



CalHealthCares

News Release

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CALHEALTHCARES FOCUSES ON HEALTH EQUITY, AWARDS NEARLY \$65 MILLION TO HEALTH CARE PROVIDERS

Funding Will Increase Medi-Cal Access to Quality Care

SACRAMENTO – The California Department of Health Care Services (DHCS) recently announced it will fund \$64.9 million in student loans for 222 physicians and 35 dentists. The latest round of funding focused on equity, such as languages spoken by physicians, treatment of children ages 0-3, and the number of special needs patients seen by dentists. Also, the scoring considered experience working with underserved communities and the ability to provide culturally and linguistically competent care to Medi-Cal communities.

The CalHealthCares program works collaboratively to support and incentivize physicians and dentists to increase their participation in the Medi-Cal program. Receiving funding from the CalHealthCares program has relieved these providers of the burden of student loan debt, while allowing them to improve access to care and support to the underserved. CalHealthCares requires awardees to maintain a patient caseload comprised of a minimum of 30 percent Medi-Cal beneficiaries and within 10 percent of the Medi-Cal patient caseload proposed in their application.

“These awards to our doctors and dentists reflect our ongoing commitment to address the long-standing inequities impacting many of our Medi-Cal enrollees, which the COVID-19 pandemic has underscored,” said DHCS Director Michelle Baass. “The awards will remove the added burden that educational debt brings to a physician or dentist influencing where and how they will practice. Our hope is that without the financial stress of student loans, health care providers will continue their service to the Medi-Cal population once that patient base is established.”

Of the 257 awardees:

- 62 percent are persons of color.
- 79 percent also speak a language other than English.
- 67 areas of specialty medicine and four dental specialties are represented.
- 57 percent committed to maintaining a Medi-Cal caseload of 65 percent or higher.
- Among dentists, 80 percent treat patients ages 0-3, and 77 percent treat special needs patients.

For this fourth round of funding, CalHealthCares received 521 applications totaling approximately \$135.4 million in funding requests to support applicant educational debt of nearly \$175 million. Since the program launched in 2019, it has awarded \$285 million in student loan repayments to 843 providers across California, increasing access to care for 14.8 million Medi-Cal beneficiaries.

CalHealthCares pays up to \$300,000 in student loan debt relief in exchange for a five-year commitment to maintaining a patient caseload of at least 30 percent Medi-Cal patients. Eligible dentists can apply for a loan repayment award up to \$300,000 in exchange for a five-year service obligation or a practice support grant of up to \$300,000 in exchange for a 10-year service obligation. The program is open to providers in the first five years of practice.

Medi-Cal provides comprehensive health coverage to more than one-third of Californians, including nearly half of the state's children, half of all people with disabilities, and more than one million seniors. Medi-Cal also pays for more than 50 percent of births and more than two in three patient days in long-term care facilities.

Already facing a statewide physician shortage, many California physicians and dentists enter practice with hundreds of thousands of dollars in educational debt. The average debt burden of a CalHealthCares applicant is nearly \$360,000.

“With our health care system still recovering from the impact of the COVID-19 pandemic, our work is more important than ever to ensure that California’s most vulnerable residents are able to get the care they need,” said Physicians for a Healthy California (PHC) CEO Lupe Alonzo-Diaz. “Student loan debt is one of the biggest financial hurdles new physicians and dentists face. CalHealthCares is proud to be able to remove that burden for our awardees so they can follow their passion and provide care for the underserved.”

In 2018, 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. Senate Bill 395 (Chapter 489, Statutes of 2021) provided ongoing funding for the program.

“Without the crushing worries of student loan debt, awarded dentists will have the freedom to serve in communities where the need is greatest,” said Dr. Ariane Terlet, president of the California Dental Association. “CalHealthCares grants, along with other investments the state is making to ensure access to oral health care, will make a significant difference for all Californians.”

DHCS administers CalHealthCares, with PHC contracted to manage daily activities. The next application cycle will open in January 2023. For more information, visit [CalHealthCares.org](https://www.calhealthcares.org) (#CalHealthCares on social media).

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