

AGENDA ITEM #4, A

I. The Current California Climate



A. California's Population of Patients in Need and the Medical Facilities that Provide Care to the Uninsured or Underinsured

The number of uninsured and underinsured Californians continues to grow. In 2001, the number of uninsured was estimated to be 6.3 million; this increased to 6.6 million by 2003.¹ In 2007, approximately 7.6 million Californians relied on a “safety net” of community health centers, public hospitals and clinics for regular care.² It has also been estimated that in 2005 only one in five uninsured Californians were undocumented resident adults.³ The number of uninsured also varies widely among counties, from a low in Marin County at 11.0% to a high of 30.3% for Tehama, Glenn, and Colusa Counties.⁴

A range of health care settings make up the “safety net” that serves this population, including free and community clinics, hospitals, and other non-profit organizations and private providers. Clinics include Federally Qualified Health Centers (FQHC), FQHC Look-alike, Community, Free and Rural Health Clinics.⁵ Private providers also contribute to the provision of care for the poor and uninsured. There exists referral networks that enlist specialists to treat uninsured patients, such as Project Access or Operation Access.⁶

The uninsured are less likely to have a usual source of primary care.⁷ Approximately five million individuals received care at a community clinic/government clinic/community hospital in 2005, with 247,000 reporting emergency room/urgent care as their source of care; and 158,000 reporting “some other place” as their source of care.⁸

The number of enrollees in Medi-Cal who are not receiving other state financial assistance has climbed since 2000-2001 from just over five million to an estimated just under seven million in 2006-2007.⁹ However, due to low reimbursement rates, the number of providers who accept Medi-Cal is declining. An estimated 46 primary care

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providers are available for every 100,000 beneficiaries; the federal standard is 60-80 providers per 100,000.¹⁰

California counties have been given the responsibility for providing health care to uninsured individuals. Funding is from a mix of state and federal revenues. Part of this funding is from property taxes and realignment funds (from state sales taxes and vehicle license fees). Tobacco funds, safety net care pool, county match funds, and in some counties, tobacco litigation settlements make up other parts of funding. There are four county indigent health care programs: Medically Indigent Services Program (MISP), County Medical Services Program (CMSP), California Healthcare for Indigents Program (CHIP), and the Rural Health Services (RHS) Program. Although the specific services provided under indigent health care programs vary by county and region, all counties are required to provide health care to uninsured residents.¹¹ Counties are categorized as Provider, Payer, Hybrid, and CMSP, and they receive funding from different sources:

- Provider counties operate county hospitals and outpatient clinics. Approximately 15 counties operate 19 publicly owned hospitals.
- Payer counties contract with hospitals, community clinics and private physicians for outpatient services.
- Hybrid counties pay for hospital services and also operate public clinics; they may also pay private physicians and clinics.
- Small counties contract with CMSP, which is a centrally administered health coverage program; it is similar to Medi-Cal and covers 34 small counties.

Twenty-four large counties in California have Medically Indigent Service Programs (MISP) that operate under distinct eligibility requirements and spending guidelines (see Table 1).¹² Each program provides varying services based on funding, access to service, etc.

Table 1. Medically Indigent Service Program (MISP) Counties

Alameda	Placer	San Mateo
Contra Costa	Riverside	Santa Barbara
Fresno	Sacramento	Santa Clara

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Kern	San Bernardino	Santa Cruz
Los Angeles	San Diego	Stanislaus
Merced	San Francisco	Tulare
Monterey	San Joaquin	Ventura
Orange	San Luis Obispo	Yolo

California Medical Services Programs (CMSP) provide both inpatient and outpatient services to uninsured individuals in 34 small, rural counties (see Table 2 below).¹³ Both inpatient and outpatient services are provided. To qualify, individuals must be uninsured, medically indigent adults, earn less than 200% of the Federal Poverty Level (FPL), and not be eligible for Medi-Cal.

Table 2. California Medical Services Program (CMSP) Counties

Alpine	Kings	Plumas
Amador	Lake	San Benito
Butte	Lassen	Shasta
Calaveras	Madera	Sierra
Colusa	Marin	Siskiyou
Del Norte	Mariposa	Solano
El Dorado	Mendocino	Sonoma
Glenn	Modoc	Sutter
Humboldt	Mono	Tehama
Imperial	Napa	Trinity
Inyo	Nevada	Tuolumne
		Yuba

California Healthcare for Indigents Program (CHIP) funding is provided for the 24 largest counties through realignment and the Tobacco tax under Proposition 99 provisions. These funds reimburse providers for uncompensated services for individuals who cannot afford care and are ineligible for other programs. The RHS is made up of 34 small counties, also with Proposition 99 funding. Indigent uninsured who are ineligible for any other program receive services under this program, and providers are reimbursed for covered services. Other programs are available for inpatient services, but that is beyond the scope of this report. Other outpatient programs provide services to a much

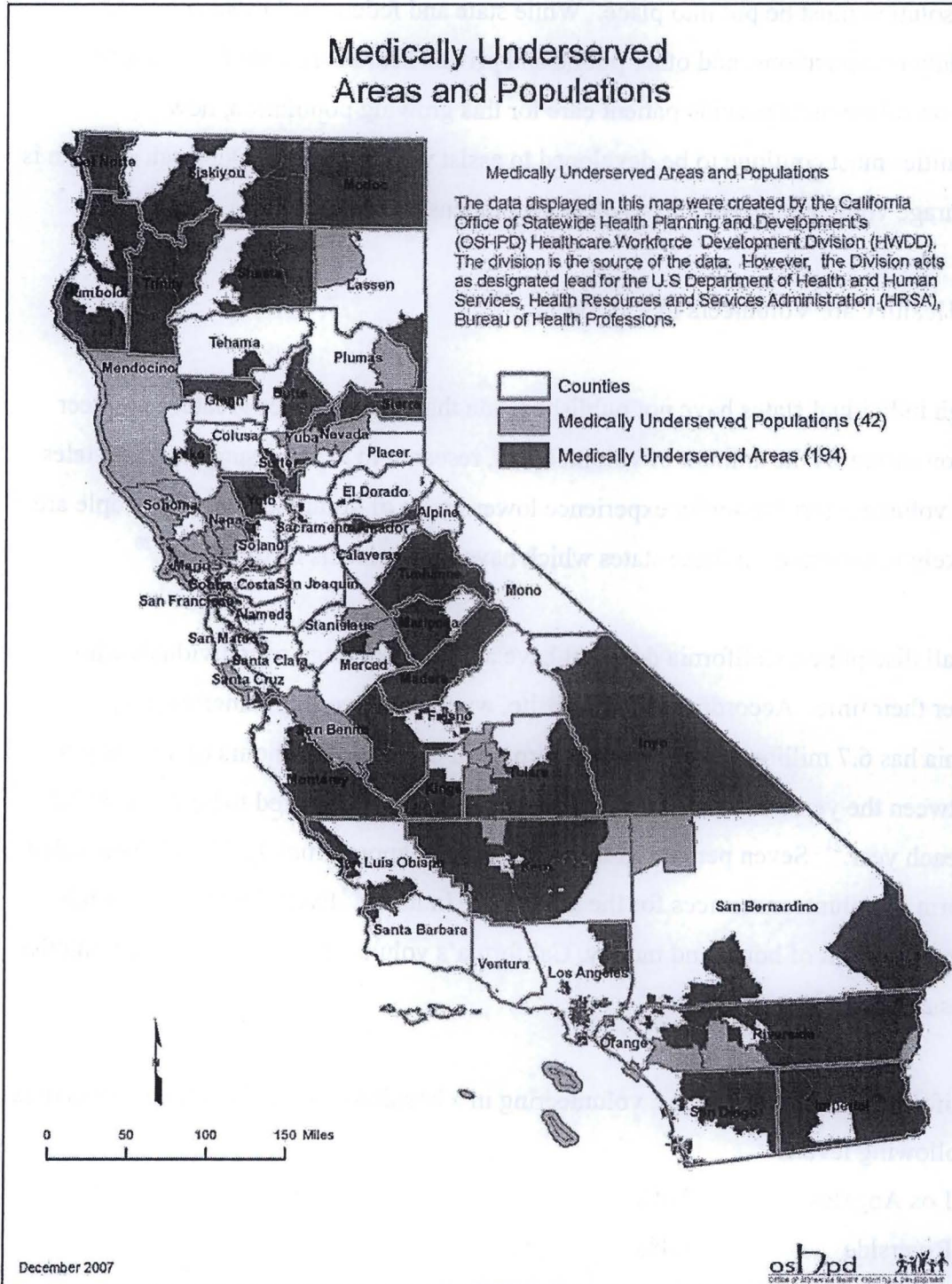
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smaller number of Californians: Cancer Control, Family PACT, Immunization and Tuberculosis Control, Children's Health and Disability Prevention Program, California Children's Services, and the Genetically Handicapped Persons Program.¹⁴

California has 850 licensed primary care clinics.¹⁵ In data from 2006, 379 of these clinics were Federally Qualified Health Centers (FQHS) and 76 were FQHS look-alikes. From 2005 data, 15% of all visits at primary care clinics were from patients who paid for care out of pocket or did not pay for care (1,297,539 patients were uninsured). When community and free clinics are considered, nearly 46% of patient visits were from the uninsured. Some counties receive reimbursement for these services while others do not. In 2005, uncompensated care in California was estimated to be \$421 million.¹⁶

Counties continue to be responsible for the uninsured population, but funds remain fixed or decline while need is increasing. California continues to have a high number of uninsured, despite coverage in existing programs.¹⁷ Indigent care programs are competing with other local spending programs. At the same time, realignment funds are decreasing as consumers spend less. Many county-run medical facilities experience fiscal difficulties and problems in managing costs. Some counties are using local managed care plans for administering and managing their indigent programs. Some counties have cut benefits or changed eligibility requirements.¹⁸ See Figure 1 for a map of areas and counties with medically underserved in California.

Figure 1. Medically Underserved Areas and Populations in California¹⁹



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To continue offering medical services to the indigent and uninsured population, a multi-faceted solution must be put into place. While state and federal programs, counties, community organizations, and other public and private healthcare entities are continuing to work on solutions to provide patient care for this growing population, new opportunities must continue to be developed to assist with this need. One such solution is to encourage volunteer physicians to offer uncompensated services.



B. Health Care Volunteers in California

Although individual states have not published data that demonstrates greater volunteer protection increases the amount of volunteerism, research in general suggests that states without volunteer tort immunity experience lower levels of volunteerism, and people are more likely to volunteer in those states which have higher levels of immunity.²⁰

Across all disciplines, California does not have a high percentage of individuals who volunteer their time. According to the website, www.volunteeringinamerica.gov, California has 6.7 million volunteers, who provided 896.4 million hours of service per year between the years 2005 and 2007. Those services are estimated to be worth \$17.5 billion each year.²¹ Seven percent of those volunteers (approximately 469,000) provided some form of volunteer services for the health care industry. Even though this sounds like a great amount of hours and money, California's volunteer rate ranks 42nd among the 50 states and Washington, D.C.

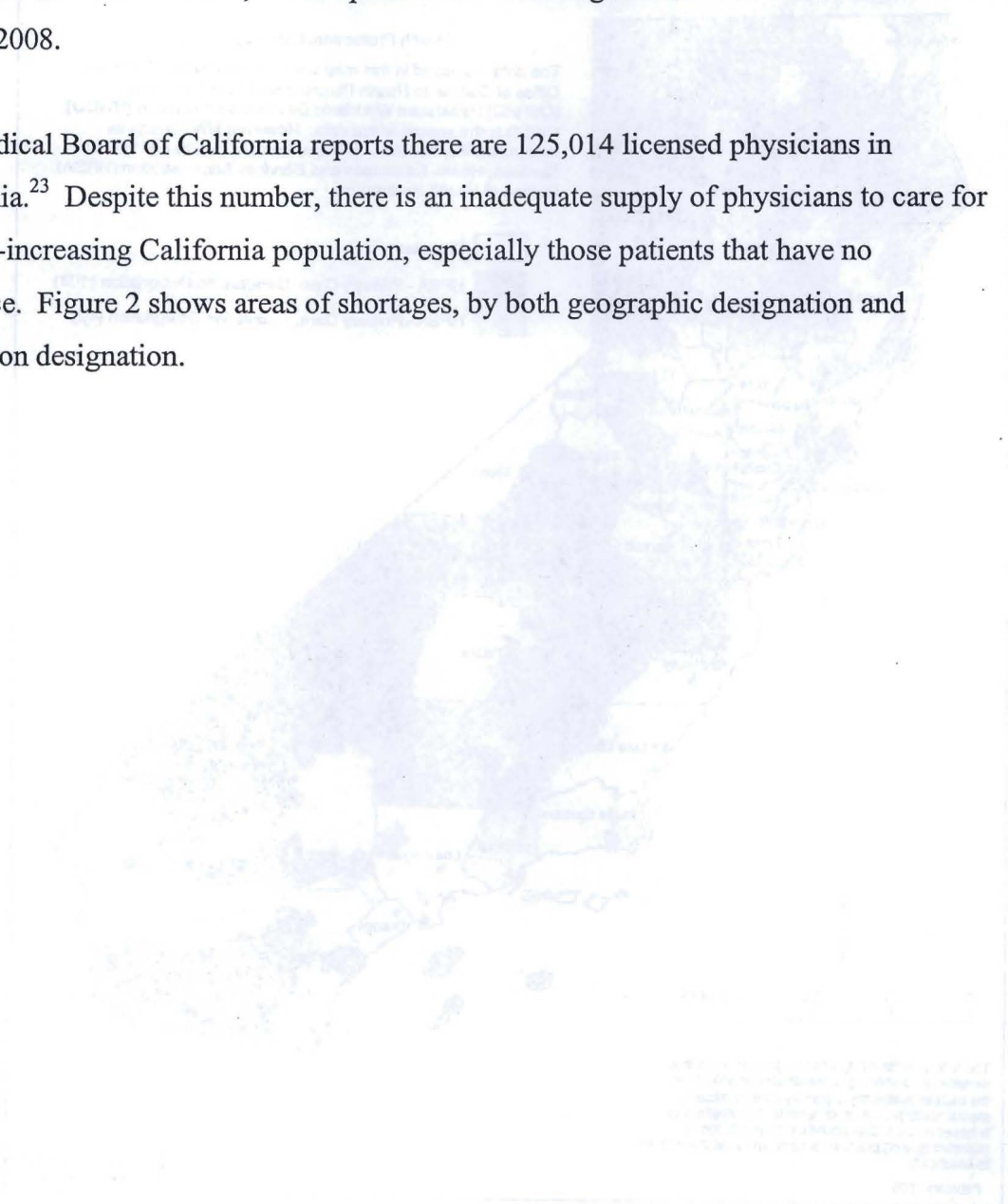
For California metropolitan areas, volunteering in a hospital or other health care system is at the following levels:²²

Los Angeles	7.0%
Riverside	7.4%
Sacramento	5.2%
San Diego	7.1%
San Francisco	7.4%
San Jose	6.7%

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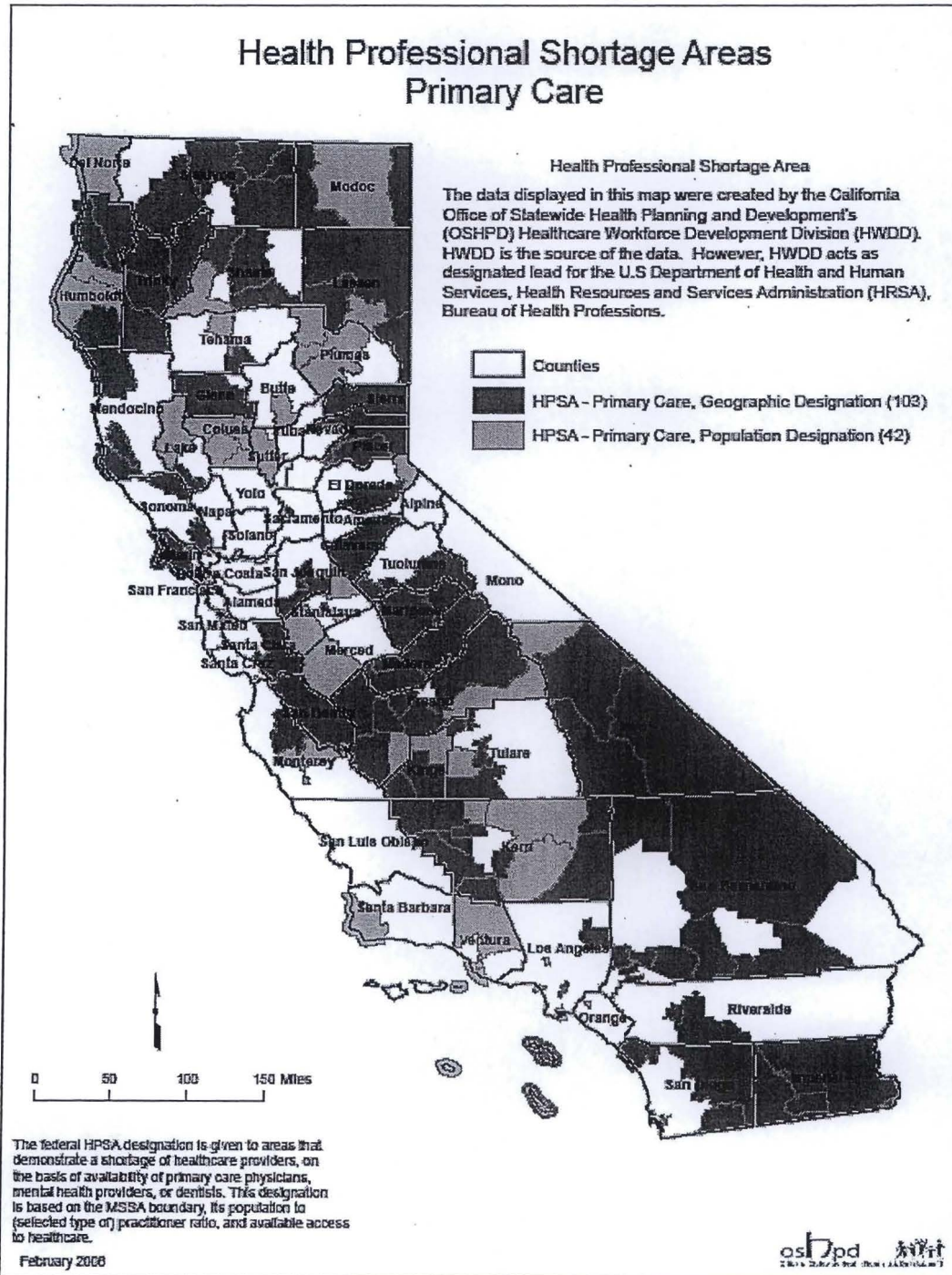
These activities are not broken further down, so it is not possible to determine how many of those 469,000 volunteers providing health care related services are physicians. It is also not clear how many volunteer positions exist in California, much less the number of volunteer physician positions. A database search through the National Center for Charitable Statistics listed 4,148 nonprofit health care organizations in California as of June 6, 2008.

The Medical Board of California reports there are 125,014 licensed physicians in California.²³ Despite this number, there is an inadequate supply of physicians to care for the ever-increasing California population, especially those patients that have no insurance. Figure 2 shows areas of shortages, by both geographic designation and population designation.



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Figure 2. Primary Care Shortage Areas²⁴



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The Medical Board of California maintains a Physician Volunteer Registry, accessible through the Medical Board's website (www.publicdocs.medbd.ca.gov/volmd). The registry was created so that clinics and other health care entities may contact those physicians to provide volunteer services. The physicians listed in the registry have typically retired from private practice. The website explains that the registry was developed as a result of the Medical Board's Access to Care Committee's interest in increasing the availability of health care in California. The website advises clinics/health care entities that malpractice insurance will need to be provided to the volunteer. There are approximately 250 physicians in the registry. Specialties, along with city and county location, are listed. Therefore, this is a mechanism already established by the Medical Board to register volunteer physicians, but no mechanism in place to provide liability coverage to the physician who provides free care.



C. California Laws that Promote Physician Volunteerism

1. Immunity for emergency care

Although California does not have laws or regulations specific to reducing liability concerns of clinician volunteers in a non-emergency context, it does provide protections for physicians who render emergency care. Specifically, physicians who render care at the scene of an emergency or who provide volunteer on-call OB services to a hospital emergency room shall not be liable for his/her negligent acts. Additionally, immunity is provided for physicians rendering emergency care during college or high school athletic events.²⁵ Additionally, California Government Code Section 8659 provides immunity for physicians who provide medical services during a state of war or other state or local emergency.²⁶

2. Waiver of Licensing Fee

California is one of approximately 26 states in the U.S. that reduce or waive state licensing fees for certain physicians providing pro bono services. (See Appendix 1 for a summary of state licensure laws for volunteer physicians.)²⁷ Specifically, California

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Business & Professions Code Sections 2083(b) and 2442 state that the license fee shall be waived for a physician residing in California who certifies to the Medical Board of California that the issuance of the license or the renewal of the license is for the sole purpose of providing voluntary, unpaid service. There are currently 3,309 physicians residing in California whose license fees have been waived, but it is unlikely that any substantial percentage of those licentiates are providing voluntary medical service.²⁸ The physicians who want to provide free professional service still must pay malpractice premiums or work in entities that are willing to provide malpractice coverage to those volunteer physicians.

3. Telemedicine

California's comprehensive telemedicine legislation authorizes the practice of health care by telemedicine, in which a patient may be treated by a health care provider using interactive audio, video or data communication. Federal and state monies have been appropriated and used to enable providers throughout the state to establish telemedicine networks and links. Through telemedicine, a volunteer physician is able to electronically transport him or herself to a distant location, thus enabling the provider to serve patients in those geographically underserved areas without having to travel.