

FACT SHEET AB 646 (SWANSON)

Doctors for ALL Californians



SUMMARY

Would authorize all 72 of California's public Health Care Districts to directly hire and employ 10 physicians each, much as state and county health agencies do today, until December 31, 2020. Employed doctors are now essential to meet the needs of the uninsured and Medi-Cal patients. Employment contracts could remain in effect for up to 10 years, providing access to employed physicians for up to 20 years. Expressly prohibits employers from interfering in medical decisions.

PURPOSE

Many California communities have suffered from a chronic, severe shortage of doctors for over a decade. This shortage is worst in California's rural and underserved inner-city areas where Medi-Cal and Medicare are the primary payors for health care services. The majority of doctors in California do not accept Medi-Cal patients. In many of our communities, doctors cannot support themselves financially in independent practice. This makes it extremely difficult for rural and inner city communities to attract and keep the doctors their residents need. Many physicians now working in these communities are planning to retire within the next two to three years. Residents in these communities are often unable to get access to the medical care they need or must travel hundreds of miles from home in order to get it.

This proposal, jointly sponsored by ACHD, AFSCME and UAPD, will enable all California Health Care Districts to recruit and keep the doctors our communities need to provide care to Medi-Cal patients and the uninsured. It would provide underserved communities with a powerful physician recruitment tool, by giving doctors the financial security they need to live and work in our communities.

BACKGROUND

The California Legislature created a District physician employment pilot program with passage of SB 376 (Chesbro) in 2003. It has been very successful where it has been implemented, enabling Districts to recruit physicians without cost to state or federal taxpayers. This program has provided access to essential medical care to thousands of Californians who could not have received it any other way – over half of these patients were insured by Medi-Cal or were uninsured. This proposal builds on the pilot program by authorizing all communities in need to employ the physicians through Health Care Districts.

Most states allow the employment of physicians by hospitals and other health care facilities, and it is a common practice nationally. The American Medical Association officially approves of direct physician employment by hospitals and other entities, as long as non-physician employers do not interfere in medical decisions. California law already prohibits such interference by health facility administrators and board members. Violation of this law is punishable as a felony and carries a \$10,000 fine.

Our communities simply cannot compete for a growing pool of doctors who either require or desire full-time employment in a hospital or other health care facility. International Medical Graduates require a minimum three-year employment contract to qualify for a visa. Furthermore, according to a recent report by Merritt Hawkins & Associates (the nation's largest physician recruiting firm), direct hospital employment now represents nearly half of the physician placements their firm arranges nationally (45%). Potential recruits in our communities want full-time employment, and do not want to set up independent medical practices. California's physician hiring ban has become a significant barrier to the recruitment of doctors in rural and underserved urban communities. Passage of AB 646 is a critical first step towards a comprehensive solution to a rapidly emerging health care crisis.

Direct Physician Employment

Contact: Peter Gambia, Association of California Healthcare Districts (916) 743-9246 or email paramountsa@mac.com

Direct Physician Employment
Contact: Peter Gambee, Association of California Healthcare Districts (916) 498-6236