

MEDICAL BOARD OF CALIFORNIA
LEGISLATIVE ANALYSIS

BILL NUMBER: AB 2239
AUTHOR: Maienschein
BILL DATE: March 12, 2020, Amended
SUBJECT: Health care: physician loan repayment
SPONSOR: California Psychiatric Association

DESCRIPTION OF CURRENT LEGISLATION:

This bill would require \$2,000,000 be annually transferred from the Managed Care Administrative Fines and Penalties Fund to the Medically Underserved Account for Physicians. The bill would define “practice setting” to additionally include a program or facility operated by, or contracted to, a county mental health plan.

BACKGROUND:

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law creates the Managed Care Administrative Fines and Penalties Fund, into which certain fines and penalties paid by health care service plans are deposited. Under existing law, \$1,000,000 is annually transferred from the Managed Care Administrative Fines and Penalties Fund to the Medically Underserved Account for Physicians to be used, upon appropriation by the Legislature, to repay the loans of physicians in medically underserved areas through the Steven M. Thompson Physician Corps Loan Repayment Program (STLRP).

Existing law requires participants in the STLRP to have full-time status in an eligible practice setting. Existing law defines “practice setting,” for purposes of the program, to include a community clinic, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that is located in a medically underserved area and at least 50% of whose patients are from a medically underserved population, or a physician owned and operated medical practice setting that provides primary care located in a medically underserved area and has a minimum of 50% of patients who are uninsured, Medi-Cal beneficiaries, or beneficiaries of another publicly funded program.

ANALYSIS:

The bill would require \$2,000,000 be annually transferred to the Medically Underserved Account for Physicians within the Health Professions Education Fund and appropriated to the STLRP.

This bill would define “practice setting” to additionally include a program or facility operated by, or contracted to, a county mental health plan.

According to the author, this bill “seeks to address the shortage of qualified mental health professionals by increasing the cap of the Steven M. Thompson Loan Repayment Fund to \$2 million for the purpose of loan repayment for psychiatric student loans. There is both a state and national crisis in access to psychiatric services for individuals with a mental illness because of the shortage of psychiatrists available to offer treatment. The National Council for Behavioral Health (2017) notes that demand for psychiatry will exceed available services by 25 percent in the year 2025. The Future Health Workforce Commission (2019) notes that in the next decade the state of California will face a shortfall of psychiatrists with only about two out of three psychiatrists necessary to provide adequate care. The shortage has created critical weaknesses in California’s county operated public mental health care delivery system that serves the most disabled individuals with a mental illness. These individuals have severely disabling disorders like schizophrenia, bi-polar illness, major depression, anxiety and other disorders requiring psychiatric treatment. Without treatment or without timely access to treatment these individuals are at risk of homelessness, arrest and incarceration, repeated hospitalizations, premature death and suicide. Both short- and long-range substantive fixes to increase psychiatric service capacity are needed. Loan repayment programs are one of these and a time-tested way of directing newly trained physicians to underserved areas. County operated mental health delivery systems are not currently authorized settings for awards from the Steven M. Thompson Loan Repayment Program (STLRP), which for nearly 20 years has placed a variety of physicians in underserved communities using loan repayment incentives. Graduates of psychiatric training programs shoulder a heavy burden of debt at the completion of their training which averages \$250,000. For further training in subspecialties, debt loads often exceed \$300,000.”

This bill will increase the funding for the STLRP by \$1,000,000 and expand eligibility for practice settings to include psychiatric care settings, as specified, which will help to incentivize physicians to practice in those areas. This bill would provide much needed funding for the STLRP to assist with loan repayment for physicians who agree to practice in medically underserved areas of the state. This bill would promote access to care and Board staff recommends that the Board take a support position on this bill.

FISCAL: None

SUPPORT: California Psychiatric Association (Sponsor)

OPPOSITION: None on File

POSITION: Recommendation: Support

ATTACHMENT: [AB 2239, Maienschein. Health care: physician loan repayment.](#)