

AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE APRIL 21, 2015

SENATE BILL

No. 22

Introduced by Senator Roth

December 1, 2014

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~~ *Health Care Workforce* 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, 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 specified areas of the state, including medically underserved areas of the state, as specified.* ~~areas.~~ 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,~~ *Development, among other responsibilities,* to 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.~~ *and to enter into contracts with public and private sector institutions and other health agencies and organizations in order to fund and establish residency positions.*

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.~~ *psychiatry, and related specialties and subspecialties as the office deems appropriate.*

(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. 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, two members of the Medical Board of California shall be appointed by the Medical Board of 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 shall consist of representatives of *designated and*
2 *nondesignated* public~~and hospitals~~, private hospitals, community
3 clinics, public and private health insurance providers, the
4 pharmaceutical industry, associations of health care practitioners,
5 and other appropriate members of health 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, the Medical Board
16 of California, and the Osteopathic Medical Board of California.

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

25 (e) The members appointed by the Medical Board of California
26 and the Osteopathic Medical Board of California shall be appointed
27 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, the Medical Board of California, and the
31 Osteopathic Medical Board of California, each member shall be
32 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 *appointed by the Governor, the*
39 *Speaker of the Assembly, and the Senate Committee on Rules*, and
40 members of the council shall serve without compensation, but shall

be reimbursed for any actual and necessary expenses incurred in connection with his or her duties as a member of the board or the council.

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

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

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

128592. The foundation shall do the following:

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

(b) Encourage public and private sector institutions, including hospitals, colleges, universities, community clinics, and other health agencies and organizations to identify and provide locations for the establishment of new residency positions in ~~the medically underserved~~ areas of the ~~state~~. *state described in subdivision (c).* *The foundation shall solicit proposals for medical residency programs, as described in subdivision (c), and provide the office a copy of all proposals it receives.*

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

1 ~~(d) Recommend to the director the disbursement of moneys~~
2 ~~deposited in the California Medical Residency Training Fund to~~
3 ~~establish and fund residency positions.~~

4 *(c) Upon the sufficient solicitation of funds and at the*
5 *foundation's discretion, approve proposals and recommend to the*
6 *office the establishment of new residency positions. A*
7 *recommendation shall include all pertinent information necessary*
8 *for the office to enter into the necessary contracts to establish the*
9 *residency positions. The foundation shall only approve and*
10 *recommend to the office proposals that would establish residency*
11 *positions that will serve the following medical service areas:*

12 *(1) A service area that is designated as a primary care shortage*
13 *area by the office.*

14 *(2) A service area that is designated as a health professional*
15 *shortage area for primary care, by either population or geographic*
16 *designation, by the Health Resources and Services Administration*
17 *of the United States Department of Health and Human Services.*

18 *(3) A service area that is designated as a medically underserved*
19 *area or medically underserved population by the Health Resources*
20 *and Services Administration of the United States Department of*
21 *Health and Human Services.*

22 *(d) Upon office approval of a recommendation, deposit into the*
23 *fund necessary moneys as required to establish and fund the*
24 *residency position.*

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

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

34 128593. The office shall do all of the following:

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

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

38 ~~*(c) Establish, with the recommendation of the board, criteria*~~
39 ~~*for ranking the geographical areas of the state that have the highest*~~
40 ~~*need for primary care residencies, and give preference to proposals*~~

1 ~~that would establish residency positions in these areas. These~~
2 ~~criteria shall be based on both of the following:~~

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

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

6 ~~(c) Upon receipt of a recommendation made by the foundation~~
7 ~~pursuant to subdivision (c) of Section 128592, approve the~~
8 ~~recommendation if the recommendation fulfills the requirements~~
9 ~~of subdivision (c) of Section 128592 and the recommendation~~
10 ~~fulfills the goals of this chapter. Upon sufficient funds being~~
11 ~~available, an approval shall signal the office's intent to establish~~
12 ~~the residency position.~~

13 ~~(d) Solicit proposals for new residency positions from public~~
14 ~~and private sector institutions, including hospitals, colleges,~~
15 ~~universities, community clinics, and other health agencies and~~
16 ~~organizations that train primary care residents. The office shall~~
17 ~~establish—Establish a uniform process that requires that by which~~
18 ~~the foundation may solicit proposals from public and private sector~~
19 ~~institutions, including hospitals, colleges, universities, community~~
20 ~~clinics, and other health agencies and organizations that train~~
21 ~~primary care residents. The office shall require that these proposals~~
22 ~~contain all necessary and pertinent information, including, but not~~
23 ~~limited to, all of the following:~~

24 ~~(1) The location of the proposed residency position.~~

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

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

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

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

38 ~~(f) Prior to the first distribution of funds for any new residency~~
39 ~~position, ensure—Ensure that the residency position has been, or~~

1 will be, approved by the Accreditation Council for Graduate
2 Medical 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)~~

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

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

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

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

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

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

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

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

39 128595. Any regulations the office adopts to implement this
40 chapter shall be adopted as emergency regulations in accordance

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

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

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

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

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