointment shall have an interest in increasing the number of medical residencies in the state, an

1 *interest in increasing access to health care in underserved areas*
2 *of California, and the ability and desire to solicit funds for the*
3 *purposes of this chapter, as determined by the appointing power.*

4 *(5) The chairperson of the commission shall also be a nonvoting,*
5 *ex officio member of the board.*

6 *(b) The Governor shall appoint the president of the board from*
7 *among those members appointed by the Governor, the Speaker of*
8 *the Assembly, the Senate Committee on Rules, and the Medical*
9 *Board of California.*

10 *(c) Of the members of the board first appointed by the Governor,*
11 *three members shall be appointed to serve a one-year term, three*
12 *members shall be appointed to serve a two-year term, and three*
13 *members shall be appointed to serve a three-year term.*

14 *(d) Of the members of the board first appointed by the Speaker*
15 *of the Assembly and the Senate Committee on Rules, each member*
16 *shall be appointed to serve a four-year term.*

17 *(e) The members appointed by the Medical Board of California*
18 *shall be appointed to serve a four-year term.*

19 *(f) Upon the expiration of the initial appointments to the board*
20 *by the Governor, the Speaker of the Assembly, the Senate*
21 *Committee on Rules, and the Medical Board of California, each*
22 *member shall be appointed to serve a four-year term.*

23 *(g) The director, after consultation with the president of the*
24 *board, may appoint a council of advisers comprised of up to nine*
25 *members. The council shall advise the director and the board on*
26 *technical matters and programmatic issues related to the*
27 *foundation.*

28 *(h) (1) Members of the board and members of the council shall*
29 *serve without compensation, but shall be reimbursed for any actual*
30 *and necessary expenses incurred in connection with his or her*
31 *duties as a member of the board or the council.*

32 *(2) The members appointed by the Medical Board of California*
33 *shall serve without compensation, but shall be reimbursed by the*
34 *Medical Board of California for any actual and necessary expenses*
35 *incurred in connection with his or her duties as a member of the*
36 *foundation board.*

37 *(i) Notwithstanding any law relating to incompatible activities,*
38 *no member of the foundation board shall be considered to be*
39 *engaged in activities inconsistent and incompatible with his or her*

1 *duties solely as a result of membership on the Medical Board of*
2 *California.*

3 *(j) The foundation shall be subject to the Nonprofit Public*
4 *Benefit Corporation Law (Part 2 (commencing with Section 5110)*
5 *of Division 2 of Title 2 of the Corporations Code), except that if*
6 *there is a conflict with this chapter and the Nonprofit Public Benefit*
7 *Corporation Law (Part 2 (commencing with Section 5110) of*
8 *Division 2 of Title 2 of the Corporations Code), this chapter shall*
9 *prevail.*

10 *128592. The foundation shall do the following:*

11 *(a) Solicit and accept funds from business, industry, foundations,*
12 *and other private or public sources for the purpose of establishing*
13 *and funding new residency positions in medically underserved*
14 *areas of the state.*

15 *(b) Encourage public and private sector institutions, including*
16 *hospitals, colleges, universities, community clinics, and other*
17 *health agencies and organizations to identify and provide locations*
18 *for the establishment of new residency positions in the medically*
19 *underserved areas of the state.*

20 *(c) Make recommendations to the director on the establishment*
21 *of new residency positions, including the locations, fields of*
22 *practice, and levels of funding in order to fulfill the goals of this*
23 *chapter.*

24 *(d) Recommend to the director the disbursement of moneys*
25 *deposited in the California Medical Residency Training Fund to*
26 *establish and fund residency positions.*

27 *(e) Recommend to the director that a portion of the funds*
28 *solicited from the private sector be used for the administrative*
29 *requirements of the foundation.*

30 *(f) Prepare and submit an annual report to the Legislature*
31 *documenting the amount of money solicited from the private sector,*
32 *the amount of money deposited from the foundation into the fund,*
33 *the recommendations for the location and fields of practice of*
34 *future residency positions, and the prospective fundraising goals.*

35 *128593. The office shall do all of the following:*

36 *(a) Provide technical and staff support to the foundation in*
37 *meeting all of its responsibilities.*

38 *(b) Provide financial management for the foundation.*

39 *(c) Establish, with the recommendation of the board, criteria*
40 *for ranking the geographical areas of the state that have the highest*

1 *need for primary care residencies, and give preference to proposals*
2 *that would establish residency positions in these areas. These*
3 *criteria shall be based on both of the following:*

4 *(1) The size of an area's population that is enrolled in, or*
5 *eligible for, Medi-Cal.*

6 *(2) The shortage of primary care physicians in the area.*

7 *(d) Solicit proposals for new residency positions from public*
8 *and private sector institutions, including hospitals, colleges,*
9 *universities, community clinics, and other health agencies and*
10 *organizations that train primary care residents. The office shall*
11 *establish a uniform process that requires that these proposals*
12 *contain all necessary and pertinent information, including, but*
13 *not limited to, all of the following:*

14 *(1) The location of the proposed residency position.*

15 *(2) The medical practice area of the proposed residency*
16 *position.*

17 *(3) Information that demonstrates the area's need for the*
18 *proposed residency position and for additional primary care*
19 *practitioners.*

20 *(4) The amount of funding required to establish and operate*
21 *the residency position.*

22 *(e) Enter into contracts with public and private sector*
23 *institutions, including hospitals, colleges, universities, community*
24 *clinics, and other health agencies and organizations in order to*
25 *fund and establish residency positions at, or in association with,*
26 *these institutions. The director shall seek the recommendations of*
27 *the commission and foundation as to which proposals best fulfill*
28 *this chapter's objective.*

29 *(f) Prior to the first distribution of funds for any new residency*
30 *position, ensure that the residency position has been, or will be,*
31 *approved by the Accreditation Council for Graduate Medical*
32 *Education.*

33 *(g) Provide all of the following information to the board:*

34 *(1) The areas of the state that are deficient in primary care*
35 *services.*

36 *(2) The areas of the state that have the highest number of*
37 *Medi-Cal enrollees and persons eligible to enroll in Medi-Cal, by*
38 *proportion of population.*

39 *(3) The proposals received from institutions that train primary*
40 *care physicians pursuant to subdivision (d).*

1 (4) *Other information that the office or board finds relevant to*
2 *assist the board in making its recommendations on possible*
3 *locations for new residency positions.*

4 (h) *Monitor the residencies established pursuant to this chapter.*

5 (i) (1) *Prepare and submit an annual report to the foundation*
6 *and the Legislature documenting the amount of money contributed*
7 *to the fund by the foundation, the amount of money expended from*
8 *the fund, the purposes of those expenditures, the number and*
9 *location of residency positions established and funded, and*
10 *recommendations for the location of future residency positions.*

11 (2) *The report pursuant to paragraph (1) shall be made to the*
12 *Legislature pursuant to Section 9795 of the Government Code.*

13 128594. (a) *The Medical Residency Training Fund is hereby*
14 *created within the State Treasury.*

15 (b) *The primary purpose of the fund is to allocate funding for*
16 *new residency positions throughout the state. Money in the fund*
17 *shall also be used to pay for the cost of administering the goals of*
18 *the foundation, and for any other purpose authorized by this*
19 *chapter.*

20 (c) *The level of expenditure by the office for the administrative*
21 *support of the foundation is subject to review and approval*
22 *annually through the State Budget process.*

23 (d) *The office and foundation may solicit and accept public and*
24 *private donations to be deposited into the fund. All money in the*
25 *fund is continuously appropriated to the office for the purposes of*
26 *this chapter. The office shall manage this fund prudently in*
27 *accordance with applicable laws.*

28 128595. *Any regulations the office adopts to implement this*
29 *chapter shall be adopted as emergency regulations in accordance*
30 *with Section 11346.1 of the Government Code, except that the*
31 *regulations shall be exempt from the requirements of subdivisions*
32 *(e), (f), and (g) of that section. The regulations shall be deemed*
33 *to be emergency regulations for the purposes of Section 11346.1*
34 *of the Government Code.*

35 ~~SECTION 1. Article 4 (commencing with Section 128310) is~~
36 ~~added to Chapter 4 of Part 3 of Division 107 of the Health and~~
37 ~~Safety Code, to read:~~

1 Article 4. ~~Medical Residency Training Program Grants~~

2
3 ~~128310. (a) The Graduate Medical Education Trust Fund is~~
4 ~~hereby created in the State Treasury.~~

5 ~~(b) Moneys in the fund, upon appropriation by the Legislature,~~
6 ~~shall be used solely for the purpose of funding grants to graduate~~
7 ~~medical education residency programs in California.~~

8 ~~(c) Notwithstanding Section 16305.7 of the Government Code,~~
9 ~~all interest earned on the moneys that have been deposited into the~~
10 ~~fund shall be retained in the fund and used for purposes consistent~~
11 ~~with the fund.~~

12 ~~(d) The fund shall consist of all of the following:~~

13 ~~(1) Funds from public-private partnerships created for the~~
14 ~~purpose of funding grants to graduate medical education residency~~
15 ~~programs in California.~~

16 ~~(2) Any interest that accrues on amounts in the fund.~~

17 ~~(e) (1) The Office of Statewide Health Planning and~~
18 ~~Development, in consultation with the California Healthcare~~
19 ~~Workforce Policy Commission, shall develop criteria for~~
20 ~~distribution of available moneys in the fund.~~

21 ~~(2) The office shall develop criteria only upon receipt of~~
22 ~~donations sufficient to cover the costs of developing the criteria.~~

23 ~~(f) In developing the criteria, the office shall give priority to~~
24 ~~programs that meet the following specifications:~~

25 ~~(1) Are located in medically underserved areas, as defined in~~
26 ~~Section 128552.~~

27 ~~(2) Have a proven record of placing graduates in those medically~~
28 ~~underserved areas.~~

29 ~~(3) Place an emphasis on training primary care providers.~~

30 ~~(4) Place an emphasis on training physician specialties that are~~
31 ~~most needed in the community in which the program is located.~~

32 ~~(g) Moneys appropriated from the fund may also be used to~~
33 ~~fund existing graduate medical education residency slots as well~~
34 ~~as new graduate medical education residency slots.~~

35 ~~(h) Whenever applicable, the office shall utilize moneys~~
36 ~~appropriated from the fund to provide a match for available federal~~
37 ~~funds for graduate medical education.~~