

AMENDED IN SENATE JUNE 4, 2015

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 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 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 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. By creating a continuously appropriated fund, the bill would make an appropriation. The bill would require the Office of Statewide Health Planning and Development, among other responsibilities, to provide technical support and financial management for the foundation, 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. *The bill would authorize the Governor to include in the annual budget proposal an amount, as he or she deems reasonable, to be appropriated for this purpose. The bill, if the Legislature appropriates money for this purpose, would require the office to hold the funds and distribute them into the fund, upon request of the foundation, in an amount matching the amount deposited into the fund by the foundation. The bill would require money that was appropriated, but that has not been distributed to the fund at the end of each fiscal year, to be returned to the General Fund.*

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:

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

4
5 CHAPTER 6. CALIFORNIA MEDICAL RESIDENCY TRAINING
6 FOUNDATION
7

8 128590. As used in this chapter:

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

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

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

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

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

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

20 (g) “Primary care” means the medical practice areas of family
21 medicine, general surgery, internal medicine, obstetrics and
22 gynecology, pediatrics, psychiatry, and related specialties and
23 subspecialties as the office deems appropriate.

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

26 128591. (a) (1) The office shall establish a nonprofit public
27 benefit corporation to be known as the California Medical
28 Residency Training Foundation.

29 (2) The foundation shall be governed by a board of trustees
30 consisting of a total of 13 members. Seven members shall be
31 appointed by the Governor, one member shall be appointed by the
32 Speaker of the Assembly, one member shall be appointed by the
33 Senate Committee on Rules, two members of the Medical Board
34 of California shall be appointed by the Medical Board of California,
35 and two members of the Osteopathic Medical Board of California
36 shall be appointed by the Osteopathic Medical Board of California.

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

1 on Rules shall consist of representatives of designated and
2 nondesignated public 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 one
20 member shall be appointed to serve a three-year term.

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

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

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

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

37 (h) (1) Members of the board appointed by the Governor, the
38 Speaker of the Assembly, and the Senate Committee on Rules,
39 and members of the council shall serve without compensation, but
40 shall be reimbursed for any actual and necessary expenses incurred

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

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

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

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

22 128592. The foundation shall do the following:

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

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

35 (c) Upon the sufficient solicitation of funds and at the
36 foundation's discretion, approve proposals and recommend to the
37 office the establishment of new residency positions. A
38 recommendation shall include all pertinent information necessary
39 for the office to enter into the necessary contracts to establish the
40 residency positions. The foundation shall only approve and

1 recommend to the office proposals that would establish residency
2 positions that will serve *in any of* the following medical service
3 areas:

4 (1) A service area that is designated as a primary care shortage
5 area by the office.

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

10 (3) A service area that is designated as a medically underserved
11 area or medically underserved population by the Health Resources
12 and Services Administration of the United States Department of
13 Health and Human Services.

14 (d) Upon office approval of a recommendation, deposit into the
15 fund necessary moneys as required to establish and fund the
16 residency position.

17 (e) Recommend to the director that a portion of the funds
18 solicited from the private sector be used for the administrative
19 requirements of the foundation.

20 (f) Prepare and submit an annual report to the Legislature
21 documenting the amount of money solicited, the amount of money
22 deposited from the foundation into the fund, the recommendations
23 for the location and fields of practice of residency positions, total
24 expenditures for the year, and prospective fundraising goals.

25 128593. The office shall do all of the following:

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

28 (b) Provide financial management for the foundation.

29 (c) Upon receipt of a recommendation made by the foundation
30 pursuant to subdivision (c) of Section 128592, approve the
31 recommendation if the recommendation fulfills the requirements
32 of subdivision (c) of Section 128592 and the recommendation
33 fulfills the goals of this chapter. Upon sufficient funds being
34 available, an approval shall signal the office's intent to establish
35 the residency position.

36 (d) Establish a uniform process by which the foundation may
37 solicit proposals from public and private sector institutions,
38 including hospitals, colleges, universities, community clinics, and
39 other health agencies and organizations that train primary care
40 residents. The office shall require that these proposals contain all

1 necessary and pertinent information, including, but not limited to,
2 all of the following:

3 (1) The location of the proposed residency position.

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

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

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

10 (e) Enter into contracts with public and private sector
11 institutions, including hospitals, colleges, universities, community
12 clinics, and other health agencies and organizations in order to
13 fund and establish residency positions at, or in association with,
14 these institutions.

15 (f) Ensure that the residency position has been, or will be,
16 approved by the Accreditation Council for Graduate Medical
17 Education.

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

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

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

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

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

28 (i) (1) Prepare and submit an annual report to the foundation
29 and the Legislature documenting the amount of money contributed
30 to the fund by the foundation, the amount of money expended from
31 the fund, the purposes of those expenditures, the number and
32 location of residency positions established and funded, and
33 recommendations for the location of future residency positions.

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

36 128594. (a) The Medical Residency Training Fund is hereby
37 created within the State Treasury.

38 (b) The primary purpose of the fund is to allocate funding for
39 new residency positions throughout the state. Money in the fund
40 shall also be used to pay for the cost of administering the goals of

1 the foundation, and for any other purpose authorized by this
2 chapter.

3 (c) The level of expenditure by the office for the administrative
4 support of the foundation is subject to review and approval annually
5 through the ~~State Budget~~ *state budget* process.

6 (d) The office and foundation may solicit and accept public and
7 private donations to be deposited into the fund. All money in the
8 fund is continuously appropriated to the office for the purposes of
9 this chapter. The office shall manage this fund prudently in
10 accordance with applicable laws.

11 128595. Any regulations the office adopts to implement this
12 chapter shall be adopted as emergency regulations in accordance
13 with Section 11346.1 of the Government Code, except that the
14 regulations shall be exempt from the requirements of subdivisions
15 (e), (f), and (g) of that section. The regulations shall be deemed to
16 be emergency regulations for the purposes of Section 11346.1 of
17 the Government Code.

18 128596. Notwithstanding any other law, the office may exempt
19 from public disclosure any document in the possession of the office
20 that pertains to a donation made pursuant to this chapter if the
21 donor has requested anonymity.

22 128597. (a) *The Governor may include in the annual budget*
23 *proposal an amount, as he or she deems reasonable, to be*
24 *appropriated to the office to be used as provided in this chapter.*

25 (b) *If the Legislature appropriates money for purposes of this*
26 *chapter, the money shall be appropriated to the office, which shall*
27 *hold the money for distribution to the fund.*

28 (c) *Funds appropriated to the office shall be paid into the fund,*
29 *upon request of the foundation, in an amount matching the amount*
30 *deposited into the fund by the foundation for the purposes of this*
31 *chapter. Any money that was appropriated to the office and that*
32 *has not been distributed to the fund at the end of each fiscal year*
33 *shall be returned to the General Fund.*

34 SEC. 2. The Legislature finds and declares that Section 1 of
35 this act, which adds Chapter 6 (commencing with Section 128590)
36 to Part 3 of Division 107 of the Health and Safety Code, imposes
37 a limitation on the public's right of access to the meetings of public
38 bodies or the writings of public officials and agencies within the
39 meaning of Section 3 of Article I of the California Constitution.
40 Pursuant to that constitutional provision, the Legislature makes

1 the following findings to demonstrate the interest protected by this
2 limitation and the need for protecting that interest:
3 The need to protect individual privacy of donations made by a
4 donor to fund new residency positions in underserved areas of the
5 state outweighs the interest in the public disclosure of that
6 information.

O