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SB-909 Steven M. Thompson Physician Corps Loan Repayment Program. (2023-2024)

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Senate Bill No. 909

CHAPTER 594

An act to amend Sections 128551, 128552, 128553, and 128555 of the Health and Safety Code, relating to physicians and surgeons, and making an appropriation therefor.

[Approved by Governor September 25, 2024. Filed with Secretary of State September 25, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

SB 909, Umberg. Steven M. Thompson Physician Corps Loan Repayment Program.

Existing law establishes the Steven M. Thompson Physician Corps Loan Repayment Program (program) in the California Physician Corps Program within the Department of Health Care Access and Information, which provides financial incentives, including repayment of educational loans, to a physician and surgeon who practices for 3 years in a medically underserved area, as defined, and in specified practice settings, as defined. Existing law requires the department to establish an advisory committee, in consultation with the Medical Board of California and specified individuals, to provide ongoing management of the program. Existing law authorizes the department to award up to 20% of the available positions to program applicants from specialties outside of primary care specialties. Existing law establishes the Medically Underserved Account for Physicians (account), a continuously appropriated account, within the Health Professions Education Fund, to primarily provide funding for the ongoing operations of the program. Existing law prohibits loan repayments under the program from exceeding \$105,000 per individual licensed physician, and from exceeding the amount of the educational loans incurred by the physician participant.

This bill would remove the requirement for the department to establish an advisory committee and update the definition of the practice setting in which a physician and surgeon may practice. The bill would decrease the service obligation to 2 years in a medically underserved area. The bill would authorize the department to create additional positions, not using funds from the account, for applicants from specialties outside of the primary specialties and that are not subject to the 20% limit. The bill would also remove the maximum limit for loan repayments per individual licensed physician that may be provided to a program participant who has completed 3 consecutive years of providing services as a physician in a medically underserved area. By expanding the authorization amount for the use of moneys in the Medically Underserved Account for Physicians, the bill would make an appropriation.

The bill would also make confirming changes.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 128551 of the Health and Safety Code is amended to read:

128551. It is the intent of this article that the department provide the ongoing program management of the two programs identified in subdivision (b) of Section 128550 as a part of the California Physician Corps Program.

SEC. 2. Section 128552 of the Health and Safety Code is amended to read:

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

(a) "Account" means the Medically Underserved Account for Physicians established within the Health Professions Education Fund pursuant to this article.

(b) "Fund" means the Health Professions Education Fund.

(c) "Medi-Cal threshold languages" means primary languages spoken by limited-English-proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(d) "Medically underserved area" means an area defined as a health professional shortage area in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the department.

(e) "Medically underserved population" means the Medi-Cal program and uninsured populations.

(f) "Department" means the Department of Health Care Access and Information.

(g) "Physician Volunteer Program" means the Physician Volunteer Registry Program established by the Medical Board of California.

(h) "Practice setting," for the purposes of this article only, means a facility or setting delivering direct patient care, as defined by the department.

(i) "Primary specialty" means family practice, internal medicine, pediatrics, psychiatry, or obstetrics/gynecology.

(j) "Program" means the Steven M. Thompson Physician Corps Loan Repayment Program.

SEC. 3. Section 128553 of the Health and Safety Code is amended to read:

128553. (a) Program applicants shall possess a current valid license to practice medicine in this state issued pursuant to Section 2050 of the Business and Professions Code or pursuant to the Osteopathic Act.

(b) The department shall develop guidelines using the criteria specified in subdivision (c) for selection and placement of applicants. The department shall interpret the guidelines to apply to both osteopathic and allopathic physicians and surgeons.

(c) The guidelines shall meet all of the following criteria:

(1) Provide priority consideration to applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one or more of the following criteria:

(A) Speak a Medi-Cal threshold language.

(B) Come from an economically disadvantaged background.

(C) Have received significant training in cultural and linguistically appropriate service delivery.

(D) Have three years of experience providing health care services to medically underserved populations or in a medically underserved area, as defined in subdivision (e) of Section 128552.

(E) Have recently obtained a license to practice medicine.

(2) Give preference to applicants who have completed a three-year residency in a primary specialty.

(3) Give preference to applicants who agree to practice in a medically underserved area, as defined in subdivision (d) of Section 128552, and who agree to serve a medically underserved population, as defined in subdivision (e) of Section 128552.

(4) Give priority consideration to applicants from rural communities.

(5) Include a factor ensuring geographic distribution of placements.

(6) Provide priority consideration to applicants who agree to practice in a geriatric care setting and are trained in geriatrics, and who can meet the cultural and linguistic needs and demands of a diverse population of older Californians. On and after January 1, 2009, up to 15 percent of the funds collected pursuant to Section 2436.5 of the Business and Professions Code shall be dedicated to loan assistance for physicians and surgeons who agree to practice in geriatric care settings or settings that primarily serve adults over the age of 65 years or adults with disabilities.

(d) (1) The department may award up to 20 percent of the available positions established with funds from the account to program applicants from specialties outside of the primary specialties.

(2) The department may, consistent with this article, create additional positions for program applicants from specialties outside of primary specialties using funds separate from the account, and not subject to paragraph (1).

(e) Program participants shall meet all of the following requirements:

(1) Shall be working in or have a signed agreement with an eligible practice setting, as defined by the department.

(2) Shall have full-time status at the practice setting. Full-time status shall be defined by the department and the department may establish exemptions from this requirement on a case-by-case basis.

(3) Shall commit to a minimum of two years of service in a medically underserved area or a practice setting serving populations in need, as defined by the department. Leaves of absence shall be permitted for serious illness, pregnancy, or other natural causes. The department shall develop the process for determining the maximum permissible length of an absence and the process for reinstatement. Loan repayment shall be deferred until the physician is back to full-time status.

(f) The department shall adopt a process that applies if a physician is unable to complete their service obligation.

(g) The department shall develop a process for outreach to potentially eligible applicants.

(h) The department may adopt any other standards of eligibility, placement, and termination appropriate to achieve the aim of providing competent health care services in approved practice settings.

SEC. 4. Section 128555 of the Health and Safety Code is amended to read:

128555. (a) The Medically Underserved Account for Physicians is hereby established within the Health Professions Education Fund. The primary purpose of this account is to provide funding for the ongoing operations of the Steven M. Thompson Physician Corps Loan Repayment Program provided for pursuant to this article. This account also may be used to provide funding for the Physician Volunteer Program provided for under this article.

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

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

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

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

(d) Notwithstanding Section 11105 of the Government Code, effective January 1, 2006, the department may seek and receive matching funds from foundations and private sources to be placed in the account. "Matching funds" shall not be construed to be limited to a dollar-for-dollar match of funds.

(e) Funds placed in the account for purposes of this article, including funds received pursuant to subdivision (d), are, notwithstanding Section 13340 of the Government Code, continuously appropriated for the repayment of loans. This subdivision shall not apply to funds placed in the account pursuant to Section 1341.45 and Section 14197.2 of the Welfare and Institutions Code.

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

(g) The department shall manage the account established by this section prudently in accordance with the other provisions of law.