



MID-SESSION UPDATE:

Budget Proposals and Legislation Addressing California's Health Workforce May 20, 2019

With budget season beginning in earnest in Sacramento and the legislative session moving toward its halfway point, the Administration and Legislature have demonstrated a clear understanding of the scale of California's looming health workforce challenges—and have begun to advance a range of substantive proposals to take on the state's provider shortages and improve access to care.

In February, the California Future Health Workforce Commission [released a final report](#) highlighting a number of priority actions the state must take to produce enough of the right type of health workers, with the right skills, in the right places to meet the needs of California's growing and increasingly diverse population.

There is positive momentum on many of the Commission's recommendations, including new funding in the Governor's Revised Budget Proposal (called the May Revision) and a range of active legislative proposals targeting health workforce. A summary is provided below, with more detail on the following pages:

The May Revision:

- **The Governor's revised budget includes \$342 million in one-time and ongoing funding to expand California's health workforce.** That includes proposals to expand the pipeline of mental health providers, bolster residency programs, and improve primary care education and training in areas of unmet need. The May budget proposal also aims to boost the Medi-Cal loan repayment program, which will expand the health workforce available to provide care to Medi-Cal beneficiaries.

Legislative Activity:

- **At least 14 remaining bills in the 2019-20 legislative session seek to address California's health workforce needs,** including proposals to expand eligibility for loan repayment, build a new UC-Riverside School of Medicine facility, increase the rural health workforce, expand the contributions of Nurse Practitioners, and promote hiring of Physician Assistants, among many other ideas.
- **The Legislature is also working with the Administration on a new Master Plan on Aging and a Commission on the Future of Work**—two initiatives outlined in the Governor's State of the State Address that can expand the pipeline of workers caring for seniors and refocus training programs on evolving health care needs.

DETAILS – MAY REVISION PROPOSALS ON HEALTH WORKFORCE

The Governor declared at his budget press conference on May 9 that he wants to be known as California’s “health care governor,” introducing a range of initiatives for expanding access to care and bringing costs down—including new proposals for growing the state’s health workforce, improving behavioral health care, and preparing the health system to care for an aging population. In his remarks, the Governor acknowledged the foundations that supported the California Future Health Workforce Commission for highlighting many of these issues and inspiring his administration to take action.

“I don’t know what a governor has done more boldly in 120 days,” Newsom said of his health proposals, which acknowledge California’s growing workforce shortages, especially in “rural parts of the state and among primary care and behavioral health providers.” “I want to lower the cost curve, I want to deliver broader access and I want to improve quality—particularly on wellness and prevention, and move away from acute care and emergency care. I want to see how far we can push it with the state.”

The Governor’s updated budget asks for a total of \$342 million in one-time and ongoing funding to expand California’s health workforce. The budget seeks to target funding in three distinct ways—all of which are consistent with the Commission’s recommendations.

- 1. The Governor’s January budget and May Revision include \$122 million to address health workforce shortages, including:**
 - \$50 million one-time General Fund to increase training opportunities in existing mental health workforce programs administered by the Office of Statewide Health Planning and Development (*Commission Recommendation 2.3*)
 - \$38.7 million Proposition 56 funds to develop residency programs at hospitals throughout California as administered and operated by the University of California in partnership with Physicians for a Healthy California (*Commission Recommendation 2.2*)
 - \$33.3 million ongoing General Fund to the Song-Brown Health Care Workforce program beginning in 2020-21. The Song-Brown program aims to increase the number of students and residents receiving quality primary care education and training in areas of unmet need. (*Commission Recommendation 2.2*)
- 2. The May Revision would invest an additional \$100 million from the Mental Health Services Fund for the new 2020-25 Workforce Education and Training (WET) Five-Year Plan,** which provides a framework for the state, local governments, community partners, educational institutions, and other stakeholders to begin to address the shortage of qualified mental health professionals in the public mental health system. (*Commission Recommendation 1.5*)
- 3. Finally, the May Revision allocates \$120 million in Prop 56 funds to the Medi-Cal loan repayment program.** Combined with amounts allocated in the 2018 Budget Act, the May Revision would make \$340 million available for the program over the next several years. Of this total, \$290 million is for physicians and \$50 million for dentists—with all awardees required to make a five-year commitment to maintain a patient caseload of 30 percent or more Medi-Cal beneficiaries. (*Commission Recommendation 1.6*)

DETAILS – ACTIVE BILLS RELATED TO CALIFORNIA HEALTH WORKFORCE NEEDS

Members of the Legislature have also made closing care gaps a top priority in this session. On March 25, the Assembly Budget Committee's Subcommittee 1 (Health and Human Services) and Subcommittee 2 (Education Finance) held [a joint informational hearing](#) on California's health workforce. After the May Appropriations Committee deadline, 14 bills that seek to expand the health workforce pipeline remain in the 2019-20 legislative session (see below).

Active 2019 Legislation Related to Health Workforce

- [AB 565 \(Maienschein\)](#): Expands eligibility for physician loan repayment programs. (*Commission Recommendation 1.6*)
- [AB 1544 \(Gipson\)](#): Establishes state guidelines governing the implementation of community paramedicine programs.
- [AB 1759 \(Salas\)](#): Requires the Office of Statewide Health Planning and Development to allocate funds from an appropriation in this year's budget for the purpose of increasing the health workforce in rural and underserved areas. (*Note: The May Revision includes \$50 million for this purpose.*) (*Commission Recommendation 2.3*)
- [SB 10 \(Beall\)](#): Establishes a statewide certification program and practice guidelines for peer support specialists, as part of the state's comprehensive mental health and substance abuse disorder delivery system and the Medi-Cal program. (*Commission Recommendation 3.4*)
- [SB 56 \(Roth\)](#): Upon receipt of an appropriation in the Budget Act, requires the University of California to construct a new facility at the UC-Riverside School of Medicine to increase the supply of primary care physicians in underserved areas. (*Commission Recommendation 2.4*)
- [SB 697 \(Caballero\)](#): Reduces regulations inhibiting hiring of Physician Assistants, especially in rural areas, by revising requirements on chart review, co-signatures, and other issues.

Additional Two-Year Bills Relevant to Workforce Commission Priority Recommendations

- [AB 890 \(Wood\)](#): Authorizes nationally certified Nurse Practitioners to provide medical services without physician supervision after a 3-year transition period. (*Commission Recommendation 3.1*)
- [SB 617 \(Glazer\)](#): Allows an employer to utilize a 3:1 ratio of pharmacy technicians to pharmacists.

Master Plan on Aging

Gov. Newsom, State of the State Address, February 12, 2019:

"Over the next decade, our statewide senior population will increase by 4 million. In 25 years, it will double. And more than half will require some form of long-term care... It is time for a new Master Plan on Aging. It must address person-centered care, the patchwork of public services, social isolation, bed-locked seniors in need of transportation, the nursing shortage and demand for In-Home Supportive Services that far outpaces its capacity."

DETAILS – ACTIVE BILLS RELATED TO CALIFORNIA HEALTH WORKFORCE NEEDS

There are five active bills related to the Master Plan on Aging.

- [AB 1287 \(Nazarian\)](#): Addresses access to a coordinated system of information and supports through a “No Wrong Door” approach that assists older adults, people with disabilities, and caregivers in obtaining accurate information and timely referrals to appropriate community services and supports.
- [AB 1382 \(Aguiar-Curry\)](#): Requires the state to adopt a Master Plan for Aging prioritizing issues related to preparing and supporting paid paraprofessionals, professionals, and unpaid family caregivers.
- [SB 228 \(Jackson\)](#): Establishes the parameters and outlines the goals of the Master Plan, requiring it to address—among other things—supports to the workforce, including unpaid family caregivers, in serving the population. The bill would also require the Office of the Chancellor of the Community Colleges and California State University, and authorize the Office of the President of the University of California, to develop a strategy and fiscal plan to ensure the availability of a culturally competent workforce to meet the needs of an aging population by 2030.
- [SB 611 \(Caballero\)](#): Establishes the Master Plan for Aging Housing Task Force whose charge would include recommending ways of removing barriers to providing health care and social services to older adults in affordable housing.
- [SB 512 \(Pan\)](#): Creates the framework for a new program that would provide older Californians and those living with a disability with access to long-term services and supports.

Commission on the Future of Work

Gov. Newsom, State of the State Address, February 12, 2019:

“It’s time to develop a new modern compact for California’s changing workforce... California needs a comprehensive statewide strategy to uplift and upskill our workers. We will appoint a new Commission on California’s Workforce & Future of Work.”

Legislation on this issue:

- [SB 730 \(Stern\)](#): Establishes the Commission on the Future of Work and requires the Commission to conduct research to understand the impact of innovation and technology in certain key areas related to workers, the workplace, the state budget, economy, the safety net, and other areas related to the public good. The bill requires the Commission to submit recommendations to the Legislature and the Governor by January 1, 2022, and annually thereafter.