



April 11, 2017

The Honorable Holly Mitchell
Chair, Senate Budget and Fiscal Review Committee
State Capitol Building
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol Building
Sacramento, CA 95814

Re: 2017-18 State Budget – Reject Governor’s Proposal to Eliminate Primary Care Workforce Funding – Continue State’s \$100 Million Commitment

Dear Senator Mitchell and Assemblyman Ting,

As representatives of California’s health care system we request that you consider the funding needed to ensure access to high quality primary care in California. **Specifically, we urge you to oppose the Governor’s proposed elimination of last year’s one-time \$100 million investment** to help combat the primary care workforce crisis in California.

Specifically, the Governor’s 2017-18 proposed budget would reverse this year’s \$33 million investment, and eliminate the remaining \$67 million over the next two years. Without this investment, California’s primary care residency programs will be destabilized and face closure if federal funds are not renewed by Congress. This includes the one hundred residency slots at California’s six Teaching Health Centers (THCs), who do not have funding from sponsoring institutions to fall back on. The loss of these programs and additional residency slots at traditional residency programs would mean the loss of a staggering number of practicing physicians treating tens of thousands of patients in underserved areas. Backtracking on this investment hinders existing primary care residency programs, eliminates the potential for expansion to meet the needs of patients and halts the development of desperately needed new residency programs in underserved communities. The investment specifically supports the Song-Brown Healthcare Workforce Training program, which supports an existing state infrastructure to increase the number of primary care providers serving California’s underserved populations. Programs that receive Song-Brown funding must have a proven record of training health care professionals who care for underserved populations in underserved areas, as well as expanding the number of underrepresented minorities in the health care workforce.

The need for this funding could not be more urgent. The \$100 million appropriation was made, in part, to make up for the expiration of significant state, federal and private grants to primary care residency programs totaling more than \$55 million:

- A \$21 million California Endowment grant to the Song-Brown Physician Training Program.
- A \$4 million California Health Data and Planning Fund appropriation to the Song-Brown Program.
- \$18 million in Health Resources and Services Administration (HRSA) funding for the Primary Care Residency Expansion program.
- More than \$15 million in grants to California primary care training programs as part of the federal Teaching Health Center (THC) program.

At a time when our health care programs are facing incredible destabilization at the federal level, this funding would result in meaningful and long-lasting improvements to California's health care delivery system. By supporting Song-Brown, California will realize an immediate return on investment as each primary care resident provides an average of 600 additional patient visits per year during training alone. In fact, in anticipation of receipt of the FY 2016-17 funding, the Office of Statewide Health Planning and Development (OSHPD) and the California Healthcare Workforce Policy Commission held stakeholder meetings and took necessary actions to be prepared to administer these new funds. This backtracking is also detrimental to programs that recruit providers to practice in medically underserved areas. If the Governor and Legislature do not keep their commitment to primary care workforce investments, the health of all Californians will suffer.

California's primary care workforce crisis continues to worsen. Simply put, California is not educating and training enough primary care providers to replace the number of those retiring. A recent report from the California Primary Care Association, [Horizon 2030: Meeting California's Primary Care Workforce Needs](#) (2016), provided a sobering analysis of our primary care workforce needs while detailing key opportunities to meet the workforce needs of tomorrow. *Horizon 2030* estimates that California will need 8,243 additional primary care physicians by 2030, a stark reminder that the primary care workforce shortage has reached a critical point. It will continue to devolve if California doesn't take immediate action. Report after report continues to show that residency experience, including geographical location and setting, plays a critical role in determining the location of their practice in the future. In fact, according to the *AAMC 2013 Physician Workforce Data Book*, California ranks first in the nation with 70 percent of residency graduates staying in the state to practice. Unfortunately, with only 9.5 primary care residents per 100,000 persons, California ranks 32nd in the number of primary care residents and fellows per 100,000 population.

The recently released [California's Primary Care Workforce: Current Supply, Characteristics, and Pipeline of Trainees](#) (UCSF, 2017) further highlighted this problem - it found that previously identified deficits in California's primary care workforce persist and will be exacerbated in the coming decade as the supply of primary care physicians in California retire. The report also found that there are large disparities between the diversity of the California population and the diversity of all medical

clinicians. With six out of nine California regions experiencing a primary care provider shortage and a ratio of primary care physicians in Medicaid that is half the federal recommendation, California ranks 32nd in physician access.

The Governor and Legislature confronted this crisis last year with the one-time \$100 million investment (\$33.4 million General Fund in FY 16-17, \$33.3 million in FY 17-18, and \$33.3 million in FY 19-20) in primary care workforce programs, but it will be all for naught if the Legislature supports the Governor’s proposed elimination of these funds. **Our coalition urges you to reject this cut and maintain the funding to expand the physician workforce and increase access in underserved communities. This included:**

- \$60 million to the Song-Brown Healthcare Workforce Training program to support existing primary care residencies (family medicine, pediatrics, internal medicine, OBGYN).
- \$17 million to the Song-Brown Healthcare Workforce Training program to support existing THC primary care residencies.
- \$10 million to the Song-Brown Healthcare Workforce Training program to expand primary care residency slots at existing residency programs.
- \$10 million to the Song-Brown Healthcare Workforce Training program to create new primary care physician residency programs.
- \$2 million to support staffing and administration.
- \$1 million to provide state matching funds for the National Health Service Corp State Loan Repayment Program (SLRP), a critical incentive for providers to practice in health professional shortage areas.

We thank you in advance for considering this urgent request to support our primary care infrastructure. With your leadership, we know California will continue to lead our nation in providing for the health of all our people. If you have any questions, please feel free to contact Jodi Hicks at (916) 662-1725, Christy Bouma at (916) 227-2666, or Michelle Baca at (916) 444-5532.

Sincerely,

Barbara Glaser
California Hospital Association

Beth Malinowski
CaliforniaHealth+ Advocates

Mira Morton
California Children’s Hospital Association

Gregory Cramer
Planned Parenthood Affiliates of California

Michelle Baca
California Medical Association

Jodi Hicks
California Academy of Family Physicians

Brian Loveless
Osteopathic Physicians & Surgeons of California

Chwen-Yuen Angie Chen
American College of Physicians, California Chapter

cc: Governor Jerry Brown
The Honorable Anthony Rendon
The Honorable Kevin De León
Members, Assembly Budget Committee
Members, Senate Budget and Fiscal Review Committee
Members, Assembly Budget Subcommittee No. 1 on Health and Human Services
Members, Senate Budget and Fiscal Review Subcommittee No. 3 on Health and Human Services