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BOARD OF SUPERVISORS
ORANGE COUNTY

Children & Families
Commission of Orange County

Agenda Item No. 4
December 2, 2009 Meeting

DATE: November 19, 2009

TO: Children and Families Commission of Orange County

FROM: Michael M. Ruane, Executive Director

SUBJECT: Implementation of Physician Retention and Recruitment Program for Pediatric Specialty Care Services

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SUMMARY:
Pediatric subspecialties continue to struggle with a lack of qualified staff to fill critical positions. Commission staff proposes the creation of pediatric sub-specialty loan repayment program, building upon the success of the pediatric dental program, to support in the recruitment and retention of qualified pediatric sub-specialists in Orange County. The proposed program would provide funding for two to six qualified pediatricians to receive a maximum of $125,000 in loan repayment funds; annual loan repayment funds are budgeted at $250,000. Modeled after the current Commission-sponsored pediatric dental loan repayment program, the program would provide loan repayments for pediatric specialists who dedicate three-years to serving young children in Orange County. Loan repayment program would be contingent on working with the birth to age 5 population in high need areas of the community and for physicians that have a commitment from an existing Orange County institution for specialty care services. The proposed action would contract with the non-profit Health Professions Education Foundation (Foundation) to provide program administration services. The Foundation will leverage its existing practices and programmatic infrastructure from other similar physician loan repayment programs to support the proposed Orange County program. The proposed agreement is a three-year agreement for grant and program administration. Program administration program, including recruitment and screening of candidates, cost is budgeted at a maximum of $65,000 annually.

Background
As previously reported to the Pediatric Health Services Committee, the growth in primary care services has had a rippling effect on the increased demand for specialty care services. Based on the most recent OSHPD data, the number of children aged 0 to 4 seen at clinics, increased 20% from 2003 to 2007. While the increase demonstrates a significant growth in access to care, it creates an increased demand for specialty care services. *It has been estimated that approximately 30 to 35 percent of the children seen in primary care clinics will be referred for some type of specialty care services.*

The proposed program would provide funding to assist new or relocating physicians recruited to Orange County with educational loan repayments. The table below summarizes the key

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provisions of the proposed program. Attachments 1A and 1B provide a program description and background information on comparable programs. No funding will be allocated as a result of this program to any health care institutions in Orange County, including hospitals, CalOptima and the Health Care Agency. All payments will be to the institutions who provided the physician loans.

Key Provisions of Proposed Pediatric Specialty Loan Repayment Program

Eligible Participants	Physicians must have completed sub-specialty training in a targeted pediatric subspecialty program and have a letter of commitment from an institution serving the underserved population in Orange County. Target pediatric subspecialties: Neurology, Endocrinology, Orthopedics, Developmental Services, and Cranial-Facial
Eligible Amount of Funding per Loan	$125,000 Maximum (approximately 50% of estimated educational expenses)
Repayment Term	Three years of service to the underserved population in Orange County.
Use of Funding	Payments would be made directly to educational loaning institutions to cover direct educational expenses. May also cover books, fees, etc.
Program Administration	Commission would contract with Health Professions Education Foundation for program administration including physician recruitment, application review and processing and loan repayments. Currently HPEF administers comparable programs.
Program Start Date	First two physicians on board for July 1, 2010 With $250,000 annual investment, Commission could have up to 6 physicians on board beginning in July 1, 2013 or potentially sooner.
Annual Funding	Funding is estimated at $250,000 annually, plus $65,000 annually for program administration.

STRATEGIC PLAN & FISCAL SUMMARY:
This item is consistent with the Commission's support Healthy Children goal and promoting access to quality primary and specialty care services. Funding for this program is available through the Pediatric Health Service program budget and was previously approved by the Pediatric Health Services Committee.

PRIOR COMMISSION ACTIONS:
None

RECOMMENDED ACTION:
Adopt resolution authorizing the Executive Director or designee and Commission Counsel to approve Agreement FCI-HPE-01 with Health Professions Education Foundation in an amount not to exceed $195,000 for program and fiscal administration and an amount not to exceed $750,000 for physician retention services for a total amount not to exceed $945,000 for services related to the Pediatric Specialty Care Services Program for the period January 1, 2010 through December 31, 2012.

ATTACHMENTS:
1. CFCOC Physician Loan Repayment Program Description
2. Resolution

Contact: Christina Altmayer

Attachment 1A

CFCOC Physician Loan Repayment Program
Program Description

Case Statement

A shortage of pediatric sub-specialists exists in California and within Orange County. The shortage impacts timely access to badly needed medical care for children including children under age 5. Due to the chronic state budget deficits in the state and the low reimbursement levels to physicians, it is anticipated that the number of physicians, including pediatric sub-specialists, participating in the Medi-Cal and Healthy Families programs will further decline.

Physician loan repayment programs have surfaced as a method for retaining physicians in California and, at the same time, increasing the number of physicians providing care to Medi-Cal and Healthy Families beneficiaries. In exchange for loan repayment, participating physicians provide care to the underserved. Medi-Cal and Healthy Families beneficiaries often struggle to find physicians to provide care. Commission investments have addressed immediate needs to increase access to care but have not addressed comprehensive systemic deficits.

Key Program Terms

- Physicians must have completed sub-specialty training in a targeted pediatric subspecialty program.
- Loan repayment agreement would be based on three years of services. Annual payments would be made in conjunction with each year of service. Maximum amount of loan repayment is $125,000.
- Award of loan repayment would be contingent on an offer from a qualified Orange County provider serving underserved, children 0-5 in Orange County.

Background on Physician Loan Repayment Programs

There are a number of physician loan repayment programs currently in existence. The two most active in California that provide insight and history are: 1) the Steven M. Thompson Physician Corps Loan Repayment Program, administered by the Health Professions Education Foundation; 2) the National Health Services Corps/State Loan Repayment Program. Both programs provide valuable insight relative to creating a similar program suited specifically to Orange County:

- Current physician loan repayment programs are not targeted at pediatric sub-specialists, so a program of this kind would be unique. The pediatric specialties with the greatest access challenges in Orange County are: Orthopedics, Urology, Neurology, Developmental Medicine, Ophthalmology, Endocrinology, Otolaryngology, Dermatology, Genetics, Rheumatology and Plastic Surgery.
- Pediatric sub-specialists have typically finished medical school, internship and residency before becoming a sub-specialist. The Children's Specialty Coalition in Sacramento advises that these specialists, once they have completed their studies and residency programs, tend to leave California. CFCOC will need to develop a recruitment program at the various medical schools and medical centers/clinics – inside and outside of Orange County – to inform these new sub-specialists physicians that the loan repayment program exists and that it would enable the physicians to locate in Orange County to fulfill their loan repayment commitment.

Additional Information on Comparable Loan Repayment Programs

Steven Thompson Physician Loan Repayment Program

- Program in place since 2003 and administered by the Health Professions Education Foundation (HPEF).
- Maximum loan amount is $105,000; some awards are lower but HPEF staff observes that they receive no interest in loans lower than $50,000 and little interest in loans at the $50,000 level.
- Loans are paid at the end of each service year on a three year commitment. For loan repayment level of $105.000, 24% is granted at the end of the first year, 33% at the end of the second year and 43% at the end of the third year.
- Commercial and government loans are the only loans eligible for repayment and will repay specified expenses incurred during undergraduate and graduate medical education.
- Loan repayment distribution is; 80% for primary care physicians and 20% for specialists. (Foundation does not know how many pediatric sub-specialists have received loan repayment.)
- In exchange for the loan repayment, physicians are required to practice medicine full-time in a "medically underserved area." The commitment is three years and physicians have to be currently working in an underserved area (or facility) at the time of application.
- Qualified applicants will be selected based upon a number of factors and preference is given to the applicants who can best meet the cultural and linguistic needs of the patients within their service area. Applicants currently practicing in an underserved area, with at least 50% of patients from a medically underserved population, will be given priority.
- A portion of the criteria for a loan repayment grant is focused on an applicant's literacy in a Medi-Cal threshold language and experience working with a culturally diverse patient base, noted in the point above.
- The HPED has $1.5 million per year to award for the program. There is more interest than can meet the needs; 66 applicants in 2008/09 with 16 recipients; 40 applicants in 2008 with 5 awards (some combined with 2009 data) and 52 applicants in 2007 with 12 awards.
- The goal is to award a total of 15-20 grants per year.
- The Medical Board of CA created the specific scoring criteria used by the selection committee.
- There has been only 1 contract breach since 2003.
- HPEF suggested that the Foundation may be willing to administer a CFCOC loan repayment program for an administrative fee

National Health Service Corp/State Loan Repayment Program

- The NHSC loan repayment program is administered by the Office of Statewide Health Planning and Development (OSHPD) and has existed for the past 18 years.
- Over 18 years, OSHPD staff say approximately 500 awards have been granted. (This number includes physician grants and grants to other medical professionals.)

- Maximum loan repayment amount is $120,000 for a four year commitment with some recipients receiving $50,000 for a two year commitment.
- Recipients must work full time in a "federally designated health professional shortage area" (HPSA) as part of their agreement to accept the loan repayment grant and preference is given to applicants with cultural competence training and fluency in a second language.
- Loans are repaid at the end of the first two years of service at $50,000, and for those with three and four year commitments, the loans are paid at the end of each remaining year at a rate of $35,000 per year. The facility/site contributes half of the loan repayment in addition to paying the participating physician's salary.
- The state NHSC program requires a match from the facility/site in which the physician is working; the match is 50/50. So at the end of two years, the NHSC will pay $25,000 and the facility/site will pay $25,000. For the following years, each entity will pay $17,500.
- Eligible physicians must practice medicine in the following areas: family practice, general internal medicine, general pediatrics, OB/GYN, and general psychiatry.
- Eligible physicians must be currently employed in a professional shortage area or have accepted employment in a shortage area.
- There is great demand for the NHSC loan repayment program with 11 applicants per one award granted.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-09-C&FC

December 2, 2009

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR OR DESIGNEE, AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. FCI-HPE-01 WITH HEALTH PROFESSIONS EDUCATION FOUNDATION; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, the Executive Director and Commission Counsel have prepared a standard Master Agreement for Agreements ("Master Agreement"), which was approved by the Commission; and

WHEREAS, Commission desires to authorize the Executive Director or designee to negotiate the terms and final form of Agreement No. FCI-HPE-01 with Health Professions Education Foundation to provide program and fiscal administration, and physician retention services in support of the Pediatric Specialty Care Services Program as specified in the December 2, 2009 staff report, based upon the standard Master Agreement in an amount not to exceed $945,000 for the period January 1, 2010 through December 31, 2012.

WHEREAS, Commission has reviewed the staff report relating to the Scope of Services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission hereby authorizes the Executive Director or designee and Commission Counsel to prepare and negotiate the terms, conditions and final form of Agreement

FCI-HPE-01 with Health Professions Education Foundation, in an amount not to exceed $945,000 for the period January 1, 2010 through December 31, 2012 to provide program and fiscal administration, and physician retention services in support of the Pediatric Specialty Care Services Program consistent with the December 2, 2009 staff report and scope of services referenced therein; and

Section 3 The final form of Agreement FCI-HPE-01 with Health Professions Education Foundation shall be substantially similar to the Master Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director or designee and Commission Counsel. The approval by the Executive Director of Agreement FCI-HPE-01 shall be conclusively evidenced by the execution and delivery of the Agreement by the Commission Chair to the Commission Clerk.

Section 4 Commission hereby approves Agreement No. FCI-HPE-01 with Health Professions Education Foundation to provide program and fiscal administration, and physician retention services in support of the Pediatric Specialty Care Services Program as specified in the December 2, 2009 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, Agreement FCI-HPE-01 on behalf of the Commission.

Section 6 A copy of the final Agreement FCI-HPE-01 with Health Professions Education Foundation, when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the Executive Director (or his designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Service Agreement, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement, and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on December 2, 2009 to wit:

AYES: Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

_____
CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, DARLENE J. BLOOM, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

_____
DARLENE J. BLOOM
Clerk of the Commission, Children and Families Commission of Orange County, County of Orange, State of California

Resolution No: __-09-C&FC

Agenda Date: December 2, 2009

Item No.

I certify that the foregoing is a true and correct copy of the Resolution adopted by the

DARLENE J. BLOOM, Clerk of the Commission

By:_____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy of final executed Agreement No. FCI-HPE-01 with Health Professions Education Foundation)