

AMENDED IN SENATE MAY 5, 2015  
AMENDED IN SENATE APRIL 21, 2015

**SENATE BILL**

**No. 22**

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**Introduced by Senator Roth**

December 1, 2014

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

LEGISLATIVE COUNSEL'S DIGEST

SB 22, as amended, Roth. 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: to be appointed as specified.*

The bill would create the California Medical Residency Training Fund in the State Treasury, 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 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 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. *The bill would require the Legislature to, for each fiscal year, authorize in the budget an amount, as determined in the budgetary process, to match the contributions deposited into the fund by the foundation in that fiscal year.*

*Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

*This bill would make legislative findings to that effect.*

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. Chapter 6 (commencing with Section 128590) is added to Part 3 of Division 107 of the Health and Safety Code, to 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~~ *Seven* 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~~ *California, and two members of the Osteopathic Medical Board of California shall be appointed by the Osteopathic Medical Board of California.*

(3) The members of the foundation board appointed by the Governor, the Speaker of the Assembly, and the Senate Committee

1 on Rules ~~may include~~ *shall consist of* representatives of public and  
2 private hospitals, community clinics, public and private health  
3 insurance providers, the pharmaceutical industry, associations of  
4 health care practitioners, and other appropriate members of health  
5 or related professions.

6 (4) All persons considered for appointment shall have an interest  
7 in increasing the number of medical residencies in the state, an  
8 interest in increasing access to health care in underserved areas of  
9 California, and the ability and desire to solicit funds for the  
10 purposes of this chapter, as determined by the appointing power.

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

13 (b) The Governor shall appoint the president of the board from  
14 among those members appointed by the Governor, the Speaker of  
15 the Assembly, the Senate Committee on Rules, ~~and the Medical~~  
16 ~~Board of California.~~ *California, and the Osteopathic Medical*  
17 *Board of California.*

18 (c) Of the members of the board first appointed by the Governor,  
19 three members shall be appointed to serve a one-year term, three  
20 members shall be appointed to serve a two-year term, and three  
21 members shall be appointed to serve a three-year term.

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

25 (e) The members appointed by the Medical Board of California  
26 *and the Osteopathic Medical Board of California* shall be  
27 appointed to serve a four-year term.

28 (f) Upon the expiration of the initial appointments to the board  
29 by the Governor, the Speaker of the Assembly, the Senate  
30 Committee on Rules, ~~and the Medical Board of California,~~ *and*  
31 *the Osteopathic Medical Board of California,* each member shall  
32 be appointed to serve a four-year term.

33 (g) The director, after consultation with the president of the  
34 board, may appoint a council of advisers comprised of up to nine  
35 members. The council shall advise the director and the board on  
36 technical matters and programmatic issues related to the  
37 foundation.

38 (h) (1) Members of the board and members of the council shall  
39 serve without compensation, but shall be reimbursed for any actual

1 and necessary expenses incurred in connection with his or her  
2 duties as a member of the board or the council.

3 (2) The members appointed by the Medical Board of California  
4 shall serve without compensation, but shall be reimbursed by the  
5 Medical Board of California for any actual and necessary expenses  
6 incurred in connection with his or her duties as a member of the  
7 foundation board.

8 (i) Notwithstanding any law relating to incompatible activities,  
9 no member of the foundation board shall be considered to be  
10 engaged in activities inconsistent and incompatible with his or her  
11 duties solely as a result of membership on the Medical Board of  
12 California.

13 (j) The foundation shall be subject to the Nonprofit Public  
14 Benefit Corporation Law (Part 2 (commencing with Section 5110)  
15 of Division 2 of Title 2 of the Corporations Code), except that if  
16 there is a conflict with this chapter and the Nonprofit Public Benefit  
17 Corporation Law (Part 2 (commencing with Section 5110) of  
18 Division 2 of Title 2 of the Corporations Code), this chapter shall  
19 prevail.

20 128592. The foundation shall do the following:

21 (a) Solicit and accept funds from business, industry, foundations,  
22 and other private or public sources for the purpose of establishing  
23 and funding new residency positions in medically underserved  
24 areas of the state.

25 (b) Encourage public and private sector institutions, including  
26 hospitals, colleges, universities, community clinics, and other  
27 health agencies and organizations to identify and provide locations  
28 for the establishment of new residency positions in the medically  
29 underserved areas of the state.

30 (c) Make recommendations to the director on the establishment  
31 of new residency positions, including the locations, fields of  
32 practice, and levels of funding in order to fulfill the goals of this  
33 chapter.

34 (d) Recommend to the director the disbursement of moneys  
35 deposited in the California Medical Residency Training Fund to  
36 establish and fund residency positions.

37 (e) Recommend to the director that a portion of the funds  
38 solicited from the private sector be used for the administrative  
39 requirements of the foundation.

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

128593. The office shall do all of the following:

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

(b) Provide financial management for the foundation.

(c) Establish, with the recommendation of the board, criteria for ranking the geographical areas of the state that have the highest need for primary care residencies, and give preference to proposals that would establish residency positions in these areas. These criteria shall be based on both of the following:

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

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

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

(1) The location of the proposed residency position.

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

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

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

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

(f) Prior to the first distribution of funds for any new residency position, ensure that the residency position has been, or will be,

1 approved by the Accreditation Council for Graduate Medical  
2 Education.

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

4 (1) The areas of the state that are deficient in primary care  
5 services.

6 (2) The areas of the state that have the highest number of  
7 Medi-Cal enrollees and persons eligible to enroll in Medi-Cal, by  
8 proportion of population.

9 (3) The proposals received from institutions that train primary  
10 care physicians pursuant to subdivision (d).

11 (4) Other information that the office or board finds relevant to  
12 assist the board in making its recommendations on possible  
13 locations for new residency positions.

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

15 (i) (1) Prepare and submit an annual report to the foundation  
16 and the Legislature documenting the amount of money contributed  
17 to the fund by the foundation, the amount of money expended from  
18 the fund, the purposes of those expenditures, the number and  
19 location of residency positions established and funded, and  
20 recommendations for the location of future residency positions.

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

23 128594. (a) The Medical Residency Training Fund is hereby  
24 created within the State Treasury.

25 (b) The primary purpose of the fund is to allocate funding for  
26 new residency positions throughout the state. Money in the fund  
27 shall also be used to pay for the cost of administering the goals of  
28 the foundation, and for any other purpose authorized by this  
29 chapter.

30 (c) The level of expenditure by the office for the administrative  
31 support of the foundation is subject to review and approval annually  
32 through the State Budget process.

33 (d) The office and foundation may solicit and accept public and  
34 private donations to be deposited into the fund. All money in the  
35 fund is continuously appropriated to the office for the purposes of  
36 this chapter. The office shall manage this fund prudently in  
37 accordance with applicable laws.

38 128595. Any regulations the office adopts to implement this  
39 chapter shall be adopted as emergency regulations in accordance  
40 with Section 11346.1 of the Government Code, except that the

1 regulations shall be exempt from the requirements of subdivisions  
2 (e), (f), and (g) of that section. The regulations shall be deemed to  
3 be emergency regulations for the purposes of Section 11346.1 of  
4 the Government Code.

5 *128596. Notwithstanding any other law, the office may exempt*  
6 *from public disclosure any document in the possession of the office*  
7 *that pertains to a donation made pursuant to this chapter if the*  
8 *donor has requested anonymity.*

9 *128597. For each fiscal year, the Legislature shall authorize*  
10 *in the budget an amount, as determined in the budgetary process,*  
11 *to match the contributions deposited into the Medical Residency*  
12 *Training Fund by the foundation in that fiscal year. The matching*  
13 *funds may come from the General Fund or any other fund or source*  
14 *approved in the budgetary process.*

15 *SEC. 2. The Legislature finds and declares that Section 1 of*  
16 *this act, which adds Chapter 6 (commencing with Section 128590)*  
17 *to Part 3 of Division 107 of the Health and Safety Code, imposes*  
18 *a limitation on the public's right of access to the meetings of public*  
19 *bodies or the writings of public officials and agencies within the*  
20 *meaning of Section 3 of Article I of the California Constitution.*  
21 *Pursuant to that constitutional provision, the Legislature makes*  
22 *the following findings to demonstrate the interest protected by this*  
23 *limitation and the need for protecting that interest:*

24 *The need to protect individual privacy of donations made by a*  
25 *donor to fund new residency positions in medically underserved*  
26 *areas of the state outweighs the interest in the public disclosure*  
27 *of that information.*