

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 31, 2009
POSITION: Neutral
SPONSOR: Osteopathic Physicians & Surgeons of California

BILL NUMBER: SB 606
AUTHOR: D. Ducheny

BILL SUMMARY

This bill would allow Osteopathic Physicians, also known as Doctors of Osteopathic Medicine (DO), to become eligible for reimbursement of tuition through the existing Steven M. Thompson Physician Loan Repayment Program (STPLRP).

FISCAL SUMMARY

This bill would impose a mandatory \$25 fee on DOs applying for initial licensure or biennial license renewal. This program would generate approximately \$66,000 in annual revenue to the Medically Underserved Account for Health Professions Education Fund to support the program.

This bill would have no impact on the General Fund.

COMMENTS

The Department of Finance has no fiscal concerns and is neutral on this bill.

Under current law Medical Doctors (MD) pay a mandatory \$25 fee when applying for a new medical license and at biennial renewal. These physicians may be eligible to receive up to \$105,000 in tuition reimbursement for agreeing to practice for at least three years in a medically underserved area. DOs are currently not eligible for the program because funds originate through MD licensure.

This bill would require DOs to pay the same \$25 fee as MDs, and would allow them to participate in the program.

The purpose of this bill is to respond to physician shortage in underserved areas. Many physicians begin their careers with substantial student loan debt. The STPLRP alleviates the burden of student loan debt in exchange for a commitment to practice in an underserved area. This bill would expand the number of physicians eligible to participate in the program, and thereby should alleviate physician shortage.

| Code/Department Agency or Revenue Type | (Fiscal Impact by Fiscal Year) | | | | | | | | | Fund Code |
|--|--|------------|---------|-----------------|-----------------|-----------------|---|------|--|--------------|
| | SO LA CO RV | PROP 98 | FC U | 2008-2009 FC | 2009-2010 FC | 2010-2011 FC | | | | |
| 1258/Renewal Fees | RV | No | U | \$66 | U | \$66 | U | \$66 | | 8034 |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | | |
| 8034 | Medically Underserved Account Physicians | | | | | | | | | |

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| Analyst/Principal (0511) J. Wordlaw | Date | Program Budget Manager Lisa Ann L. Mangat | Date |
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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved _____ |
| | | | Position Disapproved _____ |

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