

## INFORMATIONAL HEARING

### DEVELOPING THE CALIFORNIA HEALTH CARE WORKFORCE OF TOMORROW: ADDRESSING SHORTAGES AND DIVERSITY

Tuesday, May 15, 2007  
State Capitol, Room 4202  
1:30 p.m.

The Legislature and Governor have made "health care reform" a top policy priority in 2007, with goals of providing health coverage for the state's uninsured population and containing increasing health care costs. Multiple approaches and proposals now being considered are designed to significantly increase access to health coverage, but an equally daunting task is ensuring the availability of an adequately prepared health care workforce. This hearing will provide a review of the demographic information and projections, health profession education programs, state government programs, trade association, business, and other initiatives. Witnesses have been asked to offer recommendations to policy makers for consideration and inclusion in not only the health care reform discussions, but also for future health and education policy discussions. This paper provides a brief overview of issues and current challenges related to California's health workforce.

#### **BACKGROUND AND GENERAL OVERVIEW**

As stated in the Institute of Medicine's, In the Nation's Compelling Interest,<sup>1</sup> health professionals are grappling with the impact of major demographic changes in the U.S. population, including increasing proportions of Americans who are nonwhite, who speak primary languages other than English, and who hold a diverse range of cultural values and beliefs regarding health care. California, with the largest and most diverse population, is facing a dramatic and pressing challenge related to the supply and distribution of health care professionals in many disciplines. As provided in the University of California's (U.C.), Final Report of the Advisory Council on Future Growth in the Health Professions,<sup>2</sup> one in eight Americans lives in California and by 2015, the U.S. population is expected to increase by 13.4%. During the same time, California is expected to experience a growth in population of 22.3%, which will vary by region (from 10% in Los Angeles to 40% in the Inland Empire). California has more residents age 65 and older than any other state. More than one in four California residents is born outside the U.S. compared to the national average of one in ten. By 2015, nearly 37% of

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<sup>1</sup>Smedley, Brian D, Adrienne Stith Butler, Lonnie R. Bristow, editors, In the Nation's Compelling Interest: Ensuring Diversity in the Health-Care Workforce, Committee on Institutional and Policy-Level Strategies for Increasing the Diversity of the U.S. Health Care Workforce, Board on Health Science Policy; Institute of Medicine of the National Academies, September 2003.

<sup>2</sup> A Compelling Case for Growth, Special Report of the Advisory Council on Future Growth in the Health Professions, Submitted to University of California President Robert C. Dynes, January 2007.

California's population will be of Hispanic or Latino origin, nearly 14% will be of Asian or Pacific Islander heritage and 6% will be African American.

A May 2006 report<sup>3</sup> prepared by the Field Research Corporation calls California's health care workforce shortage a growing crisis. The U.C. report indicates that there are shortages in nearly all the health professions, including the approximately 200 allied health occupations. The U.C. report indicates that California will face a shortage of nearly 17,000 doctors by 2015. California ranks 49<sup>th</sup> in the nation in the number of nurses per capita. By 2010, a shortfall of approximately 47,600 nurses is expected and by 2015, the shortfall is expected to be 116,000. California ranks 43<sup>rd</sup> in the nation in the number of pharmacists per capita. With regard to public health, in California the greatest need is for clinicians, microbiologists, program administrators, and dieticians.

In addition to the shortage of providers, health care professionals are not proportionately representative of the populations they serve. According to the Sullivan Commission Report, Missing Persons: Minorities in the Health Professions,<sup>4</sup> there is a diversity gap between health professionals and their patients. The report states that African Americans, Hispanic Americans, and American Indians make up more than 25% of the U.S. population but only 9% of the nation's nurses, 6% of its physicians, and 5% of dentists. Similar disparities exist in faculties of health profession schools. The report links poorer health outcomes for minorities to the shortage of minority health care providers as highlighted in other significant studies.

California has limited capacity to educate and train health care providers. The U.C. report indicates that California has a long standing reliance on in-migration of physicians and other health professionals trained in other states and countries. According to the California Medical Association (CMA),<sup>5</sup> there are ten schools in California that offer medical education, including five based in the U.C. system, three private schools and two osteopathic schools. These schools admit an average of about 1,340 first-year students each year and maintain a statewide enrollment of 5,500 students. Competition to enroll is fierce and less than 5% of applicants are enrolled. CMA also states that California ranks 39<sup>th</sup> in the nation in the number of medical students per capita. The national average is 27 medical school students per 100,000 people yet California has about 16 students per 100,000. U.C. indicates that 60% of qualified nursing students were turned away because of a lack of educational slots due in great part to lack of faculty.

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<sup>3</sup> Developing the California Health Care Workforce of Tomorrow, Prepared by Field Research Corporation, funded by a grant from the California Wellness Foundation, May 2006.

<sup>4</sup> Missing Persons: Minorities in the Health Professions, a Report of the Sullivan Commission on Diversity in the Healthcare Workforce, September 2004. The Sullivan Commission on Diversity in the Healthcare Workforce is an outgrowth of a grant from the W.K. Kellogg Foundation to the Duke University School of Medicine, named for former U.S. Secretary of Health and Human Services, Louis W. Sullivan M.D.

<sup>5</sup> Foldberg, Lisa, Physician Supply Background Paper, COL Autumn Workshop 2006, prepared by the California Medical Association.

## STATE AND LOCAL PROGRAMS

While there is much more to do in California to address the current crisis and prepare for the future, there are existing efforts to address shortage concerns. For example:

### Office of Statewide Health Planning and Development (OSHPD).

- Song Brown Health Care Workforce Training Act provides financial assistance for Family Practice Physicians, Family Nurse Practitioners, Physician Assistants and Registered Nurses training programs. The annual budget for Song Brown is under \$7 million.
- National Health Services Corps / State Loan Repayment Program (SLRP) assists with the repayment of educational loans for select primary healthcare providers who agree to practice in Health Professional Shortage Areas for a minimum of two years. SLRP is funded through a federal grant which averages about \$1 million per year.
- Health Workforce Pilot Project Program tests and evaluates new or expanded demonstration projects to help inform the Legislature when considering changes to existing licensing legislation in the Business and Professions code.
- When fully implemented, the California Pharmacist Scholarship and Loan Repayment Program will provide scholarships to pay for the educational expenses of pharmacists and to repay qualifying educational loans of pharmacists who agree to serve in underserved areas. The Program is funded by a \$25 voluntary contribution that pharmacists can make at the time of license renewal. The Program has not been fully implemented due to insufficient funding.
- The National Health Service Corps (NHSC) Scholarship Program is designed for students committed to providing primary health care in communities of "greatest need." The program offers to pay tuition and fees, twelve monthly stipends, and other reasonable educational expenses for up to four years of education for scholarship recipients who serve in targeted communities. Maximum repayment during the required initial two-year contract is \$25,000 each year. After the initial two years is completed, awardees may be provided additional awards for a maximum of \$35,000 per year. The NHSC Scholarship Program supports students enrolled in the following:
  - Allopathic or osteopathic medical school; family nurse practitioner program (master's degree in nursing, post-master's or post-baccalaureate certificate);
  - Nurse-midwifery program (master's degree in nursing, post-master's or post-baccalaureate certificate);
  - Physician assistant program (certificate, associate, baccalaureate, or master's program); and
  - dental school.
- The Health Professions Education Foundation targets medically underserved areas of California through increasing the number of providers who practice in these areas. The Foundation offers scholarships and loan repayments to students and health professionals who agree to provide direct patient care in a medically

underserved area of California for a period of one to three years. The Foundation offers the following programs:

- Registered Nursing Scholarship and Loan Repayment Program;
- Health Professions Scholarship & Loan Repayment Program;
- Allied Healthcare Scholarship;
- Steven M. Thompson Physician Corps Loan Repayment Program;
- Vocational Nurse Scholarship & Loan Repayment Program; and,
- Licensed Mental Health Service Provider Loan Repayment Program (In Development).

Labor and Workforce Agency. The Nurse Education Initiative provides \$90 million to expand and increase nurse education opportunities, partners with schools and health facilities to build more education programs, recruits more qualified instructors, develops new avenues to nursing careers with high school and college nursing academies and apprenticeships; and seeks additional funds for nurse education from federal and other funding sources.

The California Workforce Investment Board (WIB). The WIB assists the Governor in setting and guiding policy in the area of workforce development. Since the implementation of the federal Workforce Investment Act (WIA), the Governor has used discretionary funds (15% of the federal WIA allocation) for statewide activities to provide incentives for system-building, with a focus on the Governor's and national priorities. The WIB and each sitting Governor have fashioned initiatives such as the Caregiver Training Initiative, that encourage new local and regional partnerships to address a statewide shortage of health care workers, and at least two Nurse Workforce Initiatives, which includes the Nurse Education Initiative described above, that rely on regional partnerships to address statewide shortages of professional nurses.

The California Student Aid Commission.

- The State Nursing Assumption Program of Loans for Education for Nursing Faculty encourages students to complete a baccalaureate or graduate degree and teach in a nursing program at an accredited college or university in California. The program pays up to \$25,000 in financial assistance.
- The State Nursing Assumption Program of Loans for Education for Nurses in State Facilities encourages registered nurses and students who will become registered nurses to seek employment in state-operated 24-hour facilities with a registered nurse vacancy rate of greater than 10%. The program pays up to \$20,000 in financial assistance.

The Dental Board of California. The Dental Board offers the California Dental Corps Loan Repayment Program to support dentists who agree to practice in a dentally underserved area for a minimum of three years. The program provides up to \$105,000 in loan repayment.

## **RECOMMENDATIONS**

Many reports have offered recommendations to address health care workforce shortages and diversity issues, below is a partial listing:

- Reforming health professional educational institutions to encourage and promote a more diverse student body, including providing a comprehensive review of each applicant;
- Investing more resources to expand capacity at education institutions;
- Providing more academic support in kindergarten through college programs;
- Providing more student financial support and more training opportunities;
- Including accreditation criteria to assess the number and percentage of underrepresented minority candidates, students admitted and graduated, the time to degree completion and number and level of underrepresented minority faculty;
- Centralizing the analysis, forecasting and reporting of workforce data;
- Evaluating the effectiveness of federal health professions programs in increasing the numbers of underrepresented minority students enrolling and graduating in health professional education programs;
- Increasing funding for public health service programs that have been shown to be effective in increasing diversity;
- Encouraging private entities to collaborate through business partnerships and other entrepreneurial relationships with health professions education institutions;
- Increasing funding support for diversity efforts through loan forgiveness, tuition reimbursement, loan repayment, Graduate Medical Education, and supportive affiliations with community-based providers;
- Developing explicit policies articulating the value and importance of providing culturally competent health care;
- Recruiting health professionals from outside of the U.S.;
- Supporting the establishment of new health professional education institutions; and,
- Increasing the capacity at existing health professional education institutions.

## **HEALTH CARE WORKFORCE SHORTAGE: PENDING LEGISLATION**

- AB 611 (Nakanishi) establishes the California Physician Assistant Scholarship and Loan Repayment Program within the California Health Professions Education Foundation. This bill is pending in the Assembly.
- AB 1134 (Dymally) permits cities and counties to establish medical enterprise zones. This bill is pending in the Assembly Revenue and Taxation Committee.
- AB 1559 (Berryhill) requires California Community College districts to adopt and implement merit-based admissions policies for associate degree nursing programs if there are more applicants seeking enrollment than can reasonably be accommodated. This bill is pending in the Assembly.
- SB 139 (Scott) makes changes to the terms of loan assumption agreements made under the State Nursing Assumption Program of Loans for Education - State Facilities program. Establishes the Health Care Workforce Clearinghouse within

- the OSHPD to serve as the central source of health care workforce and educational data in the state. This bill is pending in the Senate.
- SB 615 (Oropeza) establishes the California Pharmacy Technician Scholarship and Loan Repayment Program within the California Health Professions Education Foundation. This bill is pending in the Senate.
  - SB 764 (Migden) requires OSHPD to research and report to the Legislature projections of the supply of primary care physicians. This bill is pending in the Senate.

### **CALIFORNIA FOUNDATION EFFORTS**

The California Endowment established the Work Force Diversity grants program to increase the diversity and improve the distribution of California's health work force by supporting approaches that expand the number of underrepresented minorities in the medical, oral health and nursing professions who practice in underserved areas.

The California Wellness Foundation (TCWF) launched the Diversity in Health Professions grants program to fund organizations that provide: pipeline programs; scholarships; outreach and retention programs; internships and fellowships; and loan repayment programs for ethnic minorities that are underrepresented in the health professions. Careers in medicine, nursing, public health and other allied health professions are included. Organizations that support leadership development for people of color in the health professions are also eligible for funding. In addition, TCWF funds organizations that educate policymakers and advocate for public and institutional policies that promote diversity in the health professions.

The Gordon and Betty Moore Foundation is also a major source of funding support to nursing education programs in the Bay Area.

### **POSSIBLE QUESTIONS FOR LEGISLATORS**

- Have existing state and local programs been evaluated?
- What are the strengths and weaknesses of those programs?
- Is California taking full advantage of federal funding that may be available to address health care workforce shortage and diversity concerns?
- How many students should California be graduating and placing in residency programs to address the shortage crisis?
- What else could the state be doing?