

AMENDED IN ASSEMBLY FEBRUARY 29, 2016

AMENDED IN SENATE JANUARY 25, 2016

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~~ Senators *Roth, Cannella, and Galgiani*
(Principal coauthors: Assembly Members Alejo, Brown, Calderon, Eduardo Garcia, Gipson, Gonzalez, Gray, Jones-Sawyer, Linder, Olsen, Ridley-Thomas, and Salas)

December 1, 2014

An act to add Article 7 (commencing with Section 128590) to Chapter 5 of 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~~. *training: funding.*

The Song-Brown Health Care Workforce Training Act creates a state medical contract program to increase the number of students and residents receiving quality education and training in specified primary care specialties or in nursing, and to maximize the delivery of primary care and family physician services to specific areas of California where there is a recognized unmet priority need for those services. The act requires the Director of Statewide Health Planning and Development to, among other things, contract with accredited medical schools,

teaching health centers, training programs, hospitals, and other health care delivery systems for those purposes, based on recommendations of the California Healthcare Workforce Policy Commission and in conformity with the contract criteria and program standards established by the commission.

This bill would appropriate \$300,000,000 from the General Fund to the director for the purpose of funding new and existing graduate medical education physician residency positions, and supporting training faculty, pursuant to the act, for expenditure as specified. The bill would also make related findings and declarations.

~~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 requires the Office of Statewide Health Planning and Development to establish the Health Professions Education Foundation to solicit and receive funds for the purpose of providing financial assistance in the form of scholarships or loans to medical students from underrepresented groups. Under existing law, the foundation also administers other programs for the advancement of health professions, including the Registered Nurse Education Program.~~

~~This bill would establish the Medical Residency Training Advisory Panel, consisting of a total of 13 members to be appointed as specified, within the Health Professions Education Foundation.~~

~~The bill would create the Medical Residency Training Fund in the State Treasury, a continuously appropriated fund, and would require the panel 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 foundation to provide technical support and financial management for the panel and to approve and send panel recommendations for new residency programs to the Office of Statewide Health Planning and Development for~~

~~implementation if specified requirements are met, including sufficient funding. The bill would require the office to enter into contracts with public and private sector institutions and other health agencies and organizations in order to fund and establish recommended 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 panel, in an amount matching the amount deposited into the fund, as specified. 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^{2/3}. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.~~

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

- 1 SECTION 1. *The Legislature finds and declares as follows:*
- 2 (a) *More than \$40 million of funding for the training of*
- 3 *California’s primary care physicians is expiring in 2016.*
- 4 (b) *Each year in California, only 368 slots are available to the*
- 5 *thousands of medical students seeking to train in family medicine.*
- 6 *If the funding is not replaced, 158 of those slots will be lost,*
- 7 *creating a terrible deficit of primary care physicians in California’s*
- 8 *underserved communities.*
- 9 (c) *Only 36 percent of California’s active patient care physicians*
- 10 *practice primary care. Twenty-three of California’s 58 counties*
- 11 *fall below the minimum required primary care physician to*
- 12 *population ratio.*
- 13 (d) *As of 2010, California needed an estimated additional 8,243*
- 14 *primary care physicians by 2030 to prevent projected shortages*
- 15 *in the state, which is about 412 new primary care physicians per*
- 16 *year.*

1 (e) More than 32 percent of California’s practicing primary
 2 care physicians are 60 years of age or older – only four other
 3 states have a larger percentage of soon-to-retire physicians.

4 (f) States with higher ratios of primary care physicians to
 5 population have better health outcomes, including decreased
 6 mortality from cancer, heart disease, and stroke.

7 (g) The Song-Brown program provides an existing state
 8 infrastructure to support an increase in the number of primary
 9 care providers serving California’s underserved populations. By
 10 investing in Song-Brown, California will realize an immediate
 11 return on investment as each primary care resident provides an
 12 average of 600 additional patient visits per physician per year
 13 during training alone.

14 (h) California’s long-term workforce will also grow significantly
 15 as the vast majority of physicians who train in a region stay there
 16 to practice. California leads all fifty states in the percentage of
 17 residency program graduates who stay in the state in which they
 18 are trained.

19 SEC. 2. Notwithstanding Section 13340 of the Government
 20 Code, there is hereby continuously appropriated from the General
 21 Fund the sum of three hundred million dollars (\$300,000,000) to
 22 the Director of Statewide Health Planning and Development, for
 23 the purpose of funding new and existing graduate medical
 24 education physician residency positions, and supporting training
 25 faculty, pursuant to the Song-Brown Health Care Workforce
 26 Training Act (Article 1 (commencing with Section 128200) of
 27 Chapter 4 of Part 3 of Division 107 of the Health and Safety Code).
 28 The moneys shall be expended as follows:

29 (a) The sum of one hundred million dollars (\$100,000,000) shall
 30 be expended in the 2016–17 fiscal year.

31 (b) The sum of one hundred million dollars (\$100,000,000) shall
 32 be expended in the 2017–18 fiscal year.

33 (c) The sum of one hundred million dollars (\$100,000,000) shall
 34 be expended in the 2018–19 fiscal year.

35 SECTION 1. ~~Article 7 (commencing with Section 128590) is~~
 36 ~~added to Chapter 5 of Part 3 of Division 107 of the Health and~~
 37 ~~Safety Code, to read:~~

1 ~~Article 7. California Medical Residency Training Program~~

2
3 ~~128590. As used in this article:~~

4 ~~(a) "Director" means the Director of Statewide Health Planning~~
5 ~~and Development.~~

6 ~~(b) "Foundation" means the Health Professions Education~~
7 ~~Foundation.~~

8 ~~(c) "Fund" means the Medical Residency Training Fund.~~

9 ~~(d) "Office" means the Office of Statewide Health Planning and~~
10 ~~Development.~~

11 ~~(e) "Panel" means the Medical Residency Training Advisory~~
12 ~~Panel, established pursuant to Section 128591.~~

13 ~~(f) "Primary care" means the medical practice areas of family~~
14 ~~medicine, general surgery, internal medicine, obstetrics and~~
15 ~~gynecology, pediatrics, psychiatry, and related specialties and~~
16 ~~subspecialties as the office deems appropriate.~~

17 ~~(g) "Residency position" means a graduate medical education~~
18 ~~residency position in the field of primary care.~~

19 ~~128591. (a) (1) There is established within the foundation the~~
20 ~~Medical Residency Training Advisory Panel.~~

21 ~~(2) The panel shall consist of 13 members. Seven members shall~~
22 ~~be appointed by the Governor, one member shall be appointed by~~
23 ~~the Speaker of the Assembly, one member shall be appointed by~~
24 ~~the Senate Committee on Rules, two members of the Medical~~
25 ~~Board of California shall be appointed by the Medical Board of~~
26 ~~California, and two members of the Osteopathic Medical Board~~
27 ~~of California shall be appointed by the Osteopathic Medical Board~~
28 ~~of California.~~

29 ~~(3) The members of the panel appointed by the Governor, the~~
30 ~~Speaker of the Assembly, and the Senate Committee on Rules~~
31 ~~shall consist of representatives of designated and nondesignated~~
32 ~~public hospitals, private hospitals, community clinics, public and~~
33 ~~private health insurance providers, the pharmaceutical industry,~~
34 ~~associations of health care practitioners, and other appropriate~~
35 ~~members of health or related professions.~~

36 ~~(4) All persons considered for appointment shall have an interest~~
37 ~~in increasing the number of medical residencies in the state, an~~
38 ~~interest in increasing access to health care in underserved areas of~~
39 ~~California, and the ability and desire to solicit funds for the~~
40 ~~purposes of this article, as determined by the appointing power.~~

1 ~~(b) The Governor shall appoint the president of the panel from~~
2 ~~among those members appointed by the Governor, the Speaker of~~
3 ~~the Assembly, the Senate Committee on Rules, the Medical Board~~
4 ~~of California, and the Osteopathic Medical Board of California.~~

5 ~~(e) (1) Of the members of the panel first appointed by the~~
6 ~~Governor, three members shall be appointed to serve a one-year~~
7 ~~term, three members shall be appointed to serve a two-year term,~~
8 ~~and one member shall be appointed to serve a three-year term.~~

9 ~~(2) Each member of the panel first appointed by the Speaker of~~
10 ~~the Assembly and the Senate Committee on Rules shall be~~
11 ~~appointed to serve a three-year term.~~

12 ~~(3) Each member of the panel appointed by the Medical Board~~
13 ~~of California and the Osteopathic Medical Board of California~~
14 ~~shall be appointed to serve a four-year term.~~

15 ~~(4) Upon the expiration of the initial appointments to the panel~~
16 ~~by the Governor, the Speaker of the Assembly, the Senate~~
17 ~~Committee on Rules, the Medical Board of California, and the~~
18 ~~Osteopathic Medical Board of California, each member shall be~~
19 ~~appointed to serve a four-year term.~~

20 ~~(d) (1) Members of the panel appointed by the Governor, the~~
21 ~~Speaker of the Assembly, and the Senate Committee on Rules~~
22 ~~shall serve without compensation, but shall be reimbursed for any~~
23 ~~actual and necessary expenses incurred in connection with their~~
24 ~~duties as members of the panel.~~

25 ~~(2) The members appointed by the Medical Board of California~~
26 ~~and the Osteopathic Medical Board of California shall serve~~
27 ~~without compensation, but shall be reimbursed by the Medical~~
28 ~~Board of California and the Osteopathic Medical Board of~~
29 ~~California, respectively, for any actual and necessary expenses~~
30 ~~incurred in connection with their duties as members of the panel.~~

31 ~~(e) Notwithstanding any law relating to incompatible activities,~~
32 ~~no member of the panel shall be considered to be engaged in~~
33 ~~activities inconsistent and incompatible with his or her duties solely~~
34 ~~as a result of membership on the Medical Board of California or~~
35 ~~the Osteopathic Medical Board of California.~~

36 ~~(f) The panel shall be subject to the Nonprofit Public Benefit~~
37 ~~Corporation Law (Part 2 (commencing with Section 5110) of~~
38 ~~Division 2 of Title 2 of the Corporations Code), except that if there~~
39 ~~is a conflict with this article and the Nonprofit Public Benefit~~
40 ~~Corporation Law (Part 2 (commencing with Section 5110) of~~

1 Division 2 of Title 2 of the Corporations Code), this article shall
2 prevail.

3 ~~128592. The panel shall do all of the following:~~

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

8 ~~(b) Encourage public and private sector institutions, including~~
9 ~~hospitals, colleges, universities, community clinics, and other~~
10 ~~health agencies and organizations to identify and provide locations~~
11 ~~for the establishment of new residency positions in areas of the~~
12 ~~state described in subdivision (c). The panel shall solicit proposals~~
13 ~~for medical residency programs, as described in subdivision (c);~~
14 ~~and shall provide to the foundation a copy of all proposals it~~
15 ~~receives.~~

16 ~~(c) Upon the sufficient solicitation of funds and at the panel's~~
17 ~~discretion, recommend to the foundation the establishment of new~~
18 ~~residency positions. A recommendation shall include all pertinent~~
19 ~~information required to enter into the necessary contracts to~~
20 ~~establish the residency positions. The panel shall only approve and~~
21 ~~recommend to the foundation proposals that would establish~~
22 ~~residency positions that will serve in any of the following medical~~
23 ~~service areas:~~

24 ~~(1) A service area that is designated as a primary care shortage~~
25 ~~area by the office.~~

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

30 ~~(3) A service area that is designated as a medically underserved~~
31 ~~area or medically underserved population by the Health Resources~~
32 ~~and Services Administration of the United States Department of~~
33 ~~Health and Human Services.~~

34 ~~(d) Upon foundation approval of a recommendation, deposit~~
35 ~~into the fund necessary moneys required to establish and fund the~~
36 ~~residency position.~~

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 panel and the foundation.~~

1 (f) Prepare and submit an annual report to the Legislature
2 documenting the amount of money solicited, the amount of money
3 deposited by the panel into the fund, the recommendations for the
4 location and fields of practice of residency positions, total
5 expenditures for the year, and prospective fundraising goals.

6 128593. The foundation shall do all of the following:

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

9 (b) Upon receipt of a recommendation made by the panel
10 pursuant to subdivision (e) of Section 128592, approve the
11 recommendation if the recommendation fulfills the requirements
12 of subdivision (e) of Section 128592 and the recommendation
13 fulfills the goals of this article. Upon sufficient funds being
14 available, an approval shall be sent to the office for implementation
15 pursuant to Section 128594.

16 128594. The office shall do all of the following:

17 (a) Establish a uniform process by which the panel may solicit
18 proposals from public and private sector institutions, including
19 hospitals, colleges, universities, community clinics, and other
20 health agencies and organizations that train primary care residents.
21 The office shall require that the proposals contain all necessary
22 and pertinent information, including, but not limited to, all of the
23 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 (b) 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.

36 (c) Ensure that the residency position has been, or will be,
37 approved by the Accreditation Council for Graduate Medical
38 Education.

39 (d) Provide all of the following information to the panel and the
40 foundation as requested:

1 ~~(1) The areas of the state that are deficient in primary care~~
2 ~~services:~~
3 ~~(2) The areas of the state that have the highest number of~~
4 ~~Medi-Cal enrollees and persons eligible to enroll in Medi-Cal, by~~
5 ~~proportion of population.~~
6 ~~(3) Other information relevant to assist the panel and the~~
7 ~~foundation in making recommendations on possible locations for~~
8 ~~new residency positions:~~
9 ~~(e) Monitor the residencies established pursuant to this article.~~
10 ~~(f) (1) Prepare and submit an annual report to the panel, the~~
11 ~~foundation, and the Legislature documenting the amount of money~~
12 ~~contributed to the fund by the panel, the amount of money~~
13 ~~expended from the fund, the purposes of those expenditures, the~~
14 ~~number and location of residency positions established and funded,~~
15 ~~and recommendations for the location of future residency positions.~~
16 ~~(2) The report pursuant to paragraph (1) shall be made to the~~
17 ~~Legislature pursuant to Section 9795 of the Government Code.~~
18 ~~128595. (a) The Medical Residency Training Fund is hereby~~
19 ~~created within the State Treasury.~~
20 ~~(b) The primary purpose of the fund is to allocate funding for~~
21 ~~new residency positions throughout the state. Money in the fund~~
22 ~~shall also be used to pay for the cost of administering the goals of~~
23 ~~the panel and the foundation as established by this article, and for~~
24 ~~any other purpose authorized by this article.~~
25 ~~(c) The level of expenditure by the office for the administrative~~
26 ~~support of the panel and the foundation is subject to review and~~
27 ~~approval annually through the state budget process.~~
28 ~~(d) In addition to funds raised by the panel, the office and the~~
29 ~~foundation may solicit and accept public and private donations to~~
30 ~~be deposited into the fund. All money in the fund is continuously~~
31 ~~appropriated to the office for the purposes of this article. The office~~
32 ~~shall manage this fund prudently in accordance with applicable~~
33 ~~laws.~~
34 ~~128596. Any regulations the office adopts to implement this~~
35 ~~article shall be adopted as emergency regulations in accordance~~
36 ~~with Section 11346.1 of the Government Code, except that the~~
37 ~~regulations shall be exempt from the requirements of subdivisions~~
38 ~~(e), (f), and (g) of that section. The regulations shall be deemed to~~
39 ~~be emergency regulations for the purposes of Section 11346.1 of~~
40 ~~the Government Code.~~

1 ~~128597. Notwithstanding any other law, the office may exempt~~
 2 ~~from public disclosure any document in the possession of the office~~
 3 ~~that pertains to a donation made pursuant to this article if the donor~~
 4 ~~has requested anonymity.~~

5 ~~128598. (a) The Governor may include in the annual budget~~
 6 ~~proposal an amount, as he or she deems reasonable, to be~~
 7 ~~appropriated to the office to be used as provided in this article.~~

8 ~~(b) If the Legislature appropriates money for purposes of this~~
 9 ~~article, the money shall be appropriated to the office, which shall~~
 10 ~~hold the money for distribution to the fund.~~

11 ~~(c) Funds appropriated to the office shall be paid into the fund,~~
 12 ~~upon request of the panel, in an amount matching the amount~~
 13 ~~deposited into the fund by the panel or by the foundation and office~~
 14 ~~pursuant to subdivision (d) of Section 128595 for the purposes of~~
 15 ~~this article. Any money that was appropriated to the office and~~
 16 ~~that has not been distributed to the fund at the end of each fiscal~~
 17 ~~year shall be returned to the General Fund.~~

18 ~~SEC. 2. The Legislature finds and declares that Section 1 of~~
 19 ~~this act, which adds Article 7 (commencing with Section 128590)~~
 20 ~~to Chapter 5 of Part 3 of Division 107 of the Health and Safety~~
 21 ~~Code, imposes a limitation on the public’s right of access to the~~
 22 ~~meetings of public bodies or the writings of public officials and~~
 23 ~~agencies within the meaning of Section 3 of Article I of the~~
 24 ~~California Constitution. Pursuant to that constitutional provision,~~
 25 ~~the Legislature makes the following findings to demonstrate the~~
 26 ~~interest protected by this limitation and the need for protecting~~
 27 ~~that interest:~~

28 ~~The need to protect individual privacy of donations made by a~~
 29 ~~donor to fund new medical residency positions in underserved~~
 30 ~~areas of the state outweighs the interest in the public disclosure of~~
 31 ~~that information.~~