

Introduced by Senator HernandezFebruary 18, 2016

An act to amend Sections 2436.5, 2455.1, 2987.2, 4984.75, and 4996.65 of, and to add Section 4999.121 to, the Business and Professions Code, and to amend Sections 128454, 128551, 128552, 128555, and 128556 of the Health and Safety Code, relating to health professions development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1204, as introduced, Hernandez. Health professions development: loan repayment.

(1) Under existing law, the Medical Board of California licenses and regulates physicians and imposes various fees on those licensees. The Osteopathic Medical Board of California licenses and regulates osteopathic physicians and imposes various fees on those licensees. Existing law establishes the Medically Underserved Account for Physicians within the Health Professions Education Fund that is managed by the Health Professions Education Foundation and the Office of Statewide Health Planning and Development. The primary purpose of the account is to fund the Steven M. Thompson Physician Corps Loan Repayment Program, which provides for the repayment of educational loans, as specified, obtained by a physician who practices in a medically underserved area of the state, as defined. Funds placed in the account for those purposes are continuously appropriated for the repayment of loans. Physicians and osteopathic physicians are eligible for the loan repayment program, and the board assesses an additional \$25 license charge at the time of the initial application for licensure and license renewal for purposes of funding the loan repayment program.

This bill would increase the license application and renewal charge to \$50. The bill would increase the monetary limits for loan repayment, as specified, and would expand the eligibility for loan repayment funds to include those physicians providing psychiatric services. Because this bill would provide for the deposit of additional moneys in a continuously appropriated fund and would expand the purposes for which moneys in a continuously appropriated fund may be used, it would make an appropriation.

(2) The Psychology Licensing Law establishes the Board of Psychology to license and regulate the practice of psychology. That law establishes a biennial license renewal fee, and, in addition, a \$10 fee at the time of renewal of a license for deposit in the Mental Health Practitioner Education Fund. Moneys in that fund are available, upon appropriation, for purposes of the Licensed Mental Health Service Provider Education Program.

This bill would increase that additional fee to \$20.

(3) The Licensed Marriage and Family Therapist Act, the Clinical Social Worker Practice Act, and the Licensed Professional Clinical Counselor Act make the Board of Behavioral Sciences responsible for the licensure and regulation of marriage and family therapists, clinical social workers, and professional clinical counselors, respectively. Those acts require the board to establish and assess biennial license renewal fees, as specified. The Licensed Marriage and Family Therapist Act and the Clinical Social Worker Practice Act also require the board to collect an additional fee of \$10 at the time of license renewal and directs the deposit of these additional fees in the Mental Health Practitioner Education Fund.

This bill would increase those existing additional fees under the Licensed Marriage and Family Therapist Act and the Clinical Social Worker Practice Act from \$10 to \$20, and would amend the Licensed Professional Clinical Counselor Act to require the Board of Behavioral Sciences to collect an additional \$20 fee at the time of renewal of a license for a professional clinical counselor for deposit in the fund.

(4) Existing law authorizes any licensed mental health service provider, as defined, including a mental health service provider who is employed at a publicly funded mental health facility or a public or nonprofit private mental health facility that contracts with a county mental health entity or facility to provide mental health services, who provides direct patient care in a publicly funded facility or a mental health professional shortage area to apply for grants under the Licensed

Mental Health Service Provider Education Program to reimburse his or her educational loans related to a career as a licensed mental health service provider, as provided.

This bill would add licensed professional clinical counselors to those licensed mental health service providers eligible for grants to reimburse educational loans.

This bill would also delete obsolete provisions.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 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. Section 2436.5 of the Business and Professions
2 Code is amended to read:

3 2436.5. (a) (1) In addition to the fees charged for the initial
4 issuance or biennial renewal of a physician and surgeon’s certificate
5 pursuant to Section 2435, and at the time those fees are charged,
6 the board shall charge each applicant or renewing licensee an
7 additional ~~twenty-five-dollar (\$25)~~ *fifty-dollar (\$50)* fee for the
8 purposes of this section.

9 (2) The ~~twenty-five-dollar (\$25)~~ *fifty-dollar (\$50)* fee shall be
10 paid at the time of application for initial licensure or biennial
11 renewal and shall be due and payable along with the fee for the
12 initial certificate or biennial renewal.

13 (3) On or before July 1, 2015, the board shall develop a
14 mechanism for a physician and surgeon to pay a voluntary
15 contribution, at the time of application for initial licensure or
16 biennial renewal, for the purposes of this section.

17 (b) The board shall transfer all funds collected pursuant to this
18 section, on a monthly basis, to the Medically Underserved Account
19 for Physicians created by Section 128555 of the Health and Safety
20 Code for the Steven M. Thompson Physician Corps Loan
21 Repayment Program. Notwithstanding Section 128555 of the
22 Health and Safety Code, these funds shall not be used to provide
23 funding for the Physician Volunteer Program.

24 (c) Up to 15 percent of the funds collected pursuant to this
25 section shall be dedicated to loan assistance for physicians and
26 surgeons who agree to practice in geriatric care settings or settings

1 that primarily serve adults over 65 years of age or adults with
2 disabilities. Priority consideration shall be given to those physicians
3 and surgeons who are trained in, and practice, geriatrics and who
4 can meet the cultural and linguistic needs and demands of diverse
5 populations of older Californians.

6 SEC. 2. Section 2455.1 of the Business and Professions Code
7 is amended to read:

8 2455.1. (a) In addition to the fees charged pursuant to Section
9 2455, and at the time those fees are charged, the board shall charge
10 each applicant for an original or reciprocity certificate or for a
11 biennial license an additional ~~twenty-five-dollar (\$25)~~ *fifty-dollar*
12 *(\$50)* fee for the purposes of this section. This ~~twenty-five-dollar~~
13 ~~(\$25)~~ *fifty-dollar (\$50)* fee shall be due and payable along with
14 the fee for the original or reciprocity certificate or the biennial
15 license.

16 (b) On or before July 1, 2015, the board shall develop a
17 mechanism for an osteopathic physician and surgeon to pay a
18 voluntary contribution, at the time of initial application for
19 licensure or biennial renewal, for the purposes of this section.

20 (c) The board shall transfer all funds collected pursuant to this
21 section, on a monthly basis, to the Medically Underserved Account
22 for Physicians created by Section 128555 of the Health and Safety
23 Code for the purposes of the Steven M. Thompson Physician Corps
24 Loan Repayment Program. Notwithstanding Section 128555 of
25 the Health and Safety Code, these funds shall not be used to
26 provide funding for the Physician Volunteer Program.

27 SEC. 3. Section 2987.2 of the Business and Professions Code
28 is amended to read:

29 2987.2. In addition to the fees charged pursuant to Section
30 2987 for the biennial renewal of a license, the board shall collect
31 an additional fee of ~~ten~~ *twenty* dollars ~~(\$10)~~ *(\$20)* at the time of
32 renewal. The board shall transfer this amount to the Controller
33 who shall deposit the funds in the Mental Health Practitioner
34 Education Fund.

35 SEC. 4. Section 4984.75 of the Business and Professions Code
36 is amended to read:

37 4984.75. In addition to the fees charged pursuant to Section
38 4984.7 for the biennial renewal of a license pursuant to Section
39 4984, the board shall collect an additional fee of ~~ten~~ *twenty* dollars
40 ~~(\$10)~~ *(\$20)* at the time of renewal. The board shall transfer this

1 amount to the Controller who shall deposit the funds in the Mental
2 Health Practitioner Education Fund.

3 SEC. 5. Section 4996.65 of the Business and Professions Code
4 is amended to read:

5 4996.65. In addition to the fees charged pursuant to Section
6 4996.6 for the biennial renewal of a license, the board shall collect
7 an additional fee of ~~ten~~ *twenty* dollars ~~(\$10)~~ (\$20) at the time of
8 renewal. The board shall transfer this amount to the Controller
9 who shall deposit the funds in the Mental Health Practitioner
10 Education Fund.

11 SEC. 6. Section 4999.121 is added to the Business and
12 Professions Code, to read:

13 4999.121. In addition to the fees charged pursuant to Section
14 4999.120 for the biennial renewal of a license, the board shall
15 collect an additional fee of twenty dollars (\$20) at the time of
16 renewal. The board shall transfer this amount to the Controller
17 who shall deposit the funds in the Mental Health Practitioner
18 Education Fund.

19 SEC. 7. Section 128454 of the Health and Safety Code is
20 amended to read:

21 128454. (a) There is hereby created the Licensed Mental Health
22 Service Provider Education Program within the Health Professions
23 Education Foundation.

24 (b) For purposes of this article, the following definitions shall
25 apply:

26 (1) “Licensed mental health service provider” means a
27 psychologist licensed by the Board of Psychology, registered
28 psychologist, postdoctoral psychological assistant, postdoctoral
29 psychology trainee employed in an exempt setting pursuant to
30 Section 2910 of the Business and Professions Code, or employed
31 pursuant to a State Department of Health Care Services waiver
32 pursuant to Section 5751.2 of the Welfare and Institutions Code,
33 marriage and family therapist, marriage and family therapist intern,
34 licensed clinical social worker, ~~and associate clinical social worker~~
35 *worker, and licensed professional clinical counselor.*

36 (2) “Mental health professional shortage area” means an area
37 designated as such by the Health Resources and Services
38 Administration (HRSA) of the United States Department of Health
39 and Human Services.

1 (c) Commencing January 1, 2005, any licensed mental health
2 service provider, including a mental health service provider who
3 is employed at a publicly funded mental health facility or a public
4 or nonprofit private mental health facility that contracts with a
5 county mental health entity or facility to provide mental health
6 services, who provides direct patient care in a publicly funded
7 facility or a mental health professional shortage area may apply
8 for grants under the program to reimburse his or her educational
9 loans related to a career as a licensed mental health service
10 provider.

11 (d) The Health Professions Education Foundation shall make
12 recommendations to the director of the office concerning all of the
13 following:

14 (1) A standard contractual agreement to be signed by the director
15 and any licensed mental health service provider who is serving in
16 a publicly funded facility or a mental health professional shortage
17 area that would require the licensed mental health service provider
18 who receives a grant under the program to work in the publicly
19 funded facility or a mental health professional shortage area for
20 at least one year.

21 (2) The maximum allowable total grant amount per individual
22 licensed mental health service provider.

23 (3) The maximum allowable annual grant amount per individual
24 licensed mental health service provider.

25 (e) The Health Professions Education Foundation shall develop
26 the program, which shall comply with all of the following
27 requirements:

28 (1) The total amount of grants under the program per individual
29 licensed mental health service provider shall not exceed the amount
30 of educational loans related to a career as a licensed mental health
31 service provider incurred by that provider.

32 (2) The program shall keep the fees from the different licensed
33 providers separate to ensure that all grants are funded by those
34 fees collected from the corresponding licensed provider groups.

35 (3) A loan forgiveness grant may be provided in installments
36 proportionate to the amount of the service obligation that has been
37 completed.

38 (4) The number of persons who may be considered for the
39 program shall be limited by the funds made available pursuant to
40 Section 128458.

1 SEC. 8. Section 128551 of the Health and Safety Code is
2 amended to read:

3 128551. (a) It is the intent of this article that the Health
4 Professions Education Foundation and the office provide the
5 ongoing program management of the two programs identified in
6 subdivision (b) of Section 128550 as a part of the California
7 Physician Corps Program.

8 (b) For purposes of subdivision (a), the foundation shall consult
9 with the Medical Board of California, Office of Statewide *Health*
10 Planning and Development, and shall establish and consult with
11 an advisory committee of not more than seven members, that shall
12 include two members recommended by the California Medical
13 Association and may include other members of the medical
14 community, including ethnic representatives, medical schools,
15 health advocates representing ethnic communities, primary care
16 clinics, public hospitals, and health systems, statewide agencies
17 administering state and federally funded programs targeting
18 underserved communities, and members of the public with
19 expertise in health care issues.

20 SEC. 9. Section 128552 of the Health and Safety Code is
21 amended to read:

22 128552. For purposes of this article, the following definitions
23 shall apply:

24 (a) “Account” means the Medically Underserved Account for
25 Physicians established within the Health Professions Education
26 Fund pursuant to this article.

27 (b) “Foundation” means the Health Professions Education
28 Foundation.

29 (c) “Fund” means the Health Professions Education Fund.

30 (d) “Medi-Cal threshold languages” means primary languages
31 spoken by limited-English-proficient (LEP) population groups
32 meeting a numeric threshold of 3,000, eligible LEP Medi-Cal
33 beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP
34 beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal
35 beneficiaries residing in two contiguous ZIP Codes.

36 (e) “Medically underserved area” means an area defined as a
37 health professional shortage area in Part 5 (*commencing with*
38 *Section 5.1*) of Subchapter A of Chapter 1 of Title 42 of the Code
39 of Federal Regulations or an area of the state where unmet priority
40 needs for physicians exist as determined by the California

1 Healthcare Workforce Policy Commission pursuant to Section
2 128225.

3 (f) “Medically underserved population” means the Medi-Cal
4 program, ~~Healthy Families Program~~, and uninsured populations.

5 (g) “Office” means the Office of Statewide Health Planning and
6 Development (OSHPD).

7 (h) “Physician Volunteer Program” means the Physician
8 Volunteer Registry Program established by the Medical Board of
9 California.

10 (i) “Practice setting,” for the purposes of this article only, means
11 either of the following:

12 (1) A community clinic as defined in subdivision (a) of Section
13 1204 and subdivision (c) of Section 1206, a clinic owned or
14 operated by a public hospital and health system, or a clinic owned
15 and operated by a hospital that maintains the primary contract with
16 a county government to fulfill the county’s role pursuant to Section
17 17000 of the Welfare and Institutions Code, which is located in a
18 medically underserved area and at least 50 percent of whose
19 patients are from a medically underserved population.

20 (2) A physician owned and operated medical practice setting
21 that provides primary care *or psychiatric services* located in a
22 medically underserved area and has a minimum of 50 percent of
23 patients who are uninsured, Medi-Cal beneficiaries, or beneficiaries
24 of another publicly funded program that serves patients who earn
25 less than 250 percent of the federal poverty level.

26 (j) “Primary specialty” means family practice, internal medicine,
27 pediatrics, *psychiatry*, or obstetrics/gynecology.

28 (k) “Program” means the Steven M. Thompson Physician Corps
29 Loan Repayment Program.

30 (l) “Selection committee” means a minimum three-member
31 committee of the board, that includes a member that was appointed
32 by the Medical Board of California.

33 SEC. 10. Section 128555 of the Health and Safety Code is
34 amended to read:

35 128555. (a) The Medically Underserved Account for
36 Physicians is hereby established within the Health Professions
37 Education Fund. The primary purpose of this account is to provide
38 funding for the ongoing operations of the Steven M. Thompson
39 Physician Corps Loan Repayment Program provided for under

1 this article. This account also may be used to provide funding for
2 the Physician Volunteer Program provided for under this article.

3 ~~(b) All moneys in the Medically Underserved Account contained~~
4 ~~within the Contingent Fund of the Medical Board of California~~
5 ~~shall be transferred to the Medically Underserved Account for~~
6 ~~Physicians on July 1, 2006.~~

7 ~~(e)~~

8 (b) Funds in the account shall be used to repay loans as follows
9 per agreements made with physicians:

10 (1) Funds paid out for loan repayment may have a funding match
11 from foundations or other private sources.

12 (2) Loan repayments may not exceed ~~one hundred five thousand~~
13 ~~dollars (\$105,000)~~ *one hundred fifty thousand dollars (\$150,000)*
14 per individual licensed physician.

15 (3) Loan repayments may not exceed the amount of the
16 educational loans incurred by the physician participant.

17 ~~(d)~~

18 (c) Notwithstanding Section 11105 of the Government Code,
19 ~~effective January 1, 2006,~~ the foundation may seek and receive
20 matching funds from foundations and private sources to be placed
21 in the account. “Matching funds” shall not be construed to be
22 limited to a dollar-for-dollar match of funds.

23 ~~(e)~~

24 (d) Funds placed in the account for purposes of this article,
25 including funds received pursuant to subdivision (d), are,
26 notwithstanding Section 13340 of the Government Code,
27 continuously appropriated for the repayment of loans. This
28 subdivision shall not apply to funds placed in the account pursuant
29 to Section 1341.45.

30 ~~(f)~~

31 (e) The account shall also be used to pay for the cost of
32 administering the program and for any other purpose authorized
33 by this article. The costs for administration of the program may
34 be up to 5 percent of the total state appropriation for the program
35 and shall be subject to review and approval annually through the
36 state budget process. This limitation shall only apply to the state
37 appropriation for the program.

38 ~~(g)~~

1 (f) The office and the foundation shall manage the account
2 established by this section prudently in accordance with the other
3 provisions of law.

4 SEC. 11. Section 128556 of the Health and Safety Code is
5 amended to read:

6 128556. The terms of loan repayment granted under this article
7 shall be as follows:

8 (a) After a program participant has completed one year of
9 providing services as a physician in a medically underserved area,
10 up to ~~twenty-five thousand dollars (\$25,000)~~ *forty thousand dollars*
11 *(\$40,000)* for loan repayment shall be provided.

12 (b) After a program participant has completed two consecutive
13 years of providing services as a physician in a medically
14 underserved area, an additional amount of loan repayment up to
15 ~~thirty-five thousand dollars (\$35,000)~~ *fifty thousand dollars*
16 *(\$50,000)* shall be provided, for a total loan repayment of up to
17 ~~sixty thousand dollars (\$60,000)~~. *ninety thousand dollars*
18 *(\$90,000)*.

19 (c) After a program participant has completed three consecutive
20 years of providing services as a physician in a medically
21 underserved area, an additional amount of loan repayment up to
22 ~~forty-five thousand dollars (\$45,000)~~ *sixty thousand dollars*
23 *(\$60,000)* shall be provided, for a total loan repayment of up to
24 ~~one hundred five thousand dollars (\$105,000)~~. *one hundred fifty*
25 *thousand dollars (\$150,000)*.

26 SEC. 12. This act is an urgency statute necessary for the
27 immediate preservation of the public peace, health, or safety within
28 the meaning of Article IV of the Constitution and shall go into
29 immediate effect. The facts constituting the necessity are:

30 In order to address the urgent need for physicians and licensed
31 mental health practitioners in medically underserved areas, it is
32 necessary that this act take effect immediately.