

Physicians

Calif. Safety-Net Health Plan Offers Doctor-Shortage Solution

L.A. Care Health Plan, the largest public health plan in the nation, has allocated \$31 million to fund a program it says will help recruit much-needed physicians in low-income areas.

The state of California has a deficiency of about 9,000 primary care doctors, and those shortages are felt most when it comes to vulnerable communities, according to L.A. Care CEO John Baackes. He said that in order to have adequate coverage for its members, the plan decided to invest in the future and in Los Angeles County's "safety net."

The announcement comes less than a year after a study from University of California, San Francisco, found that California "will likely face a statewide shortfall of clinicians in the next 15 years" and that "some regions may face greater shortages than others." That same study projected that California will have between 34,000 and 46,000 full-time-equivalent primary care clinicians by 2030.

A separate study from the Robert Graham Center concluded that the state will need an additional 8,243 primary care physicians by 2030 to "maintain current rates of utilization." California's current number of practicing primary care physicians is 25,153 as of 2010, according to that study.

Defining the Mission Baackes told Bloomberg Law that L.A. Care has a two-part mission. The first part is "to help vulnerable populations get access to quality care," he said. The second part is to "support the safety net of providers who serve them."

In a phone call ahead of the plan's July 16 announcement, Baackes told Bloomberg Law that the board for L.A. Care "has allowed me to move \$31 million out of our reserves to support a three-pronged program to bring more primary care physicians to Los Angeles County."

Baackes also noted that, if L.A. Care can maintain its financial performance, he would like to repeat the \$31 million investment every year for five years, which could potentially bring new providers into the safety net over time.

Three Prongs

L.A. Care's plan to address the physician shortage includes the creation of three grant programs. One program will pay for medical school scholarships, one will help with medical school loan repayment, and one will go toward subsidizing physician salaries, sign-on bonuses, and relocation costs.

Specifically, Baackes said the health plan would offer \$125,000 grants to organizations that employ primary care physicians who work in the safety net. They can use that money for recruiting, which is more difficult for smaller facilities that work with vulnerable populations, according to Baackes.

'Huge Difference' L.A. Care Health Plan's campaign could make a "huge difference" in alleviating the county's problem with unevenly distributed physicians, which would improve care in low-income areas, according to Travis Singleton, executive vice president at physician search and consulting firm Merritt Hawkins. He added that financial incentives are a good way to compete "with the Kaisers of the world."

Singleton also singled out the loan-repayment prong of L.A. Care's new "Elevating the Safety Net" project, saying it was "huge."

"Loan forgiveness has become ubiquitous, and for someone like L.A. Care, it is the price to pay," he told Bloomberg Law in a phone interview. "If you want a quality health-care provider, imagine trying to do that without loan forgiveness when you can go just 20 minutes away to get it."

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