

AMENDED IN SENATE JANUARY 13, 2000

AMENDED IN SENATE JANUARY 6, 2000

AMENDED IN SENATE JULY 2, 1999

SENATE BILL

No. 1045

Introduced by Senator Murray

February 26, 1999

An act to ~~amend Sections 805, 821.5, 2229, and 2234 of, to amend and amend Sections 2229 and 2234 of, to amend and~~ repeal Section 2435 of, and to add Section 2227.5 to, the Business and Professions Code, relating to healing arts, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1045, as amended, Murray. Healing arts.

(1) ~~Existing law requires the chief of staff of a medical or professional staff or other chief executive officer, medical director, or administrator of any peer review body and the chief executive officer or administrator of any licensed health care facility or clinic to file a report with the relevant agency whenever certain actions are taken as a result of a determination of a peer review body. These actions include denial of staff privilege or membership or termination of staff privileges, membership, or employment for a medical disciplinary cause or reason.~~

~~This bill would provide that, notwithstanding the above requirements, a physician and surgeon's medical leave of absence to obtain rehabilitation treatment, or the establishment of an agreement between the peer review body~~

~~and a physician and surgeon to monitor the physician and surgeon's rehabilitation shall not be reported pursuant to the above provisions provided that the physician and surgeon has requested to participate in the diversion program of the Medical Board of California as specified.~~

~~(2) Existing law also requires peer review bodies that review physicians and surgeons to report certain information regarding investigations of physicians and surgeons who may be suffering from a disabling mental or physical condition, within 15 days of initiating an investigation, to the diversion program of the Medical Board of California. Existing law requires the diversion program administrator to monitor the peer review body's investigation and to notify the chief of enforcement of the division of the investigation in certain circumstances.~~

~~This bill would require these peer review bodies to report to the Medical Board of California additional specified information if, after an investigation, they either requested the physician and surgeon to take a medical leave of absence to obtain rehabilitative treatment or initiated an agreement with the physician and surgeon to monitor his or her rehabilitation. This bill would also, among other things, require the diversion program administrator to review whether the physician and surgeon has applied to participate in a diversion program, to the extent there is a substance abuse problem. This bill would establish civil penalties for failure to make or transmit a report pursuant to the above-described provisions, as specified, including civil penalties payable to the board with jurisdiction over a licensee.~~

~~By increasing the amount of moneys that go to a continuously appropriated fund, as described in (3), this bill would make an appropriation.~~

~~(3) Existing law, the Medical Practice Act, establishes the Medical Board of California and vests within the board jurisdiction over the administration of laws relating to the practice of medicine. Existing law provides that all moneys paid to and received by the Medical Board of California shall be credited to the Contingent Fund of the Medical Board of California, a continuously appropriated fund. Existing law requires the Division of Medical Quality, within the board, to~~



take action against any licensee under the Medical Practice Act who is charged with unprofessional conduct. Existing law authorizes the division to delegate its specified authority to conduct investigations and inspections and to institute proceedings to the executive director of the board or other specified personnel, but prohibits specified delegations of authority.

This bill would prohibit a licensee under the Medical Practice Act from being required to pay more than ~~\$6,000~~ \$12,500 for the cost of investigation or enforcement of any violation of the Medical Practice Act and would require specified information concerning these costs before a licensee would be required to pay them.

This bill would require the Medical Board of California to adopt regulations concerning prioritizing the investigation and prosecution of cases involving a serious risk to ~~patients~~ patient safety and would require the Division of Medical Quality to include specified information relating to these cases in its annual report to the Legislature.

(4)

(2) Existing law defines unprofessional conduct for purposes of the Medical Practice Act to include, among other things, repeated negligent acts.

This bill would exclude negligent acts occurring during a single course of treatment from the definition of repeated negligent acts, except as specified.

(5)

(3) Existing law specifies that the initial and biennial renewal fee for licensure of physicians and surgeons fixed by the Medical Board of California shall not exceed \$600.

This bill would increase these limits to ~~\$690~~ \$700 and would specify that the duration of the initial license is a minimum of 2 full years. *By increasing the amount of moneys that go to a continuously appropriated fund, as described in (1), this bill would make an appropriation.* It would also require any licensee enrolled in an approved postgraduate training program to pay only 50% of the licensee's first renewal fee. This bill would also repeal the above-described provisions of existing law regarding fees on January 1, 2004.



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. Section 805 of the Business and~~
2 ~~Professions Code is amended to read:~~
3 ~~805. (a) As used in this section, the following terms~~
4 ~~have the following definitions:~~
5 ~~(1) "Peer review body" includes:~~
6 ~~(A) A medical or professional staff of any health care~~
7 ~~facility or clinic licensed under Division 2 (commencing~~
8 ~~with Section 1200) of the Health and Safety Code or of a~~
9 ~~facility certified to participate in the federal Medicare~~
10 ~~program as an ambulatory surgical center.~~
11 ~~(B) A health care service plan registered under~~
12 ~~Chapter 2.2 (commencing with Section 1340) of Division~~
13 ~~2 of the Health and Safety Code or a nonprofit hospital~~
14 ~~service plan regulated under Chapter 11a (commencing~~
15 ~~with Section 11491) of Part 2 of Division 2 of the Insurance~~
16 ~~Code.~~
17 ~~(C) Any medical, psychological, marriage and family~~
18 ~~therapy, social work, dental, or podiatric professional~~
19 ~~society having as members at least 25 percent of the~~
20 ~~eligible licentiates in the area in which it functions (which~~
21 ~~must include at least one county), which is not organized~~
22 ~~for profit and which has been determined to be exempt~~
23 ~~from taxes pursuant to Section 23701 of the Revenue and~~
24 ~~Taxation Code.~~
25 ~~(D) A committee organized by any entity consisting of~~
26 ~~or employing more than 25 licentiates of the same class~~
27 ~~which functions for the purpose of reviewing the quality~~
28 ~~of professional care provided by members or employees~~
29 ~~of that entity.~~
30 ~~(2) "Licentiate" means a physician and surgeon,~~
31 ~~podiatrist, clinical psychologist, marriage and family~~
32 ~~therapist, clinical social worker, or dentist. "Licentiate"~~
33 ~~also includes a person authorized to practice medicine~~
34 ~~pursuant to Section 2113.~~



1 ~~(3) “Agency” means the relevant state licensing~~
2 ~~agency having regulatory jurisdiction over the licentiates~~
3 ~~listed in paragraph (2).~~

4 ~~(4) “Staff privileges” means any arrangement under~~
5 ~~which a licentiate is allowed to practice in or provide care~~
6 ~~for patients in a health facility. Those arrangements shall~~
7 ~~include, but are not limited to, full staff privileges, active~~
8 ~~staff privileges, limited staff privileges, auxiliary staff~~
9 ~~privileges, provisional staff privileges, temporary staff~~
10 ~~privileges, courtesy staff privileges, locum tenens~~
11 ~~arrangements, and contractual arrangements to provide~~
12 ~~professional services, including, but not limited to,~~
13 ~~arrangements to provide outpatient services.~~

14 ~~(5) “Denial or termination of staff privileges,~~
15 ~~membership, or employment” includes failure or refusal~~
16 ~~to renew a contract or to renew, extend, or reestablish any~~
17 ~~staff privileges, when the action is based on medical~~
18 ~~disciplinary cause or reason.~~

19 ~~(6) “Medical disciplinary cause or reason” means that~~
20 ~~aspect of a licentiate’s competence or professional~~
21 ~~conduct which is reasonably likely to be detrimental to~~
22 ~~patient safety or to the delivery of patient care.~~

23 ~~(7) “805 report” means the written report required~~
24 ~~under subdivision (b).~~

25 ~~(b) The chief of staff of a medical or professional staff~~
26 ~~or other chief executive officer, medical director, or~~
27 ~~administrator of any peer review body and the chief~~
28 ~~executive officer or administrator of any licensed health~~
29 ~~care facility or clinic shall file an 805 report with the~~
30 ~~relevant agency whenever any of the following actions~~
31 ~~are taken as a result of a determination of a peer review~~
32 ~~body:~~

33 ~~(1) A licentiate’s application for staff privileges or~~
34 ~~membership is denied or rejected for a medical~~
35 ~~disciplinary cause or reason.~~

36 ~~(2) A licentiate’s membership, staff privileges, or~~
37 ~~employment is terminated or revoked for a medical~~
38 ~~disciplinary cause or reason.~~

39 ~~(3) Restrictions are imposed, or voluntarily accepted,~~
40 ~~on staff privileges, membership, or employment for a~~



1 cumulative total of 30 days or more for any 12-month
2 period, for a medical disciplinary cause or reason.

3 In addition to the duty to report as set forth in
4 paragraphs (1), (2), and (3), the peer review body also
5 has a duty to report under this section a licentiate's
6 resignation or leave of absence from membership, staff,
7 or employment following notice of an impending
8 investigation based on information indicating a medical
9 disciplinary cause or reason. Notwithstanding the
10 requirements of this section, a physician and surgeon's
11 medical leave of absence to obtain rehabilitation
12 treatment or the establishment of an agreement between
13 the peer review body and a physician and surgeon to
14 monitor a physician and surgeon's rehabilitation shall not
15 be reported pursuant to this section, provided that, to the
16 extent required by subdivision (c) of Section 821.5, the
17 physician and surgeon has requested to participate in the
18 diversion program of the Medical Board of California
19 pursuant to subdivision (a) of Section 2350.

20 The 805 report shall be filed within 15 days after the
21 effective date of the denial, termination, restriction,
22 resignation, or leave of absence, or after the exhaustion of
23 administrative procedures, without regard to any filing
24 for judicial review.

25 An 805 report shall also be filed within 15 days following
26 the imposition of summary suspension of staff privileges,
27 membership, or employment, if the summary suspension
28 remains in effect for a period in excess of 14 days.

29 A copy of the 805 report, and a notice advising the
30 licentiate of his or her right to submit additional
31 statements or other information pursuant to Section 800,
32 shall be sent by the peer review body to the licentiate
33 named in the report.

34 The information to be reported in an 805 report shall
35 include the name of the licentiate involved, a description
36 of the facts and circumstances of the medical disciplinary
37 cause or reason, and any other relevant information
38 deemed appropriate by the reporter.

39 A supplemental report shall also be made within 30
40 days following the date the licentiate is deemed to have



1 satisfied any terms, conditions, or sanctions imposed as
2 disciplinary action by the reporting peer review body. In
3 performing its dissemination functions required by
4 Section 805.5, the agency shall include a copy of a
5 supplemental report, if any, whenever it furnishes a copy
6 of the original 805 report.

7 In those instances where another peer review body is
8 required to file an 805 report, a health care service plan
9 or nonprofit hospital service plan is not required to file a
10 separate report with respect to action attributable to the
11 same medical disciplinary cause or reason.

12 (e) The reporting required herein shall not act as a
13 waiver of confidentiality of medical records and
14 committee reports. The information reported or
15 disclosed shall be kept confidential except as provided in
16 subdivision (e) of Section 800 and Sections 803.1 and 2027,
17 provided that a copy of the report containing the
18 information required by this section may be disclosed as
19 required by Section 805.5 with respect to reports received
20 on or after January 1, 1976.

21 (d) The Medical Board of California, the Osteopathic
22 Medical Board of California, and the Board of Dental
23 Examiners shall disclose reports as required by Section
24 805.5.

25 (e) An 805 report shall be maintained by an agency for
26 dissemination purposes for a period of three years after
27 receipt.

28 (f) No person shall incur any civil or criminal liability
29 as the result of making any report required by this section.

30 (g) An intentional failure to make a report pursuant to
31 this section is a public offense punishable by a fine not to
32 exceed ten thousand dollars (\$10,000).

33 (h) A failure by the administrator of any peer review
34 body or the chief executive officer or administrator of any
35 health care facility who is designated to transmit a report
36 pursuant to this section whether or not the failure is
37 intentional is punishable by a civil penalty not exceeding
38 five thousand dollars (\$5,000) per violation payable to the
39 board with jurisdiction over the licensee in any action
40 brought by the Attorney General.



1 ~~SEC. 2. Section 821.5 of the Business and Professions~~
2 ~~Code is amended to read:~~

3 ~~821.5. (a) A peer review body, as defined in Section~~
4 ~~805, that reviews physicians and surgeons, shall, within 15~~
5 ~~days of initiating a formal investigation of a physician and~~
6 ~~surgeon's ability to practice medicine safely based upon~~
7 ~~information indicating that the physician and surgeon~~
8 ~~may be suffering from a disabling mental or physical~~
9 ~~condition that poses a threat to patient care, report to the~~
10 ~~diversion program of the Medical Board of California the~~
11 ~~name of the physician and surgeon and the general~~
12 ~~nature of the investigation. If, following the investigation,~~
13 ~~the peer review body either (1) requests that a physician~~
14 ~~and surgeon take a medical leave of absence to obtain~~
15 ~~rehabilitative treatment, or (2) initiates an agreement~~
16 ~~with a physician and surgeon to monitor a physician and~~
17 ~~surgeon's rehabilitation, the peer review body shall,~~
18 ~~within 15 days, report to the diversion program of the~~
19 ~~Medical Board of California the name of the physician~~
20 ~~and surgeon and the general nature of the medical leave~~
21 ~~or monitoring agreement. A peer review body that has~~
22 ~~made a report to the diversion program under this section~~
23 ~~shall also notify the diversion program when it has~~
24 ~~completed or closed an investigation or when the~~
25 ~~physician and surgeon returns from the medical leave, or~~
26 ~~when the monitoring agreement terminates or expires.~~

27 ~~(b) The diversion program administrator, upon~~
28 ~~receipt of a report pursuant to subdivision (a), shall~~
29 ~~contact the peer review body that made the report within~~
30 ~~60 days in order to determine the status of the peer review~~
31 ~~body's investigation, the physician's medical leave, or the~~
32 ~~physician's monitoring agreement. The diversion~~
33 ~~program administrator shall contact the peer review~~
34 ~~body periodically thereafter to monitor the progress of~~
35 ~~the investigation, leave, or monitoring agreement. At any~~
36 ~~time, if the diversion program administrator determines~~
37 ~~that the progress of an investigation is not adequate to~~
38 ~~protect the public, the diversion program administrator~~
39 ~~shall notify the Chief of Enforcement of the Division of~~
40 ~~Medical Quality of the Medical Board of California, who~~



1 shall promptly conduct an investigation of the matter.
2 Concurrently with notifying the chief of enforcement,
3 the diversion program administrator shall notify the
4 reporting peer review body and the chief executive
5 officer or an equivalent officer of the hospital of its
6 decision to refer the case for investigation by the chief of
7 enforcement.

8 (e) The diversion program administrator, upon
9 receipt of a report that a physician and surgeon has
10 completed a medical leave or has entered into a
11 monitoring agreement shall review any ongoing
12 monitoring program, and shall ensure that it is adequate
13 to protect the public, that it includes the requirement
14 that all other hospitals where the physician has privileges
15 are notified of the agreement, that any violation of the
16 monitoring requirements are reported to the division
17 program administrator, and that, to the extent there is a
18 substance abuse problem, the physician and surgeon has
19 applied to participate in the diversion program pursuant
20 to subdivision (a) of Section 2350.

21 (d) For purposes of this section “formal investigation”
22 means an investigation ordered by the peer review body’s
23 medical executive committee or its equivalent, based
24 upon information indicating that the physician and
25 surgeon may be suffering from a disabling mental or
26 physical condition that poses a threat to patient care.
27 “Formal investigation” does not include the usual
28 activities of the well-being or assistance committee or the
29 usual quality assessment and improvement activities
30 undertaken by the medical staff of a health facility in
31 compliance with the licensing and certification
32 requirements for health facilities set forth in Title 22 of
33 the California Code of Regulations, or preliminary
34 deliberations or inquiries of the executive committee to
35 determine whether to order a formal investigation.

36 For purposes of this section, “usual activities” of the
37 well-being or assistance committee are activities to assist
38 medical staff members who may be impaired by chemical
39 dependency or mental illness to obtain necessary



1 ~~evaluation and rehabilitation services that do not result in~~
2 ~~referral to the medical executive committee.~~

3 ~~(e) Information received by the diversion program~~
4 ~~pursuant to this section shall be governed by, and shall be~~
5 ~~deemed confidential to the same extent as program~~
6 ~~records under, Section 2355. The records shall not be~~
7 ~~further disclosed by the diversion program, except as~~
8 ~~provided in subdivision (b).~~

9 ~~(f) Upon receipt of notice from a peer review body~~
10 ~~that an investigation has been closed and that the peer~~
11 ~~review body has determined that there is no need for~~
12 ~~further action to protect the public, upon concluding that~~
13 ~~any ongoing monitoring program of a physician and~~
14 ~~surgeon is adequate to protect the public, or upon receipt~~
15 ~~of notice from a peer review body that the physician and~~
16 ~~surgeon has successfully completed a monitoring~~
17 ~~program, the diversion program shall purge and destroy~~
18 ~~all records in its possession pertaining to the investigation,~~
19 ~~medical leave, or monitoring agreement unless the~~
20 ~~diversion program administrator has referred the matter~~
21 ~~to the chief of enforcement pursuant to subdivision (b).~~

22 ~~(g) A peer review body that has made a report under~~
23 ~~subdivision (a) shall not be deemed to have waived the~~
24 ~~protections of Section 1157 of the Evidence Code.~~

25 ~~(h) The report required by this section shall be~~
26 ~~submitted on a short form developed by the board, the~~
27 ~~contents of which shall reflect the requirements of this~~
28 ~~section.~~

29 ~~(i) No person shall incur any civil or criminal liability~~
30 ~~as the result of making any report required by this section.~~

31 ~~(j) Except as provided in subdivision (k), an~~
32 ~~intentional failure to make a report pursuant to this~~
33 ~~section is punishable by a civil penalty not to exceed ten~~
34 ~~thousand dollars (\$10,000).~~

35 ~~(k) A failure by the administrator of any peer review~~
36 ~~body or the chief executive officer or administrator of any~~
37 ~~health care facility who is designated to transmit a report~~
38 ~~pursuant to this section, whether or not the failure is~~
39 ~~intentional, is punishable by a civil penalty not exceeding~~
40 ~~five thousand dollars (\$5,000) per violation payable to the~~



1 ~~board with jurisdiction over the licensee in any action~~
2 ~~brought by the Attorney General.~~

3 ~~SEC. 3.~~

4 *SECTION 1.* Section 2227.5 is added to the Business
5 and Professions Code, to read:

6 2227.5. Notwithstanding Section 125.3, licensees shall
7 not be required to pay more than ~~six thousand dollars~~
8 ~~(\$6,000)~~ *twelve thousand five hundred dollars (\$12,500)*
9 for the cost of investigation or enforcement of any
10 violation of this chapter. These costs shall be payable only
11 if, and to the extent they are supported by,
12 contemporaneous documentation for each attorney or
13 investigator involved all of the following for each entry:

14 (a) The date and hours expended in at least 15-minute
15 increments.

16 (b) The specific issue involved that warranted the
17 time that was expended.

18 (c) A descriptive classification or specific
19 identification for the hours expended.

20 ~~SEC. 4.~~

21 *SEC. 2.* Section 2229 of the Business and Professions
22 Code is amended to read:

23 2229. (a) Protection of the public shall be the highest
24 priority for the Division of Medical Quality, the California
25 Board of Podiatric Medicine, and administrative law
26 judges of the Medical Quality Hearing Panel in exercising
27 their disciplinary authority.

28 (b) In exercising his or her disciplinary authority an
29 administrative law judge of the Medical Quality Hearing
30 Panel, the division, or the California Board of Podiatric
31 Medicine, shall, wherever possible, take action that is
32 calculated to aid in the rehabilitation of the licensee, or
33 where, due to a lack of continuing education or other
34 reasons, restriction on scope of practice is indicated, to
35 order restrictions as are indicated by the evidence.

36 (c) It is the intent of the Legislature that the division,
37 the California Board of Podiatric Medicine, and the
38 enforcement program shall seek out those licensees who
39 have demonstrated deficiencies in competency and then
40 take those actions as are indicated, with priority given to



1 those measures, including further education, restrictions
2 from practice, or other means, that will remove those
3 deficiencies. Where rehabilitation and protection are
4 inconsistent, protection shall be paramount.

5 (d) In order to assure resources of the Division of
6 Medical Quality are maximized for the protection of the
7 public, the Medical Board of California shall adopt
8 regulations pursuant to Chapter 3.5 (commencing with
9 Section 11340) of Part 1 of Division 3 of Title 2 of the
10 Government Code, for the prioritization of cases
11 involving a serious risk to patient safety for investigation
12 and prosecution.

13 (e) In addition to the matters specified in Section 2313,
14 the Division of Medical Quality shall include the
15 following in its annual report to the Legislature:

16 (1) The final disciplinary actions which involved
17 priority cases.

18 (2) The minimum, mean, median, and aggregate
19 amounts the Medical Board of California spent
20 investigating and prosecuting priority cases.

21 (3) The minimum, mean, median, and aggregate
22 amounts the Medical Board of California spent
23 investigating and prosecuting nonpriority cases.

24 ~~SEC. 5.~~

25 *SEC. 3.* Section 2234 of the Business and Professions
26 Code is amended to read:

27 2234. The Division of Medical Quality shall take
28 action against any licensee who is charged with
29 unprofessional conduct. In addition to other provisions of
30 this article, unprofessional conduct includes, but is not
31 limited to, the following:

32 (a) Violating or attempting to violate, directly or
33 indirectly, or assisting in or abetting the violation of, or
34 conspiring to violate, any provision of this chapter.

35 (b) Gross negligence.

36 (c) Repeated negligent acts. Negligent acts that occur
37 during a single course of treatment shall not constitute
38 repeated negligent acts for purposes of this section, unless
39 those acts constitute a pattern of conduct reasonably
40 likely to jeopardize patient safety.



1 (d) Incompetence.

2 (e) The commission of any act involving dishonesty or
3 corruption which is substantially related to the
4 qualifications, functions, or duties of a physician and
5 surgeon.

6 (f) Any action or conduct which would have
7 warranted the denial of a certificate.

8 (g) The practice of medicine from this state into
9 another state or country without meeting the legal
10 requirements of that state or country for the practice of
11 medicine. Section 2314 shall not apply to this subdivision.
12 This subdivision shall become operative upon the
13 implementation of the proposed registration program
14 described in Section 2052.5.

15 ~~SEC. 6.~~

16 *SEC. 4.* Section 2435 of the Business and Professions
17 Code is amended to read:

18 2435. The following fees apply to the licensure of
19 physicians and surgeons:

20 (a) Each applicant for a certificate based upon a
21 national board diplomate certificate, and each applicant
22 for a certificate based on reciprocity, and each applicant
23 for a certificate based upon written examination, shall pay
24 a nonrefundable application and processing fee, as set
25 forth in subdivision (b), at the time the application is
26 filed.

27 (b) The application and processing fee shall be fixed
28 by the Division of Licensing by May 1 of each year, to
29 become effective on July 1 of that year. The fee shall be
30 fixed at an amount necessary to recover the actual costs
31 of the licensing program as projected for the fiscal year
32 commencing on the date the fees become effective.

33 (c) Each applicant for a certificate by written
34 examination, unless otherwise provided by this chapter,
35 shall pay an examination fee fixed by the board, which
36 shall equal the actual cost to the board of the purchase of
37 the written examination furnished by the organization
38 pursuant to Section 2176, plus the actual cost to the board
39 of administering the written examination. The actual cost
40 to the board of administering the written examination



1 that shall be charged to the applicant shall not exceed one
2 hundred dollars (\$100). The board may charge the
3 examination fee provided for in this section for any
4 subsequent reexamination of the applicant.

5 (d) The board shall charge each applicant who is
6 required to take the oral examination as a condition of
7 licensure an oral examination fee that is equal to the
8 amount necessary to recover the actual cost of that
9 examination. The board shall charge the oral examination
10 fee provided for in this subdivision for any subsequent
11 oral examination taken by the applicant.

12 (e) Each applicant who qualifies for a certificate, as a
13 condition precedent to its issuance, in addition to other
14 fees required herein, shall pay an initial license fee, if any.
15 The initial license fee shall be fixed by the board at an
16 amount not to exceed ~~six hundred ninety dollars (\$690)~~
17 *seven hundred dollars (\$700)*, in accordance with
18 paragraph (2) of subdivision (f). Any applicant enrolled
19 in an approved postgraduate training program shall be
20 required to pay only 50 percent of the initial license fee,
21 and the initial license shall not expire for a minimum of
22 two full years.

23 (f) (1) The biennial renewal fee shall be fixed by the
24 board at an amount not to exceed ~~six hundred ninety~~
25 ~~dollars (\$690)~~ *seven hundred dollars (\$700)*, in
26 accordance with paragraph (2). Any licensee enrolled in
27 an approved postgraduate training program shall be
28 required to pay only 50 percent of the licensee's first
29 renewal fee.

30 (2) The board shall fix the biennial renewal fee and the
31 initial license fee so that, together with the amounts from
32 other revenues, the reserve balance in the board's
33 contingent fund shall be equal to approximately two
34 months of annual authorized expenditures. Any change
35 in the renewal and initial license fees shall be effective
36 upon a determination by the board, by emergency
37 regulations adopted pursuant to Section 2436, that
38 changes in the amounts are necessary to maintain a
39 reserve balance in the board's contingent fund equal to



1 two months of annual authorized expenditures in the
2 state fiscal year in which the expenditures are to occur.

3 (g) Notwithstanding Section 163.5, the delinquency
4 fee is 10 percent of the biennial renewal fee.

5 (h) The duplicate certificate and endorsement fees
6 shall each be fifty dollars (\$50), and the certification and
7 letter of good standing fees shall each be ten dollars (\$10).

8 (i) It is the intent of the Legislature that, in setting fees
9 pursuant to this section, the board shall seek to maintain
10 a reserve in the Contingent Fund of the Medical Board
11 of California equal to approximately two months'
12 operating expenditures. It is the Legislature's further
13 intent that the Medical Board of California make every
14 reasonable effort to permit applicants and licensees
15 enrolled in approved postgraduate training programs to
16 pay these fees by credit card to better enable them to
17 manage a significant financial burden over an extended
18 period of time.

19 (j) The board shall report to the appropriate policy
20 and fiscal committees of each house of the Legislature
21 whenever the board proposes or approves a fee increase
22 pursuant to this section. The board shall specify the
23 reasons for each increase and identify the percentage of
24 funds to be derived from an increase in the fees that will
25 be used for investigation or enforcement related
26 activities by the board.

27 (k) This section shall remain in effect only until
28 January 1, 2004, and as of that date is repealed, unless a
29 later enacted statute, which is chaptered before January
30 1, 2004, deletes or extends that date.

