

CALIFORNIA CONTINUES TO SUPPORT HEALTH CARE PROFESSIONALS SERVING UNDERSERVED COMMUNITIES

SACRAMENTO — The California Department of Health Care Services (DHCS) and Physicians for a Healthy California (PHC) today announced a new commitment of \$73.4 million to help pay down student loans for 266 physicians and 36 dentists in California to expand the health care workforce and increase access for Medi-Cal members.

“These awards enable physicians and dentists to care for Medi-Cal members without the financial stress of student loans,” said **DHCS Director Michelle Baass**. “Our aim is for these providers to continue serving Medi-Cal members throughout their careers.”

WHY THIS IS IMPORTANT: The CalHealthCares student loan repayment program supports and incentivizes physicians and dentists to increase their participation in the Medi-Cal program. Funding provided by CalHealthCares has relieved these providers of the burden of student loan debt, improving access to care and supporting underserved communities.

“Year after year, the unprecedented demand in CalHealthCares demonstrates that providers are eager to serve communities that need better access to care,” said **PHC CEO Lupe Alonzo-Diaz**. “CalHealthCares lifts the burden of student loan debt and allows physicians and dentists to focus on providing high-quality care to patients who need it most.”

ABOUT THE 302 AWARDEES:

- 62% represent diverse communities.
- More than 77% speak a language other than English.
- 52 areas of specialty medicine and seven dental specialties are represented.
- 67% committed to maintaining a Medi-Cal caseload of 65% or higher.
- Among dentists, 67% treat patients ages 0-3, and 78% treat special needs patients.

For this round of funding, CalHealthCares received 767 applications totaling approximately \$195 million in funding requests to support applicant educational debt of nearly \$251 million. The selection process considered various criteria, such as geographic impact, specialty distribution, equity elements (i.e., languages spoken in addition to English), and the dental treatment of children ages 0 to 3 and special needs patients. The process also assessed the long-term commitment of awardees to provide Medi-Cal members with equitable, coordinated, and accessible care.

HELPING ADDRESS THE PROVIDER SHORTAGE: Many California physicians and dentists enter practice with hundreds of thousands of dollars in educational debt. The average debt burden of CalHealthCares applicants for all five years of the program is nearly \$322,000, based upon applications received.

In 2018, Senate Bill (SB) 849 established the Proposition 56 Medi-Cal Physicians and Dentists Loan Repayment Program and appropriated a one-time allocation of \$220 million for the loan assistance program for recently graduated physicians and dentists. An additional \$120 million was added to the program in the 2019-20 state budget, for a total of \$340 million. SB 395 (Chapter 489, Statutes of 2021) provided ongoing funding for the program. With recent funding sources made available by SB 395, CalHealthCares looks forward to continuing the great work of the program with additional awardee cohorts.

BACKGROUND: Since CalHealthCares launched in 2019, it has awarded nearly \$323 million in student loan repayments to 1,420 providers across California, increasing access to care for Medi-Cal members. CalHealthCares awards up to \$300,000 in student loan debt relief to eligible physicians and dentists in exchange for a five-year commitment to maintaining a patient caseload of at least 30 percent Medi-Cal patients. Providers within the first five years of service are eligible to apply for this opportunity. Alternatively, eligible dentists can apply for a practice support grant of up to \$300,000 in exchange for a 10-year service obligation. The practice support grant is open to providers in the first 15 years of practice.

For more information, visit CalHealthCares.org (#CalHealthCares on social media).

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