

AMENDED IN SENATE AUGUST 17, 2011

AMENDED IN SENATE JULY 12, 2011

AMENDED IN ASSEMBLY MAY 27, 2011

AMENDED IN ASSEMBLY APRIL 11, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 589

Introduced by Assembly Member Perea
(Principal coauthors: Senators Alquist and Rubio)

February 16, 2011

An act to add Article 6 (commencing with Section 128560) to Chapter 5 of Part 3 of Division 107 of the Health and Safety Code, relating to health professions.

LEGISLATIVE COUNSEL'S DIGEST

AB 589, as amended, Perea. Medical school scholarships.

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. Under existing law, the primary purpose of the account is to fund the Steven M. Thompson Physician Corps Loan Repayment Program, which provides for the repayment of prescribed educational loans, not to exceed \$105,000, obtained by a physician and surgeon who practices in a medically underserved area of the state.

This bill would establish within the Health Professions Education Foundation the Steven M. Thompson Medical School Scholarship Program (STMSSP), managed by the foundation and the Office of

Statewide Health Planning and Development to promote the education of medical doctors and doctors of osteopathy, as specified. This bill would provide up to \$105,000 in scholarships to selected participants who agree in writing prior to ~~entering~~ *completing* an accredited medical or osteopathic school *based in the United States* to serve in an eligible setting.

This bill would establish the Steven M. Thompson Medical School Scholarship Account within the Health Professions Education Fund to receive federal or private funds for the STMSSP. This bill would provide that the STMSSP will be implemented only to the extent that the account contains sufficient funds as determined by the foundation.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 6 (commencing with Section 128560) is
2 added to Chapter 5 of Part 3 of Division 107 of the Health and
3 Safety Code, to read:

4
5 Article 6. Steven M. Thompson Medical School Scholarship
6 Program
7

8 128560. (a) There is hereby established within the Health
9 Professions Education Foundation, the Steven M. Thompson
10 Medical School Scholarship Program.

11 (b) It is the intent of this article that the foundation and the office
12 provide the ongoing program management for the program.

13 128565. For purposes of this article, the following definitions
14 shall apply:

15 (a) "Account" means the Steven M. Thompson Medical School
16 Scholarship Account established within the Health Professions
17 Education Fund pursuant to this article.

18 (b) "Foundation" means the Health Professions Education
19 Foundation.

20 (c) "Medi-Cal threshold languages" means primary languages
21 spoken by limited-English-proficient (LEP) population groups
22 meeting a numeric threshold of 3,000 LEP individuals eligible for
23 Medi-Cal residing in a county, 1,000 LEP individuals eligible for

1 Medi-Cal residing in a single ZIP Code, or 1,500 LEP individuals
2 eligible for Medi-Cal residing in two contiguous ZIP Codes.

3 (d) “Medically underserved area” means an area defined as a
4 health professional shortage area in Part 5 (commencing with Sec.
5 5.1) of Subchapter A of Chapter 1 of Title 42 of the Code of
6 Federal Regulations or an area of the state where unmet priority
7 needs for physicians exist as determined by the California
8 Healthcare Workforce Policy Commission pursuant to Section
9 128225.

10 (e) “Medically underserved population” means the persons
11 served by the Medi-Cal program, the Healthy Families Program,
12 and uninsured populations.

13 (f) “Office” means the Office of Statewide Health Planning and
14 Development (OSHPD).

15 (g) “Practice setting” means either of the following:

16 (1) A community clinic as defined in subdivision (a) of Section
17 1204 and subdivision (c) of Section 1206, a clinic owned or
18 operated by a public hospital and health system, or a clinic owned
19 and operated by a hospital that maintains the primary contract with
20 a county government to fulfill the county’s role pursuant to Section
21 17000 of the Welfare and Institutions Code, each of which is
22 located in a medically underserved area and at least 50 percent of
23 whose patients are from a medically underserved population.

24 (2) A medical practice located in a medically underserved area
25 and at least 50 percent of whose patients are from a medically
26 underserved population.

27 (h) “Primary specialty” means family practice, internal medicine,
28 pediatrics, or obstetrics/gynecology.

29 (i) “Program” means the Steven M. Thompson Medical School
30 Scholarship Program.

31 (j) “Selection committee” means the advisory committee of not
32 more than seven members established pursuant to subdivision (b)
33 of Section 128551.

34 (k) “Super-medically underserved area” means an area defined
35 as medically underserved pursuant to subdivision (d) that also
36 meets a heightened criteria of physician shortage as determined
37 by the foundation.

38 128570. (a) Persons participating in the program shall be
39 persons who agree in writing prior to ~~entering~~ *completing* an
40 accredited medical or osteopathic school *based in the United States*

1 to serve in an eligible practice setting, pursuant to subdivision (g)
2 of Section 128565, for at least three years. The program shall be
3 used only for the purpose of promoting the education of medical
4 doctors and doctors of osteopathy and related administrative costs.

5 (b) A program participant shall commit to three years of
6 full-time professional practice once the participant has achieved
7 full licensure pursuant to Article 4 (commencing with Section
8 2080) of Chapter 5 or Section 2099.5 of the Business and
9 Professions Code and after completing an accredited residency
10 program. The obligated professional service shall be in direct
11 patient care in an eligible practice setting pursuant to subdivision
12 (g) of Section 128565.

13 (1) Leaves of absence *either during medical school or service*
14 *obligation* shall be permitted for serious illness, pregnancy, or
15 other natural causes. The selection committee shall develop the
16 process for determining the maximum permissible length of an
17 absence, *the maximum permissible leaves of absences*, and the
18 process for reinstatement. Awarding of scholarship funds shall be
19 deferred until the participant is back to full-time status.

20 (2) Full-time status shall be defined by the selection committee.
21 The selection committee may establish exemptions from this
22 requirement on a case-by-case basis.

23 (c) The maximum allowable amount per total scholarship shall
24 be one hundred five thousand dollars (\$105,000). These moneys
25 shall be distributed over the course of a standard medical school
26 curriculum. The distribution of funds shall increase over the course
27 of medical school, increasing to ensure that at least 45 percent of
28 the total scholarship award is distributed upon matriculation in the
29 final year of school.

30 (d) In the event the program participant does not complete
31 *medical school and* the minimum three years of professional
32 service pursuant to the contractual agreement between the
33 foundation and the participant, the office shall recover the funds
34 awarded plus the maximum allowable interest for failure to begin
35 or complete the service obligation.

36 128575. (a) The selection committee shall use guidelines that
37 meet all of the following criteria to select scholarship recipients:

38 (1) Provide priority consideration to applicants who are best
39 suited to meet the cultural and linguistic needs and demands of

1 patients from medically underserved populations and who meet
2 one or more of the following criteria:

- 3 (A) Speak a Medi-Cal threshold language.
- 4 (B) Come from an economically disadvantaged background.
- 5 (C) Have experience working in medically underserved areas
6 or with medically underserved populations.

7 (2) Give preference to applicants who have committed to
8 practicing in a primary specialty.

9 (3) Give preference to applicants who will serve in a practice
10 setting in a super-medically underserved area.

11 (4) Include a factor ensuring geographic distribution of
12 placements.

13 (b) The selection committee may award up to 20 percent of the
14 available scholarships to program applicants who will practice
15 specialties outside of a primary specialty.

16 (c) The foundation, in consultation with the selection committee,
17 shall develop a process for outreach to potentially eligible
18 applicants.

19 128580. (a) The Steven M. Thompson Medical School
20 Scholarship Account is hereby established within the Health
21 Professions Education Fund for the purposes of receiving federal
22 or private funds.

23 (b) Funds in the account shall be used to fund scholarships
24 pursuant to agreements made with recipients and as follows:

25 (1) Scholarships shall not exceed one hundred five thousand
26 dollars (\$105,000) per recipient.

27 (2) Scholarships shall not exceed the amount of the educational
28 expenses incurred by the recipient.

29 (c) Funds placed in the account for purposes of this article shall,
30 upon appropriation by the Legislature, be used for the purposes of
31 this article. Funds supporting the Steven M. Thompson Physician
32 Corps Loan Repayment Program established pursuant to Article
33 5 (commencing with Section 128550) shall not be used for the
34 purposes of this article.

35 (d) The account shall be used to pay for the cost of administering
36 ~~the program, not to exceed 5 percent of the total appropriation for~~
37 ~~the program.~~ *the program and for any other purpose authorized*
38 *by this article. The cost of administering the program, including*
39 *promoting the education of medical doctors and doctors of*
40 *osteopathy in an accredited school who agree to service in an*

1 *eligible setting and related administrative costs, shall not exceed*
2 *10 percent of the total appropriation for the program.*

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

6 (f) This article shall be implemented only to the extent that the
7 account contains sufficient funds as determined by the foundation.

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