

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 3081 (Arambula) – As Amended March 21, 2024

**SUBJECT:** Public postsecondary education: University of California, Merced: medical education.

**SUMMARY:** Appropriates \$15 million from the General Fund (GF) to the Regents of the University of California (UC) on or before July 1, 2025, and each July 1 thereafter, for allocation to the UC Merced (UCM) Medical Education Collaborative, and requires UCM Medical Education Collaborative, as a condition of receiving the appropriation, to develop a program, consistent with its mission, and in conjunction with the health facilities of its medical residency programs, to identify eligible medical residents and to assist those medical residents in applying for physician retention programs. Specifically, **this bill**:

- 1) Finds and declares, in part, the following of the Legislature:
  - a) California's supply of primary care physicians is below what is considered sufficient to meet patient needs;
  - b) In the rapidly growing and ethnically diverse area of California's San Joaquin Valley (SJV), the shortage of primary care physicians is particularly severe, with just 47 primary care physicians per 100,000 patients, which is far fewer than the recommended range of 60 to 80 primary care physicians per 100,000 patients;
  - c) Black, Latinx, and Native Americans are vastly underrepresented in the physician workforce;
  - d) According to statistics published by the Association of American Medical Colleges, California lags substantially in the number of medical school students per capita, having just 21.1 students per 100,000 persons, compared to the United States average of 37.9 students per 100,000 persons. California ranks number 43 out of 46 states for medical student enrollment per capita;
  - e) According to the California Health Care Foundation, 72% of California's 58 counties have an undersupply of primary care physicians, with primary care physicians making up just 34% of California's physician workforce;
  - f) UCM has launched the SJV Valley PRIME+ bachelor of science (BS) degree to medical doctor degree (MD) pathway (SJVPP);
  - g) The UCM Medical Education Collaborative allows UC Merced to immediately start training the future physicians that the San Joaquin Valley needs;
  - h) As a community-based medical school with a public mission to expand and diversify the San Joaquin Valley's physician workforce and to improve the health of people living in

the SJV, the UC Merced Medical Education Collaborative has made a commitment to underserved patient populations;

- i) UCM Medical Education Collaborative's strategies include, but are not limited to, all of the following: (1) developing student pipeline programs, such as SJVPP, that inspire more young people in the San Joaquin Valley to pursue careers in medicine and other allied health professions and recruiting them to the UCM Medical Education Collaborative; (2) using a holistic review of medical school applicants that takes into account diverse life experiences in addition to academic performance; (3) teaching a curriculum that emphasizes key competencies for primary care medicine, including wellness and prevention, evidence-based medicine, and chronic disease management; (4) creating new residency training programs in primary care medicine and those short-supply specialties that are most needed in the San Joaquin Valley; and, (5) continuing UCM's commitment to the recruitment, retention, and advancement of talented students, faculty, and staff from historically excluded populations who are currently underrepresented in medical education and the practice of medicine.
- 2) Appropriates, on or before July 1, 2025, and each July 1 thereafter, the sum of \$15 million from the GF to the UC Regents for allocation to the UCM Medical Education Collaborative.
- 3) Stipulates that as a condition of receiving an appropriation, the UCM Medical Education Collaborative must develop a program, consistent with its mission, and in conjunction with the health facilities of its medical residency programs, to identify eligible medical residents and to assist those medical residents to apply for physician retention programs, including, but not limited to, the Steven M. Thompson Physician Corps Loan Repayment Program.
- 4) Defines the following terms:
  - a) "SJVPP" to mean the San Joaquin Valley PRIME+;
  - b) "UCM" to mean the UC Merced;
  - c) "UCM Medical Education Collaborative" to mean the medical school at the UCM, which is a branch campus of the UCSF School of Medicine; and,
  - d) "UCSF" to mean the University of California, San Francisco.

#### **EXISTING LAW:**

- 1) Establishes the UC as a public trust to be administered by the Regents of the UC; and, grants the Regents full powers of organization and government, subject only to such legislative control as may be necessary to insure security of its funds, compliance with the terms of its endowments, statutory requirements around competitive bidding and contracts, sales of property and the purchase of materials, goods and services (Article IX, Section (9)(a) of the California Constitution).
- 2) Creates the UC San Francisco (UCSF), San Joaquin Valley Regional Campus Medical Education Endowment Fund. Stipulates that upon appropriation by the Legislature, moneys in the endowment fund must be allocated to the UC to support the annual operating costs for

the development, operation, and maintenance of a branch campus of the UC San Francisco, School of Medicine in the San Joaquin Valley;

- 3) Requires, upon appropriation by the Legislature and a determination by the Controller of sufficient funds in the endowment fund, moneys in the fund to be used to cover the UC's estimated costs of applying for and obtaining approval and accreditation from the Liaison Committee on Medical Education as provided; and,
- 4) Requires moneys in the endowment fund to initially be invested with the goal of achieving capital appreciation to create a balance of \$500 hundred million to generate ongoing earnings to cover the estimated annual operating costs associated with the development, operation, and maintenance of the branch campus, and, upon the determination of the Controller that the endowment fund balance is \$500 hundred million, requires moneys in the endowment fund to be invested to generate earnings to fund annual operating costs associated with the development, operation, and maintenance of the branch campus (Education Code Section 92162, et seq.).

**FISCAL EFFECT:** Unknown

**COMMENTS:** *San Joaquin Valley (SJV)*. The SJV is defined as encompassing the Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties. The California Health Care Foundation reported in 2021, that the SJV had just 47 primary care physicians per 100,000 residents, short of the US Department of Health and Human Services' recommended supply ratio of 60-80 per 100,000 and the state average of 60 per 100,000 residents.<sup>1</sup>

Further, according to the Healthforce Center at UCSF, the SJV is one of the fastest growing, lowest socioeconomic, and least healthy regions of California. The Healthforce Center released a report, titled, *Current & Future Health Profession Workforce Needs in the San Joaquin Valley*. The report finds that the SJV has historically suffered from a shortage of physicians and other critical segments of the region's health professions workforce, and may not adequately meet the region's needs. The report also finds that Latinx are underrepresented in most health professions relative to their proportion of the general population, and that large percentages of physicians and psychologists are likely to retire within the next decade.

*Purpose of this measure.* According to the author, "the 2019-20 Budget Act authorized the University of California to pursue a medical school project at UC Merced. The 2020-21 Budget Act established \$15 M [million] in ongoing funding for the UC Merced Medical Education Collaborative. Additional funding is needed to increase class size and drive UC Merced closer to becoming an independent medical school."

The author states that, "medical education at UC Merced [UCM] continues to hold immense promise not only for the UC Merced campus, but the Central Valley community as a whole. As UCM pursues the founding vision of the Medical Education initiative, they remain steadfast in the goal of educating and training future medical professionals and leaders who are committed to excellence in health care and improving the health of the diverse communities and people of the Central Valley. Approximately one-third of currently practicing physicians are 60 years of age or older and will retire in the next decade or so."

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<sup>1</sup> California Health Care Almanac 2021, <https://www.chcf.org/wpcontent/uploads/2021/03/PhysiciansAlmanac2021.pdf>

This measure, on or before July 1, 2025, and each July 1 thereafter, appropriates \$15 million from the GF to the UC Regents for allocation to the UCM Medical Education Collaborative, as defined. Further, this measure requires the UCM Medical Education Collaborative, as a condition of receiving the appropriation, to develop a program, consistent with its mission, and in conjunction with the health facilities of its medical residency programs, to identify eligible medical residents and to assist those medical residents in applying for physician retention programs, as specified.

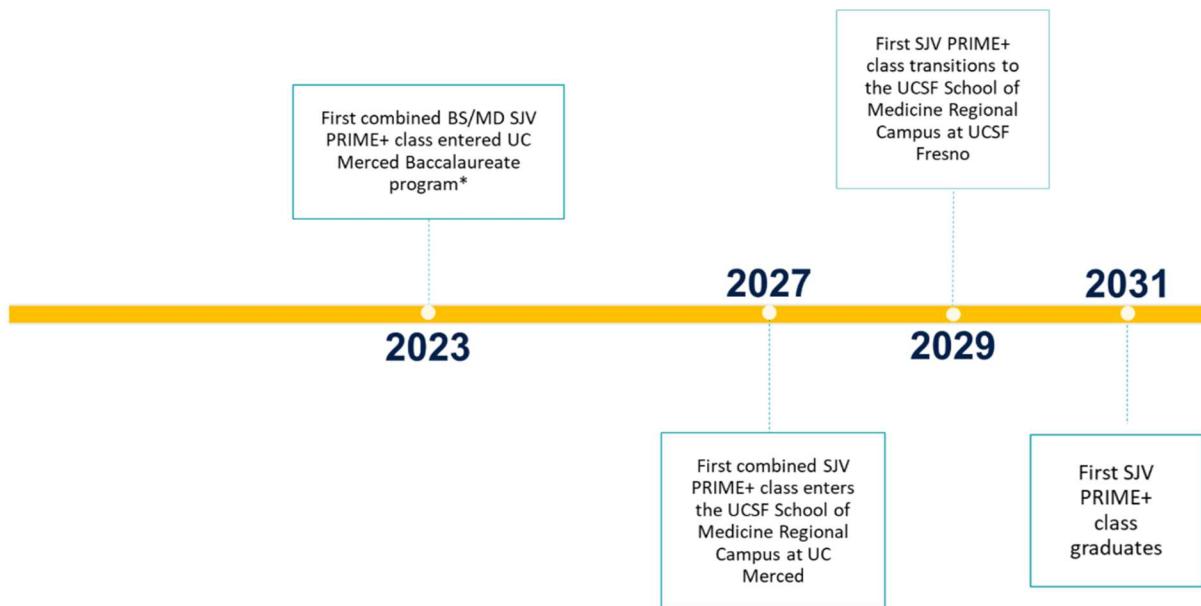
*San Joaquin Valley PRIME+ (SJVPP) BS to MD pathway in 2023.* According to UCM, to meet the healthcare needs of the patient population of the SJV, it is UCM's long-term goal to develop an independent medical school. However, launching a medical school requires substantial time, financial support, faculty development, and a strong foundation of clinical partnerships for student rotations. Starting off as a branch campus of UC San Francisco (UCSF) School of Medicine allows UCM to immediately start training the future physicians that the SJV needs. In the meantime, as branch campus of UCSF School of Medicine, UCM will gain expertise in medical education, begin hiring expert medical education faculty, build clinical partnerships, and start laying the foundation to someday increase class size and become an independent medical school.

In September 2023, UCM launched the SJVPP BS to MD pathway. This pathway will have approximately 12-15 new students per year. The inaugural class of SJVPP students will enter medical school at UCM in 2027. They will be supported by medical education faculty and mentors, access to medical library services, and a new medical education building. The goal is for the first class of SJV doctors to graduate in 2031. UCM aspires that the SJVPP will truly help establish UCM as an outstanding institution for pre-health careers. As a pipeline program, that SJVPP will help attract diverse students from all areas of the SJV, provide mentors and role models, and inspire their interest in health care.

The author states that, "the first cohort of bachelor's degree students, who will have conditional admission to UCSF through the SJV PRIME+ pathway, is the first step toward building comprehensive medical education at UC Merced through close collaboration with UCSF and UCSF-Fresno. Along the way, this effort will benefit hundreds of students who wish to pursue a career in a wide range of health professions. The first cohort is composed exclusively of bright and ambitious students from the Central Valley who have demonstrated not only their scientific prowess, but also their commitment to their community and the founding vision of this program. More than half of the cohort are students from populations historically underrepresented in medicine, and 60% are women."

The chart below from UCM, provides a timeline of the first medical education cohort at UCM.

## Timeline of First Medical Education Cohort at UC Merced

**SJV PRIME+ Timeline & Achievements**

*Committee comments.* Committee Staff understands that the author has submitted a budget request in order for the next steps toward an independent UCM School of Medicine to begin. The author's budget ask is \$15 million ongoing from the GF.

*Arguments in support.* According to AltaMed Health Services Corporation (AltaMed), “California has a primary care physician shortage. Our healthcare professionals have witnessed firsthand the severe shortage of physicians in many areas of California, particularly in underserved communities. In the rapidly growing San Joaquin Valley (SJV), the shortage is particularly severe.”

AltaMed states that, “due to limited opportunities to complete medical education in largely rural communities, only 1.1% of medical students plan to practice in rural or unincorporated areas after completing medical education. As a result, Valley residents often experience longer wait times and travel longer distances for care if they don’t forgo it entirely. To meet the healthcare needs of the San Joaquin Valley, UC Merced launched the San Joaquin Valley PRIME+ (SJVPP) BS to MD pathway in 2023 as a part of its Medical Education Collaborative.”

Lastly, AltaMed states that, “AB 3081 will enable UC Merced to expand its expertise in medical education, begin hiring expert medical education faculty, build clinical partnerships, and start laying the foundation to increase class size as it moves closer to becoming an independent medical school.”

*Related legislation.* AB 2357 (Bains), which passed out of this Committee on April 9, 2024, with a vote of 10-0, and is presently awaiting a hearing in the Assembly Committee on Appropriations, establishes the UC San Joaquin Valley Regional Campus Medical Education Endowment Fund.

*Prior legislation.* AB 2202 (Gray), Chapter 756, Statutes of 2018, which, in part, established the UCSF San Joaquin Valley Regional Campus Medical Education Endowment Fund to support the annual operating costs of a branch campus of UCSF School of Medicine in the SJV.

AB 2232 (Gray) of 2014, AB 174 (Gray) of 2015, SB 841 (Cannella) of 2014, and SB 131 (Cannella) of 2015, all of which appropriated funds for the SJV PRIME Program, were held on the Suspense File in the Senate Committee on Appropriations.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

AltaMed Health Services Corporation

**Opposition**

None on file.

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