



CalHealthCares

News Release

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CALHEALTHCARES AWARDS \$68.5 MILLION TO 315 PROVIDERS TO EXPAND MEDI-CAL ACCESS TO QUALITY HEALTH CARE

SACRAMENTO – The California Department of Health Care Services (DHCS) today announced a new commitment to pay back \$68.5 million in student loans for 274 physicians and 41 dentists to expand health care access for Medi-Cal patients.

[CalHealthCares](#), the loan repayment program, incentivizes physicians and dentists to serve Medi-Cal beneficiaries by repaying educational debt up to \$300,000 in exchange for a five-year service obligation.

“The desire of these physicians and dentists to provide the Medi-Cal population with quality care should be acknowledged,” said Will Lightbourne, DHCS director. “Easing their burdens of student debt will make their desire a reality.”

Nearly 1,040 health care providers, with educational debt totaling more than \$323 million, applied for the loan repayment program for the FY 2019-20 Cohort 2 application cycle. The average student loan debt of a CalHealthCares applicant is more than \$360,000. Awardees received up to \$300,000 for school debt relief in exchange for [meeting](#) certain criteria, including maintaining a caseload of at least 30% Medi-Cal patients.

“Alleviating student debt empowers physicians and dentists to provide care to more Medi-Cal beneficiaries,” said Lupe Alonzo-Diaz, Physicians for a Healthy California (PHC) CEO, which contracts with DHCS to manage CalHealthCares. “The funding also supports health care providers, many of whom are exhausted and experiencing financial hardship during the COVID-19 pandemic. We hope this funding provides real relief this holiday season while also building on the promise of quality health care for all Californians.”

Medi-Cal patients represent nearly one-third of Californians and half of the state’s children. The state’s Medicaid program also pays for more than 50% of births in the state and 58% of patient days in long-term care facilities.

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“Expanding access to care will ensure California’s most vulnerable residents receive oral health care, which is essential to overall health,” said Dr. Judee Tippet-Whyte, California Dental Association (CDA) president. “Student loan debt is one of the biggest financial hurdles new dentists face, and without that burden they will be able to follow their passion of providing care for the underserved.”

Of the 315 awardees:

- 59 percent are persons of color
- 54 percent are women
- More than 79 percent work in medically underserved communities
- 48 areas of specialty medicine and three dental specialties are represented

This relief is particularly timely as many providers are on the front lines of the public health emergency during the biggest surge California has experienced so far. A statewide survey by the California Medical Association (CMA) [found](#) that 87% of physician practices are worried about their financial health.

Today’s announcement is the second of at least five rounds of funding. In total, \$340 million has been allocated to the CalHealthCares program from voter-approved ([Proposition 56](#)) tobacco tax revenue. In 2018, SB 849 established the Proposition 56 Medi-Cal Physicians and Dentists Loan Repayment Act Program, appropriating \$220 million in loan assistance for recently graduated physicians and dentists. An additional \$120 million was added to the program in Governor Newsom’s revised 2019-20 budget.

The next application cycle for CalHealthCares is coming up – January 18-February 12, 2021. For more information, visit [CalHealthCares.org](https://www.calhealthcares.org) (#CalHealthCares on social media).

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