

California's 2019-20 Budget and the 10 Priority Recommendations of the California Future Health Workforce Commission

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The mission of Healthforce Center at UCSF is to equip health care organizations with the workforce knowledge and leadership skills to effect positive change.

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Executive Summary

In February 2019, the California Future Health Workforce Commission released a report that identified 10 priorities for action to ensure that California has sufficient numbers of the right types of workers in the right places to meet the needs of the state's growing, aging, and increasingly diverse population. Assessing the extent to which the California legislature and state agencies are implementing these recommendations is especially important given the large role that the state government plays in funding health workforce development and health professions education.

This report describes provisions of California's state budget for fiscal year 2019-2020 that either directly fund the Commission's priority recommendations or fund other initiatives that are consistent with these recommendations. In cases where the 2019-2020 budget does not explicitly state how appropriations for health workforce development programs should be spent, we present recommendations for allocating the funds. In addition, we make recommendations for state budget allocations for fiscal year 2020-2021 that would advance the priority recommendations that we believe are most critical to making rapid progress in addressing the state's health workforce needs.

Table 1 lists the Commission's 10 priority recommendations, the Commission's estimate of the cost of implementing each recommendation in Year 1, the amount allocated in the 2019-2020 state budget to implement that recommendation, and our recommendations for budget allocations for fiscal year 2020-2021.

Comparison of the 2019-2020 California State Budget with the Commission's 10 Priority Recommendations

The state budget for 2019-2020 contains up to \$191.2 million that may be invested in a manner consistent with the Commission's 10 priority recommendations. An additional \$120 million in Proposition 56 funds were dedicated to physician and dentist loan repayment programs, which brings this year's total health workforce investments to more than \$300 million.

- **Specific allocations to Commission priority - \$75 million:** Only one of the Commission's priority recommendations can be tied directly to monies allocated by specific budget items: *Recommendation 2.2: Expand the number of primary care physician and psychiatry residency positions.* A total of \$75 million were appropriated, including general fund dollars (\$33 million for the Song-Brown Healthcare Workforce Training Programs plus \$1.3 million for the University of California plus \$2 million for pediatrics residency programs at children's hospitals) and Proposition 56 funds (\$38.7 million). These funds will be used primarily to support residency training for primary care physicians.
- **Unspecified allocations to Commission priority - \$116.2 million:** Several items in the California 2019-20 budget provide funds to the Office of Statewide Health Planning and Development (OSHPD) for mental health workforce development but do not explicitly require that they be used to implement the Commission's priority recommendations for the behavioral health workforce. Two budget items allocate \$60 million for the 2020–2025 Workforce Education and Training (WET) Program Five-Year Plan to address workforce shortages in the state's public mental health system.¹ The WET plan encompasses workforce development activities that are consistent with five of the Commission's priority recommendations (1.1., 1.3, 2.2, 3.3, 3.4). Another budget item allocates \$47.35 million to OSHPD for "mental health workforce development programs."² One million dollars of this allocation are appropriated for grants to repay educational loans of former foster care youth who have completed education in select mental health professions and agree to practice in the public mental health system for at least two years. The balance of these funds (\$46.35 million) will be distributed to applicants for two scholarship programs and six loan repayment programs that OSHPD administers that assist persons in multiple health professions, including social workers and psychiatric mental health nurse practitioners.

The state budget allocates \$3.9 million for the Song-Brown Healthcare Workforce Training Programs to provide grants to primary care residency programs, family nurse practitioner training programs, and

¹ Budget items 4140-001-0001 and 4140-101-3085.

² Budget items 4140-101-0001.

physician assistant programs. To the extent that these funds are distributed to family nurse practitioner training programs, they would help to implement *Recommendation 3.1: Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care.*

In addition, the budget provides \$5.95 million for three existing scholarship programs that assist specified types of students similar to those who would be supported by *Recommendation 1.3: Support scholarships for qualified students who pursue priority health professions and serve in underserved communities.*

Table 1. Summary of the Year 1 costs of the Commission's 10 priority recommendations, 2019-2020 budget allocations, and recommendations for 2020-2021

Top 10 Recommendations	Estimated Year 1 Cost	2019-2020 Allocation	2020-2021 Recommendation
1.1 Expand and scale pipeline programs to recruit and prepare students from low-income and underrepresented backgrounds for health careers	\$1.7 M	*	none
1.2 Recruit and support college students from underrepresented regions and backgrounds to pursue health careers	\$15.9 M	*	\$15.9 M
1.3 Scholarships for qualified students in priority health professions who serve in underserved communities	\$40.6 M	\$5.95 M	none
2.1 Sustain and expand the Programs in Medical Education (PRIME) across UC campuses	\$9.3 M	0	\$9.3 M
2.2 Expand the number of primary care and psychiatry residency positions	\$94.0 M	\$75 M *	\$116.2 M
2.3 Recruit and train medical students from underserved areas to practice in community health centers in their home regions	\$2.2 M	0	\$2.2 M
3.1 Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care	\$40.6 M	**	\$45.9 M
3.2 Establish and scale a universal home care worker family of jobs with career ladders and associated training	\$1.3 M	0	\$1.3 M
3.3 Develop a psychiatric mental health nurse practitioner program that recruits and trains providers to serve underserved communities	\$3.9 M	*	\$3.9 M
3.4 Scale the engagement of community health workers, promotores, and peer providers through certification training and reimbursement	\$5.3 M	*	none
Total	\$214.9 M	Up to \$191.2 M***	\$194.7 M

* A portion of the \$106.35 million allocated to OSHPD for mental health workforce development could be used to fund activities consistent with the goals of this Commission recommendation.

** A portion of the \$3.9 million allocated to OSHPD for the Song-Brown Healthcare Workforce Training Programs that is not earmarked for registered nurse education could be used to fund family nurse practitioner education programs.

*** Does not include \$120 million allocated for loan repayment programs using Prop 56 monies because loan repayment was not one of the Commission's 10 priority recommendations.

Recommendations for Distribution of 2019-2020 Budget Funds Whose Use is not Specified in the California State Budget

We make the following recommendations for allocation of funds from two items in the 2019-2020 state budget that do not specify exactly how the funds should be spent:

- Use a large share of the \$60 million allocated for the Mental Health WET plan to fund grants to establish new psychiatry residency programs and psychiatric mental health nurse practitioner education programs or expand existing programs.
- Distribute the \$3.9 million allocated to the Song-Brown program that is not earmarked for a specific profession to family nurse practitioner programs.

Recommendations for the 2020-2021 California State Budget

As state policymakers consider which investments to include in the 2020-21 budget, we encourage them to invest *at least* \$196.7 million to sustain investments made in 2019-2020 and to make additional investments that would implement additional Commission recommendations. Our recommendations focus on the Commission recommendations we believe are most likely to improve California's ability to meet its short-term health workforce needs. Specifically, we recommend:

- Increasing funding for residency training in primary care and psychiatry from \$75 million to \$118.2 million using a combination of Song-Brown, Proposition 56, and WET funds, including:
 - \$75 million for primary care residency programs
 - \$22.2 million for psychiatry residency programs
 - \$20.4 million for start-up funding for new primary care and psychiatry residency programs
 - \$612,000 for a graduate medical education governance council
- Providing \$45.9 million to fund nurse practitioner education programs consistent with *Recommendation 3.1: Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care*
- Providing \$3.9 million to implement *Recommendation 3.3: Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities*
- Investing a total of \$28.7 to implement four additional priority recommendations that would expand college-level health professions pipeline programs, increase the number of medical students committed to practicing in underserved areas, and assess the impact of establishing a universal family of jobs for home care workers
 - \$15.9 million to implement *Recommendation 1.2: Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers*
 - \$9.3 million to implement *Recommendation 2.1: Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses*
 - \$2.2 million to implement *Recommendation 2.3: Recruit and train students from rural areas and other under-resourced communities to practice in community health centers in their home regions*
 - \$1.3 million to implement *Recommendation 3.2: Establish and scale a universal home care worker family of jobs with career ladders and associated training*

Introduction

In February 2019, the California Future Health Workforce Commission released a report that documented California's looming health workforce crisis and presented multiple recommendations for ensuring that the state has sufficient numbers of the right types of workers in the right places to meet the needs of the state's growing, aging, and increasingly diverse population.³ The Commission identified 10 priorities for action and called upon government, the health care industry, health professions education institutions, and philanthropy to implement them with deliberate speed. Assessing the extent to which the state government is implementing these recommendations is especially important given the large role that state government plays in funding health workforce development and health professions education.

This report describes provisions of California's state budget for fiscal year 2019-2020 that either directly fund the Commission's priority recommendations or fund other initiatives that are consistent with these recommendations. We present recommendations for allocating funds in cases where the 2019-2020 budget does not explicitly detail how appropriations for health workforce development programs should be spent. In addition, we make recommendations for state budget allocations for fiscal year 2020-2021 that would advance the priority recommendations that we believe are most critical to make rapid progress in addressing the state's health workforce needs.

Comparison of the 2019-2020 State Budget with the Commission's 10 Priority Recommendations

We reviewed sections of the 2019-2020 state budget detailing the spending for the following entities:

- Office of Statewide Health Planning and Development (OSHPD)
- Department of Managed Health Care
- Department of Health Care Services
- Department of Public Health
- Mental Health Services Oversight and Accountability Commission
- Department of Social Services
- Department of Education
- University of California
- California State University
- Board of Governors of the California Community Colleges
- Student Aid Commission
- Employment Development Department
- California Workforce Development Board

We determined that the Office of Statewide Health Planning and Development (OSHPD) and the University of California were the only entities whose budgets had itemized appropriations specifically designated for healthcare workforce-related initiatives included among the Commission's 10 priority recommendations. We determined that only one of the Commission's priority recommendations (*Recommendation 2.2*) can be tied directly to monies allocated by specific budget items. Three budget items are not tied directly to the priority recommendations, but funds allocated by these items could be used to implement elements of several priority recommendations. Four of the Commission's priority recommendations are not addressed by any budget item.

³ California Future Health Workforce Commission. *Meeting the Demand for Health: Final Report of the California Future Health Workforce Commission*, California Future Health Workforce Commission, February 2019, <https://futurehealthworkforce.org/>.

Budget Items that Specifically Address the Commission's Top 10 Recommendations

Table 2 provides details of the budget items that provide funding that will be used to implement *Recommendation 2.2: Expand the number of primary care and psychiatry residency positions.*

University of California

The state budget contains an allocation of \$1,299,000 for a “statewide grant program expanding the number of primary care and emergency medicine residency slots”.⁴ This language refers to CalMedForce,⁵ a graduate medical education (GME) program administered by Physicians for a Healthy California on behalf of the University of California and funded primarily by Proposition 56. This \$1.3 million allocation will be combined with \$38.7 million in Prop. 56 funds (allocated outside of the budget bill), which means that the CalMedForce program will have a total budget of \$40 million for the 2019-20 fiscal year.

Office of Statewide Health Planning and Development

Two budget items in the 2019-20 state budget explicitly provide OSHPD with resources to implement *Recommendation 2.2.*⁶ One item provides up to \$33 million in funding to support the Song-Brown Healthcare Workforce Training Programs:

- \$2,000,000 to support state operation costs to administer the augmentation to the Song-Brown Health Care Workforce Training Act
- \$18,667,000 to fund existing primary care residency slots
- \$3,333,000 to fund new primary care slots at existing programs
- \$5,667,000 to fund primary care slots at existing teaching health centers
- \$3,333,000 to fund newly accredited primary care residency programs⁷

A separate provision of the budget originally allocated \$2 million to OSHPD to “fund grant awards for pediatric residency slots”, although the budget language does not explicitly tie it to the Song-Brown Healthcare Workforce Training Program.⁸ A subsequent budget trailer bill amended the budget to direct OSHPD to distribute the \$2 million equally among all children's hospitals in California to support their pediatric residency programs.⁹

⁴ Budget item 6440-001-0001.

⁵ The budget also contains an item that allocates funding for CalHealthCares, a loan repayment program for physicians and dentists that Physicians for a Healthy California administers for the Department of Health Care Services. This budget item is not discussed in the body of this document because the Commission's recommendation for expanding and strengthening loan repayment programs for primary care clinicians is not one of the Commission's 10 priority recommendations.

⁶ Budget items 4140-001-0001 and 4140-101-0001.

⁷ In September 2019, the California Healthcare Workforce Policy Commission reviewed applications from primary care residency programs for Song-Brown grants and used funds from 4140-101-0001 and roll-over funds from previous award cycles to award \$20,375,000 for existing primary care residency slots, \$7,500,000 for new primary care residency slots at existing programs, \$8,160,000 for primary care residency slots at existing teaching health centers, and \$4,800,000 for newly accredited primary care residency programs. California Healthcare Workforce Policy Commission scoring sheets. <https://oshpd.ca.gov/ml/v1/resources/document?rs:path=/Loan-Repayments-Scholarships-Grants/Documents/Song-Brown/Preliminary-Scoring-Worksheets.pdf>.

⁸ Budget item 4140-001-0001.

⁹ Hovik Khosrovian of OSHPD, August 20, 2019.

In total, the 2019-20 state budget allocates \$75 million in funds that explicitly support the Commission's recommendation to expand the number of primary care physician and psychiatry residency positions. Most of these funds are likely to be distributed to primary care residency programs. The statute that authorizes the Song-Brown Healthcare Workforce Training programs does not include psychiatry among the specialties eligible to receive residency training grants from this program.¹⁰ Proposition 56 requires CalMedForce to provide funds to residency programs in family medicine, internal medicine, obstetrics/gynecology, pediatrics, emergency medicine, and other specialties in which there are high needs for additional physicians. However, CalMedForce did not provide grants to residency programs in psychiatry or other additional specialties during fiscal year 2018-2019, and it is not known whether residency programs in additional specialties will be invited to apply in future years.

In its report, the Commission estimated that the cost of implementing *Recommendation 2.2* in Year 1 would be \$94 million. The unfunded components of the recommendation include: "start-up funds for Graduate Medical Education-naïve (GME) hospitals", "start-up funds for new teaching health centers", and a "new California GME governing structure." The Commission estimated that implementing these initiatives would cost \$21 million.

Table 2. 2019-20 California budget items that explicitly support the California Future Health Workforce Commission's priority recommendations

Recommendation	Estimated Cost	Budget items	Allocation	Notes
2.2 Expand the number of primary care physician and psychiatry residency positions	\$94 M	4140-001-0001 4140-101-0001 6440-001-0001 4140-101-3085	\$75 M	<ul style="list-style-type: none"> \$1.3 million for CalMedForce residency training grants that will be combined with \$38.7 million in Proposition 56 funds. \$33 million for the Song-Brown Healthcare Workforce Training Programs. \$2 million for children's hospitals to support pediatric residency programs

Budget Items Associated with Priority Recommendations but not Directly Linked to Them

Six budget items provide funds to OSHPD for health workforce development activities that could be allocated in a manner consistent with the Commission's priority recommendations but do not provide OSHPD with explicit instructions for disbursing these funds.¹¹ (See Table 3 for a summary of these budget items.)

OSHPD – Mental Health Workforce

Several items in the California 2019-20 budget provide funds to OSHPD for mental health workforce development but do not explicitly require that funds be used to implement the Commission's priority recommendations for the behavioral health workforce.

Two budget items allocate \$60 million for 2020–2025 Workforce Education and Training (WET) Program Five-Year Plan to address workforce shortages in the state's public mental health system.¹² These funds can be expended at any time during the six year period from 2020 to 2025. The framework for the WET program includes two categories of initiatives: (1) support for individuals, and (2) support for systems.

Support for Individuals encompasses three types of workforce development activities:

¹⁰ https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=107.&title=&part=3.&chapter=4.&article=1.

¹¹ Budget items 4140-001-0001, 4140-001-0181, 4140-001-3085, 4140-001-8034, 4140-101-0143, and 4140-101-3085.

¹² Budget items 4140-001-0001 and 4140-101-3085.

- Activities focused on building “pipeline/career awareness” of the public mental health system at the elementary, secondary, and postsecondary levels
- Scholarships for undergraduate students and stipends to master’s and doctoral students in mental health professions who agree to practice in the public mental health system following graduation
- Loan repayment opportunities for mental health providers at all levels of professional training working in positions for which public mental health agencies have difficulty recruiting or retaining providers.

Funding for initiatives that support individuals will be distributed through grants to five WET Regional Partnerships across California. Regional Partnerships can choose which of the three types of workforce development activities to implement based on the region’s needs. The budget requires Regional Partnerships to secure a 33% match from local funds before state funds can be expended for any activity.¹³ OSHPD is developing guidance regarding what sources of funding can be used for the local match.

Support for Systems encompasses three other types of workforce development activities. Funding for these workforce development activities will be distributed directly by OSHPD.

- Supporting the preparation and training non-licensed peer personnel
- Expanding the number of psychiatry residency programs and psychiatric mental health nurse practitioner programs in the state
- Increasing the number of primary care providers who pursue advanced training in primary care psychiatry.¹⁴

OSHPD staff have not yet determined how the \$60 million will be allocated across these activities or be used for other WET program needs, including administration and evaluation. OSHPD staff plan to administer a survey and hold a series of meetings to obtain input from stakeholders before making decisions about the allocation of WET funds. They anticipate that they will not have the information they need to understand demand for these initiatives until November 2019.¹⁵

The six types of workforce development activities outlined in the WET Five-Year Plan are consistent with elements of five of the Commission’s priority recommendations:

- *Recommendation 1.1: Expand and scale pipeline programs to recruit and prepare students from underrepresented and low-income backgrounds for health careers*
- *Recommendation 1.3: Support scholarships for qualified students who pursue priority health professions and serve in underserved communities*
- *Recommendation 2.2: Expand the number of primary care physician and psychiatry residency positions*
- *Recommendation 3.3: Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities*
- *Recommendation 3.4: Scale the engagement of community health workers, promotores, and peer providers through certification, training, and reimbursement*

Table 3. 2019-20 California budget items that potentially support the California Future Health Workforce Commission’s priority recommendations

¹³ Budget item 4140-101-3085.

¹⁴ Recommendation 3.5 calls for training primary care providers in behavioral health and wellness using train-the-trainer modalities. We do not discuss this recommendation in the body of this document because it was not one of the Commission’s 10 priority recommendations.

¹⁵ Conference call with CJ Howard, Anne Powell, and Hovik Khosrovian of OSHPD, August 20, 2019.

Recommendation	Estimated Cost	Budget items	Allocation	Notes
<p>1.1 Expand and scale pipeline programs to recruit and prepare students from underrepresented and low-income backgrounds for health careers</p> <p>1.3 Support scholarships for qualified students who pursue priority health professions and serve in underserved communities</p> <p>2.2 Expand the number of primary care physician and psychiatry residency positions</p> <p>3.3 Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities</p> <p>3.4 Scale the engagement of community health workers, promotores, and peer providers through certification, training, and reimbursement</p>	\$47.85 M ¹⁶	4140-101-0001 4140-101-3085	\$106.35 M	<p>\$60 million to implement the 2020–2025 Workforce Education and Training (WET) Program to address workforce shortages in the state's public mental health system. Potentially these funds could support implementation of Recommendations 1.1, 1.3, 2.2, 3.3, and 3.4.</p> <p>\$47.35 million for “mental health workforce development programs” but does not provide specific guidance about how the money will be used, apart from \$1 million appropriated for grants to repay educational loans for applicants who meet criteria aligned with Recommendation 1.1.</p>
3.1 Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care	\$40.555 M	4140-101-0143	\$3.9 M	4140-101-0143 is for the Song-Brown Healthcare Workforce Training Program; \$3.9M is available for primary care physician, nurse practitioner, and/or physician assistant training, which could contribute to the specific nurse practitioner program expansions proposed in Recommendation 3.1.
1.3 Support scholarships for qualified students who pursue priority health professions and serve in underserved communities	\$1.7 M	4140-001-0181 4140-001-3085 4140-001-8034	\$5.95 M	These budget items are most likely appropriations for existing scholarship programs aligned with Recommendation 1.3, but the descriptions of these items are not detailed enough to firmly link to the recommendation.

Another budget item allocates \$47.35 million to OSHPD for “mental health workforce development programs.”¹⁷ One million dollars of this allocation are appropriated expressly to repay educational loans of former foster care youth who have completed education in select behavioral health professions and who agree to practice in the public mental health system for at least two years. The balance of these funds (\$46,350,000) will be distributed to applicants for two scholarship programs and six loan repayment programs that OSHPD administers.¹⁸ The amount of funds distributed through each of the eight programs will be based primarily on the number of applications received, but OSHPD will emphasize three of the loan repayment programs.

¹⁶ As noted above, the \$21M associated with the unfunded components of Recommendation 2.2 are not included here. \$47.85M is the estimated cost to implement the other four priority recommendations: 1.1, 1.3, 3.3, and 3.4.

¹⁷ Budget items 4140-101-0001.

¹⁸ Email correspondence with CJ Howard of OSHPD, August 22, 2019.

The two scholarship programs are the Allied Healthcare Scholarship Program and the Advanced Practice Healthcare Scholarship Program. Funds allocated to the Allied Healthcare Scholarship Program will provide scholarships of up to \$8,000 for one year to students in community health worker/promotora, medical assistant, and social work programs. Funds allocated to the Advanced Practice Healthcare Scholarship Program will provide scholarships of up to \$25,000 for one year to students in clinical nurse specialist, nurse practitioner, and physician assistant education programs. Both scholarship programs require recipients to practice at a “qualified facility”¹⁹ that cares for underserved Californians for one year following graduation. Although these programs are not identical to the Emerging California Health Leaders Scholarships program proposed in *Recommendation 1.3: Support scholarships for qualified students who pursue priority health professions and serve in underserved communities*, they are consistent with the goal of providing financial assistance to health professions students who practice in underserved areas of California.

These three budget items allocate a combined total of \$106.35 million²⁰ that could potentially support elements of five of the Commission's priority recommendations, as noted above. The expected cost to implement these recommendations is \$47.85 million, excluding the cost of implementing the unfunded components of *Recommendation 2.2*. A portion of these monies could be used to increase the number of psychiatry residents, as called for by *Recommendation 2.2*, but are unlikely to be used to support the unfunded components of *Recommendation 2.2* for primary care residency programs (i.e., start-up funds for GME-naïve hospitals, start-up funds for new teaching health centers), because the WET program only supports mental health workforce development. Moreover, due to WET's focus on the mental health workforce, it is also unlikely that these funds would be used to fund a new California GME governing structure. For these reasons, the additional \$21 million required to fully implement these components of *Recommendation 2.2* was excluded from the estimate of the overall cost associated the recommendations that could be supported by the mental health workforce budget items.

OSHPD – Primary Care Workforce

The state budget also allocates \$6.66 million to OSHPD for “Health Care Workforce.”²¹ The provisions attached to this item reference sections of the statutes that regulate the Song-Brown Healthcare Workforce Training Program that authorize grants to training programs for registered nurses, nurse practitioners, and physician assistants. These provisions state that \$2.73 million of the total \$6.66 million are appropriated for registered nurse training. Historically, funds allocated under this budget item that are not explicitly directed to registered nurse training have been used for grants to primary care residency programs, family nurse practitioner training programs, and physician assistant programs.²² Thus, some of \$3.9 million remaining balance (subtracting \$2.73 million from \$6.66 million) will probably be used to support elements of *Recommendation 3.1: Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care*. The Commission estimated the cost to fully implement *Recommendation 3.1* in 2019-20 at \$40.56 million.

OSHPD – Existing Scholarship Programs

Based on the indicated funding source or attached provisions, the 2019-20 budget includes three items that are most likely appropriations for existing scholarship programs administered by OSHPD that are designed to support underrepresented or disadvantaged individuals or address the healthcare needs of underserved populations or geographic areas.

¹⁹ OSHPD defines “qualified facilities” as facilities located in areas designated by The U.S. Department of Health and Human Services Health Resources Administration (HRSA) as a Medically Underserved Area (MUA), Medically Underserved Population (MUP), or Health Professional Shortage Area (HPSA) and facilities located in areas designated by the State of California as a Primary Care Shortage Area (PCSA). Qualified facilities also include any State, County, Veteran, or Correctional facility as well as Native Indian Health Centers and Federally Qualified Health Centers.

²⁰ \$60M allocated for WET (\$35M per budget item 4140-101-0001 and \$25M per budget item 4140-101-3085) plus \$46.35M of the \$47.35M allocated for “mental health workforce development programs” per budget item 4140-101-0001. (\$1M of the \$47.35M is excluded since it is explicitly allocated to loan repayment for applicants who have been in the CA foster care system.)

²¹ Budget item 4140-101-0143.

²² Email correspondence with CJ Howard of OSHPD, August 22, 2019.

These budget items include the following:

- \$2,133,000 to OSHPD for “Health Care Workforce” is payable from the Registered Nurse Education Fund; and could be used to fund scholarships for students in registered nursing education programs.²³
- \$2,815,000 to OSHPD for “Health Care Workforce” is payable from the Mental Health Services Fund.²⁴
- \$1,003,000 to OSHPD for “Health Care Workforce” is payable from the Medically Underserved Account for Physicians, Health Professions Education Fund.²⁵

These provisions could potentially support *Recommendation 1.3: Support scholarships for qualified students who pursue priority health professions and serve in underserved communities*. Although none of these scholarship programs is exactly like the Emerging California Health Leaders Scholarships envisioned in *Recommendation 1.3*, they nonetheless provide scholarships that help health professions students cover costs associated with their education.

Unfunded Priority Recommendations

Four of the Commission's priority recommendations are not supported by any explicit or potential source of budget funding:

- *Recommendation 1.2: Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers*
- *Recommendation 2.1: Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses*
- *Recommendation 2.3: Recruit and train students from rural areas and other under-resourced communities to practice in community health centers in their home regions*
- *Recommendation 3.2: Establish and scale a universal home care worker family of jobs with career ladders and associated training*

The Commission estimated that the total cost to implement these recommendations in 2019-2020 would be \$28.645 million. Table 4 presents itemized cost estimates for each of these recommendations.

²³ Budget item 4140 001 0181.

²⁴ Budget item 4140 001 3085.

²⁵ Budget item 4140 001 8034.

Table 4. California Future Health Workforce Commission priority recommendations without any 2019-20 California budget support

Recommendation	Estimated Cost	Budget Items
1.2 Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers	\$15.9 M	None
2.1 Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses	\$9.345 M	None
2.3 Recruit and train students from rural areas and other under-resourced communities to practice in community health centers in their home regions	\$2.15 M	None
3.2 Establish and scale a universal home care worker family of jobs with career ladders and associated training	\$1.25 M	None

Recommendations for Distribution of 2019-2020 Budget Funds Whose Use is not Specified in the State Budget

Mental Health WET Program

OSHPD's plans for obtaining stakeholder input on how to spend the \$60 million allocated for the Mental Health WET program from 2020 to 2025 presents an opportunity to consider how these funds could be allocated to facilitate implementation of the Commission's priority recommendations for the mental health workforce. In light of the projected shortage of psychiatrists in California and the US,^{26,27} we recommend that a large share of WET monies be used to fund grants to establish new psychiatry residency programs and psychiatric mental health nurse practitioner education programs or expand existing programs. A portion of these funds should be used to cover start-up costs for institutions that have not previously had a psychiatry residency program or psychiatric mental health nurse practitioner education program because institutions need funds to support faculty and staff to develop programs and obtain accreditation. Criteria similar to those used by the Song-Brown program should be used to prioritize funding of psychiatry residency programs and psychiatric mental health nurse practitioner education programs that provide clinical rotations in mental health facilities that care for underserved persons. In the case of grants for expansion of existing programs, the WET program should also prioritize funding programs that have strong track records of recruiting racially/ethnically and socio-economically diverse trainees and trainees who care for underserved populations following graduation. Prioritizing funding in this manner would facilitate implementation of two of the Commission's priority recommendations:

- *Recommendation 2.2: Expand the number of primary care physician and psychiatry residency positions*
- *Recommendation 3.3: Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities*

If SB 10, legislation that would require certification of peer providers, is signed by the Governor, there would also be value to investing in preparation of peer personnel by providing grants to adult schools and community colleges to operate peer provider training programs. We believe prospective students are best served by housing these programs in adult schools and community colleges because their tuition rates are much lower than those of private institutions, which reduces the amount of debt peer provider students need to take on to finance their education.

Other initiatives proposed in the WET Five-Year Plan would address the Commission's recommendations regarding pipeline programs for students from underrepresented and low-income backgrounds and scholarships

²⁶ Coffman, Bates, Geyn, and Spetz. California's Current and Future Behavioral Health Workforce. San Francisco: Healthforce Center at UCSF, 2018.

²⁷ U.S. Department of Health and Human Services, Health Resources and Services Administration, National Center for Health Workforce Analysis. 2018. State-Level Projections of Supply and Demand for Behavioral Health Occupations: 2016-2030, Rockville, Maryland.

for students (*Recommendations 1.1, 1.2, and 1.3*). While we believe these initiatives are valuable, we believe increasing the number of psychiatry residents and psychiatric mental health nurse practitioner students is a higher priority and, thus, deserves a larger share of WET resources.

Song-Brown Healthcare Workforce Training Program

We recommend that all of the \$3.9 million allocated to the Song-Brown program that is not earmarked for a specific profession be distributed to family nurse practitioner programs, which would make progress toward the implementation of *Recommendation 3.1*. In our view, these programs are a better investment than physician assistant programs because a higher percentage of nurse practitioner graduates provide primary care.²⁸ We recommend that these funds not be used for primary care residency programs because they would be in addition to the \$35 million allocated to the Song-Brown program and the \$40 million allocated for the CalMedForce program for residency training. Given that both primary care physicians and family nurse practitioners make important contributions to the state's primary care workforce, we believe it is reasonable that family nurse practitioner education programs receive at least a fraction of the funding available to primary care residency programs. Funds should be allocated in accordance with Song-Brown scoring criteria. These criteria prioritize funding programs that train students in facilities that provide primary care to underserved populations and have strong track records of recruiting racially/ethnically diverse students and students who care for underserved populations after graduation.

Recommendations for the 2020-2021 California Budget

As state policymakers consider which investments to include in the 2020-21 budget, we encourage them to invest \$196.7 million to sustain and augment investments made in 2019-2020 and to make additional investments that would implement additional Commission recommendations. Our recommendations, which are summarized in Table 5 and discussed in detail below, focus on the Commission recommendations we believe are most likely to improve California's ability to meet its short-term health workforce needs.

Table 5. Healthforce Center at UCSF Recommendations for the FY 2020-2021 Budget

Recommendation	Estimated Cost
1.2 Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers	\$15.9 M
2.1 Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses	\$9.3 M
2.2 Expand the number of primary care physician and psychiatry residency positions	\$116.2 M
2.3 Recruit and train students from rural areas and other under-resourced communities to practice in community health centers in their home regions	\$2.2 M
3.1 Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care	\$45.9 M
3.2 Establish and scale a universal home care worker family of jobs with career ladders and associated training	\$1.3 M
3.3 Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities	\$3.9 M
Total	\$196.7 M

Augmenting Investments Made in the 2019-2020 Budget

We recommend maintaining funding for primary care residency training at the 2019-2020 level (\$33 million for Song-Brown, \$40 million for CalMedForce, and \$2 million for children's hospitals). Due to the severity of the projected shortage of psychiatrists, we recommend augmenting the WET funding that will be allocated to grants to

²⁸ Coffman, Geyn, and Himmerick. California's Primary Care Workforce: Current Supply, Characteristics, and Pipeline of Trainees. San Francisco: Healthforce Center at UCSF, 2017.

psychiatry residency programs and psychiatric mental health nurse practitioner education programs with additional funding from other sources. The Commission's report calls for investing a total of \$22.2 million to fund psychiatry residency programs and \$3.9 million to fund psychiatric mental health nurse practitioner education programs.

In addition, we recommend that funds be allocated explicitly to provide start-up funding for new primary care and psychiatry residency programs (\$20.4 million) and a statewide graduate medical education (GME) governance council (\$612,000). Start-up funds are critical for hospitals and community health centers that have not previously had residency programs to identify the types of primary care and psychiatry residency programs they want to sponsor, apply for accreditation, recruit faculty, and remodel facilities, if necessary. As outlined in the Commission's report, a GME Governance Council would facilitate coordination of the state's multiple GME funding streams, including Song-Brown, Proposition 56, WET, and other funding streams that may emerge in the future.

We also recommend allocating \$45.95 million to OSHPD to implement *Recommendation 3.1: Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care*. The existing level of funding for grants to primary care nurse practitioner education programs is inadequate to meet the state's need for primary care nurse practitioners.

Funding Additional Priority Recommendations

We also recommend investment of \$28.7 million to implement four additional priority recommendations:

- *Recommendation 1.2: Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers*
- *Recommendation 2.1: Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses*
- *Recommendation 2.3: Recruit and train students from rural areas and other under-resourced communities to practice in community health centers in their home regions*
- *Recommendation 3.2: Establish and scale a universal home care worker family of jobs with career ladders and associated training*

Below, we provide our rationale for the state to focus on implementation of these four priority recommendations.

Recommendation 1.2: Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers (Cost estimate = \$15.9 million in Year 1)

Of all of the Commission's priority recommendations that are aimed at increasing the number of health professionals from underrepresented and disadvantaged backgrounds, we believe this recommendation is most likely to have an impact on the diversity of health professionals within the next 10 years. By focusing on college students, this recommendation addresses students who have already graduated from high school, are pursuing a college education, and demonstrate interest in pursuing a career in healthcare. If community colleges are included, some students may choose to pursue certificate or associate degree education that would enable them to join the workforce within a few years. In addition, many students from underrepresented and disadvantaged backgrounds who are initially interested in health care careers drop out of the pipeline because they struggle in basic science classes that are prerequisites for admission to medical, dental, or pharmacy school.²⁹ Studies of college-level pipeline programs suggest that providing a holistic program of academic, social, and financial support to these students increases the likelihood that they will enter either medical, dental, or pharmacy school,

²⁹ Barr DA, Matsui J, Wanat SF, Gonzalez ME. Chemistry Courses as the Turning Point for Premedical Students. *Advances in Health Science Education Theory and Practice*. 2010;15(1):45-54.

or pursue careers in other health professions for which doctoral-level education is not required (e.g., nursing, public health, social work). Models already exist in California that could be replicated at additional colleges and universities, such as the Health Career Opportunity Program at California State University, Fresno, and the Biology Scholars Program at University of California, Berkeley. The Commission report calls for funding pilot programs at 20 colleges and universities, internships and fellowships for students, and program administration.

Recommendation 2.1: Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses (Cost estimate = \$9.345 million in Year 1)

We believe that targeted investment in increasing medical school enrollment in California is warranted for two reasons. First, in 2017, California ranked 43rd in the ratio of medical students per 100,000 population based on data collected by the Association of American Medical Colleges and the American Association of Colleges of Osteopathic Medicine (18.8 per 100,000 population in California vs. 35.4 per 100,000 population in the US overall).³⁰ As a consequence, 63% of Californians who attend an allopathic (i.e., MD-granting) medical school attend medical schools in other states and may not return to California to complete residency and practice.³¹ Second, studies have found that graduates of medical school programs that focus on recruiting students who are predisposed to care for underserved populations are more likely to care for underserved populations than medical school graduates who were not enrolled in targeted programs.³²

The University of California's Programs in Medical Education (PRIME) were launched in 2004 and consist of six programs operated by five UC medical schools. Each program focuses on preparing students who intend to serve a specific underserved population (e.g., rural, urban, Latinx). According to data compiled by the University of California Office of the President, 64% of PRIME students are from racial/ethnic groups that are underrepresented in medicine. Over half of PRIME graduates have completed residency in a primary care specialty, and others have trained in other specialties that are experiencing shortages, such as psychiatry and general surgery. The majority of graduates are completing residency in California or practicing in the state.³³

Despite these accomplishments, the state has never fully funded PRIME. At present, the state funds only 126 of the 354 students enrolled. Program directors must negotiate with leaders on their campuses to obtain resources for their programs. The Commission report calls for fully funding the 354 slots and adding 40 more slots at a cost of \$9.345 million in Year 1.

Recommendation 2.3: Recruit and train students from rural areas and other under-resourced communities to practice in community health centers in their home regions (Cost estimate = \$2.15 million in Year 1)

Recommendation 2.3 would complement PRIME by developing new programs focused on training students from underserved areas of California and giving them a financial incentive to return to those areas after graduation. The program would be modeled after A.T. Still University's Hometown Scholars Program. Leaders of community health centers (CHCs) would nominate highly-qualified students to enroll in physician, nurse practitioner, or physician assistant education programs. Participating CHCs would receive a stipend to provide endorsed students with one year of clinical training. Students would be enrolled in new Community Medicine Tracks that would be modeled after the PRIME program. Some students would receive full tuition scholarships for all four years of medical school if they agree to practice as a primary care physician, geriatrician, or psychiatrist in an underserved area of California for four years; equivalent support would be offered to nurse practitioner and physician assistant students. *Recommendation 2.3* also calls for establishing a Safety Net Professionals Workforce Institute that would track the quality of clinical education provided by participating CHCs, administer stipends for CHCs, identify emerging workforce needs, and coordinate with other initiatives to recruit, support, and

³⁰ Association of American Medical Colleges. State Physician Data Report. Washington, DC: AAMC, 2017.

³¹ Association of American Medical Colleges. State Physician Data Report. Washington, DC: AAMC, 2017.

³² Goodfellow A, Ulloa JG, Dowling PT, et al. Predictors of Primary Care Practice Location in Underserved Urban or Rural Areas of the United States: A Systematic Literature Review. *Academic Medicine*. 2016;91(9):1313-1321.

³³ California Future Health Workforce Commission. *Meeting the Demand for Health: Final Report of the California Future Health Workforce Commission*, California Future Health Workforce Commission, February 2019, <https://futurehealthworkforce.org/>.

place students. If fully implemented, *Recommendation 2.3* would increase the number of graduates of California medical schools by 280 to 560 graduates between 2023 and 2030 at a cost of \$2.15 million in Year 1.

Recommendation 3.2: Establish and scale a universal home care worker family of jobs with career ladders and associated training (Cost estimate = \$1.25 million in Year 1)

California is experiencing rapid growth in the need for home care aides and home health aides who provide in-home support to older and/or disabled adults living in the community. California faces an estimated shortage of 200,000 home health and home care aides by 2030; this challenge is exacerbated by the underutilization of home care and home health aides due to California having some of the most restrictive scope of practice laws in the country. Home care aides employed through agencies are not permitted to perform many tasks essential to the support of those with disabilities living at home, including administration of common medications (both over-the-counter and prescribed). At the same time, In-Home Support Services workers have a broad scope of practice with oversight through that program, and home care aides hired and paid directly by consumers have no regulation or oversight.

The need to address the shortage of high-quality home care is pressing and is becoming more urgent because federal immigration policies threaten to reduce the supply of workers, many of whom are immigrants. Because care needs, regulations, and practice environments are different in California compared to other states, other states' regulations regarding home care and home health aides may not be optimal for California to ensure high-quality, safe care for people living in the community. A few small studies have reported that expanded scope of practice, often in combination with standardized training, can enhance the ability of people with disabilities to live in the community while ensuring consumer safety, but the evidence does not provide guidance about which tasks are most appropriate for delegation and what training is most effective.³⁴ Thus, the Commission recommended that an evaluation of the impact of expanded scope of practice for home care and home health aides be assessed through a Health Workforce Pilot Project, overseen by the Office of Statewide Health Planning and Development. The relatively small cost of such a Pilot Project (\$1.25 million in Year 1) would generate significant evidence to guide legislative and policy changes that would help meet the care needs of the aging and disabled population.

Conclusion

We find that California's state budget for fiscal year 2019-2020 explicitly provides funding to implement one of the Commission's 10 priority recommendations. The budget also provides funding for programs that are consistent with an additional five priority recommendations. No funds are allocated to implement four of the priority recommendations. For fiscal year 2019-2020, we recommend focusing on encouraging OSHPD to distribute funds for mental health and primary care workforce programs that are not earmarked for a specific purpose in a manner that facilitates implementation of *Recommendations 1.1, 1.3, 2.2 3.1, 3.3, and 3.4*. For fiscal year 2020-2021, we recommend that the state invest up to \$196.7 million to sustain investments that implement *Recommendations 2.2, 3.1, and 3.3* (i.e., training primary care physicians and psychiatrists; training primary care and psychiatric nurse practitioners) and implement *Recommendations 1.2, 2.1, 2.3, and 3.2*.

³⁴ California Future Health Workforce Commission. *Meeting the Demand for Health: Final Report of the California Future Health Workforce Commission*, California Future Health Workforce Commission, February 2019, <https://futurehealthworkforce.org/>