



California's Health Workforce Crisis

California's ability to expand access to care depends entirely on whether it has people in place to provide that care. Unfortunately, California already faces serious shortages in several key areas of its health workforce. These shortages are projected to worsen over the next 10 years as our population grows, ages, and becomes more diverse.

Primary Care

If California stays on its current path, the state will face a shortfall of 4,100 primary care clinicians. There is broad consensus that California needs to shift more care to primary care and prevention to improve health and reduce health care costs.

Behavioral Health

Today, two-thirds of California adults with mental illness do not receive treatment. Timely access is a major challenge: Only two of California's 56 county mental health plans met time and network access requirements in 2017. Meanwhile, roughly half of California psychiatrists and one-third of psychologists are over the age of 60 and will retire in the next 10 years.

Aging

By 2030, one in five Californians will be over the age of 65. The number of older adults who need help with self-care will double. Without solutions in place, California faces a shortage of 600,000 home health workers.

Diversity

Latinos make up nearly 40% of the California population, but only 7% of its physicians and 8% of nurses. If shortages worsen, this will exacerbate racial, ethnic, and language disparities in our health workforce.

High-Need Areas

In some parts of the state, shortages are already at crisis levels. About seven million Californians live in Health Professional Shortage Areas. Safety-net providers across the state, and providers in the San Joaquin Valley, Inland Empire, and most rural areas, report extreme difficulty in hiring clinicians for essential roles.



California
Health Care
Foundation

**Written Testimony of Sandra R. Hernández, MD, President and CEO of the California Health
Care Foundation**

**Joint Hearing of the Budget Subcommittee No. 1 On Health and Human Services and Budget
Subcommittee No. 2 On Education Finance: “Meeting the Demand for Health: Report of the
California Future Health Workforce Commission.”**

Chair Reyes, Chair McCarty, and members of the Budget Subcommittee for Health and Human Services and Education Finance. Thank you for this invitation to discuss California’s looming health workforce shortages and the recommendations of the California Future Health Workforce Commission. I also want to thank Assemblymember Wood for serving as a commissioner.

Health care is top of mind for Californians and with good reason. Too many Californians struggle to afford health care. Three million Californians remain uninsured. And even when Californians have health coverage, it remains too difficult for too many to access the care they need.

SERIOUS SHORTAGES

As a state, our ability to solve these problems depends entirely on whether we have people in place to provide care. Unfortunately, California already faces serious shortages in several key areas of our health workforce. These shortages are projected to worsen over the next decade as our population grows, ages, and becomes more diverse.

- There is broad consensus that California needs to shift more care to primary care and prevention to improve health and reduce health care costs. If California stays on its current path, the state will face a shortfall of 4,100 primary care clinicians.

- Today, two-thirds of California adults with mental illness do not receive treatment. Timely access is a major challenge: Only 2 of California's 56 county mental health plans met time- and network-access requirements in 2017. Meanwhile, roughly half of California psychiatrists and one-third of psychologists are over the age of 60 and will retire in the next 10 years.
- By 2030, one in five Californians will be over the age of 65. The number of older adults who need help with self-care will double. Without solutions in place, California faces a shortage of 600,000 home health workers.
- Latinos make up nearly 40% of the California population, but only 7% of its physicians and 8% of nurses. If shortages get worse, they will exacerbate such racial, ethnic, and language disparities in our health workforce.
- In some parts of the state, shortages are already at crisis levels. About seven million Californians live in Health Professional Shortage Areas. Safety-net providers across the state and providers in the San Joaquin Valley, Inland Empire, and most rural areas report extreme difficulty in hiring clinicians for essential roles.

Taken together, these health workforce shortages mean that too many Californians must visit emergency rooms because their community has too few primary care providers. Too many go without mental health treatment because there are no psychiatrists or other mental health providers. Too many miss out on valuable care and support because their doctor doesn't speak their language or understand their culture. As a state, we can and should do better.

A PLAN FOR ACTION

One of the big reasons that California ended up in this situation was because there is no one responsible for taking a global view of our health care workforce. The responsibilities of

educating, training, and hiring health workers are fragmented. Eighteen months ago, the California Future Health Workforce Commission launched with the goal of devising a comprehensive plan to meet California's demand for care. Support came from CHCF, Blue Shield of California Foundation, Gordon and Betty Moore Foundation, The California Endowment, and The California Wellness Foundation. The 24 commissioners represented top leaders in California health care, higher education, and business.

In February, the Commission released its final report and recommendations. These recommendations aim to address a few key areas of highest need:

- Primary care and prevention
- Behavioral health
- Care for our aging population
- Diversifying the health workforce
- Reducing disparities in access

A MODEL OF PUBLIC SERVICE

Before we go into the specific recommendations, I want to acknowledge the Commission's cochairs — University of California President Janet Napolitano and Dignity Health CEO Lloyd Dean — and all the commissioners and technical advisory committee members who invested time, experience, and expertise to develop and hone these recommendations. Even though all Commission members brought their own unique perspectives to the table, this was very much an evidence-driven process. The Commission's recommendations reflect that shared commitment to impact.

I want to introduce the other three representatives of the Commission who will go into more detail about the Commission's top recommendations.

- Katherine Flores, MD, is director of the UCSF Fresno Latino Center for Medical Education and Research, and an associate clinical professor at UCSF. She was part of the management team of the Commission.
- Dean Germano, MHS, is the CEO of Shasta Community Health Center based in Redding. He served as a Commissioner.
- Dr. David Carlisle, MD, PhD, MPH, is the president and CEO of Charles R. Drew University of Medicine and Science in Los Angeles. He also served for 11 years as director of California's Office of Statewide Health Planning and Development. Dr. Carlisle served as a Commissioner.

In addition to these panelists, we have other members of the Commission team on hand to answer any technical questions.

COST AND IMPACT

The Commission estimated the cost of implementing the recommendations. They also partnered with researchers at the Healthforce Center and Health Management Associates to provide unbiased and realistic assessment of their impact on California's health workforce.

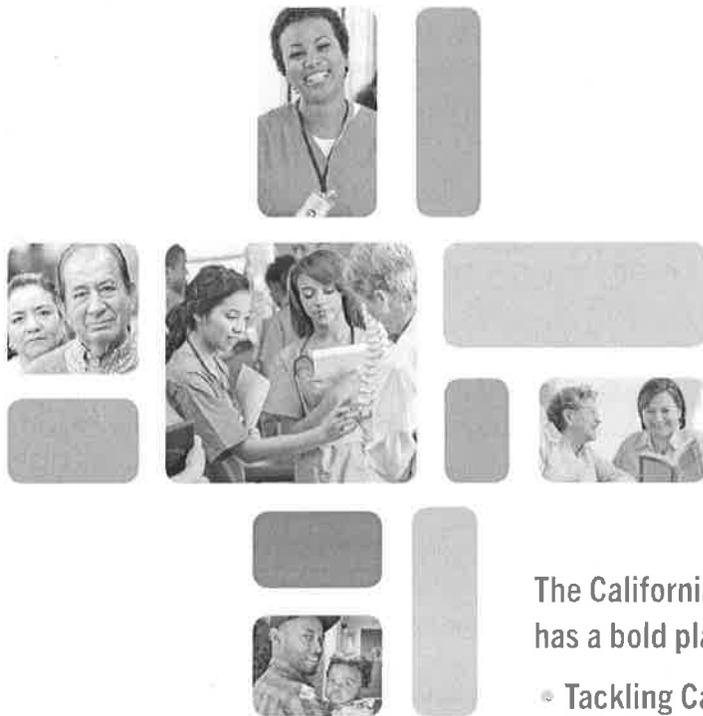
Here are some of the key numbers that come out of that analysis:

- The top 10 recommendations would cost \$3 billion over 10 years. That is less than 1% of what Californians are projected to spend on health care in 2019 alone.
- For that modest investment, California would solve its primary care provider shortage, nearly eliminate the serious shortfall of psychiatrists, and dramatically expand the pipeline of young people from underserved backgrounds headed for careers in the health professions.
- Those 10 recommendations would yield 47,000 new health workers — 30,000 of them from underrepresented communities.

Before the Commission came together, we could say that we did not have the information and the broad agreement necessary to take bold action. The Commission has solved that problem. Now the baton passes to all of us.

MEETING THE DEMAND FOR HEALTH

FINAL REPORT OF THE
CALIFORNIA FUTURE HEALTH
WORKFORCE COMMISSION
AT A GLANCE



The California Future Health Workforce Commission has a bold plan for:

- Tackling California's looming health workforce shortage affecting health access and quality of care
- Training a new generation of health workers who reflect the diversity of California
- Nearly eliminating projected shortfalls in the fields of primary care and psychiatry



FEBRUARY 2019

MEETING THE DEMAND FOR HEALTH:

California Future Health Workforce Commission — At a Glance

As demand grows for quality health care, California is facing a crisis: The state does not have enough of the right type of health workers, with the right skills, in the right places to meet the needs of our state's growing and increasingly diverse population.

In spite of everything California has done in recent years to improve health care delivery — from cutting the uninsured rate in half to reducing the cost of care — the state will face a shortfall of 4,100 primary care clinicians and 600,000 homecare workers, and will only have two-thirds of the psychiatrists it needs by 2030. This will exacerbate an existing shortfall of health workers from communities of color — and will directly impact millions of Californians already living in communities facing shortages of health professionals, including the Inland Empire, San Joaquin Valley, Los Angeles, and most rural areas.

The California Future Health Workforce Commission — co-chaired by University of California President Janet Napolitano and Dignity Health President and CEO Lloyd Dean, along with 22 experts from the health, education, and labor sectors — has developed a bold plan to close this gap and ensure the state's workforce can meet the needs of California's increasingly diverse population.

The Commission's 10 priority actions will require a \$3 billion investment over a 10-year period: For perspective, that is less than 1% of what Californians are projected to spend across the health care system in 2019 alone. This investment will enable schools and colleges, community clinics, and hospitals to recruit, train, and deploy a new wave of health workers — especially those coming from and committed to working in underserved communities. When fully implemented, these proposals will:

- Eliminate the state's primary care provider shortage and nearly eliminate the shortage of psychiatrists by 2030.
- Grow, support, and sustain California's health workforce pipeline by reaching over 60,000 students and cultivating their pursuit of careers in the health professions.
- Improve diversity in the health professions, producing approximately 30,000 workers from underrepresented communities.
- Increase the number of health workers by over 47,000.
- Train over 14,500 physicians, nurse practitioners, and physician assistants, including over 3,000 underrepresented minority providers.
- Increase the supply of health professionals who come from and train in rural and other underserved communities.
- Expand the health outreach and prevention roles of community health workers, *promotores*, and peer providers — workers who have some of the most trusted relationships in a community.

By strengthening the supply, distribution, and diversity of workers in primary care, behavioral health, care for older adults, and other emerging areas of need, the Commission's recommendations will help more Californians access the care they need. The Commission recognizes that bold actions are needed now to ensure the state's health system has enough qualified workers to support and provide those services — whether in the home, community clinics, or medical offices — and to build the health workforce that all Californians need and deserve.

Top 10 Priorities California Future Health Workforce Commission

Commission Recommendation	Anticipated Impact by 2030	Est. Cost (millions)
1.1 Expand and scale pipeline programs to recruit and prepare students from underrepresented and low-income backgrounds for health careers.	Prepares approximately 7,000 underrepresented minority students, increasing California's health workforce by 5,500-5,700 over 10 years.	\$62.0
1.2 Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers.	Supports approximately 53,000 college students, adding at least 25,500 new health care workers over 10 years, including 20,000–23,000 from underrepresented minority communities.	\$159.0
1.3 Support scholarships for qualified students who pursue priority health professions and serve in underserved communities.	Provides full-tuition scholarships for 3,810 low-income, first-generation and underrepresented health professions students over 10 years (1,707 allopathic and osteopathic physicians, 696 nurse practitioners, 152 physician assistants, 325 public health professionals, and 930 social workers).	\$479.8
2.1 Sustain and expand the PRIME program across UC campuses.	Adds 630 graduates from UC medical school PRIME programs over 10 years.	\$93.5
2.2 Expand number of primary care physician and psychiatry residency positions.	Adds 1,872 primary care physicians and 2,202 psychiatrists over 10 years.	\$1,562.0
2.3 Recruit and train students from rural areas and other underresourced communities to practice in community health centers in their home region.	Increases medical school graduates by 280–560 over 10 years.	\$64.4
3.1 Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care.	Adds 7,000 nurse practitioners, of whom 5,500 would practice in primary care. Increases rural distribution, access to services, reduces avoidable ED visits and hospitalizations, and reduces costs of primary care.	\$462.2*
3.2 Establish and scale a universal home care worker family of jobs with career ladders and associated training.	Increases supply, capacity, and retention of home care workers over four years.	\$7.0
3.3 Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities.	Adds 300 psychiatric mental health nurse practitioners over five years.	\$24.6
3.4 Scale the engagement of community health workers, <i>promotores</i> , and peer providers through certification, training, and reimbursement.	Establishes certification for education programs, standardizes training, and addresses reimbursement over 10 years, resulting in increased supply of workers focused on prevention and behavioral health.	\$68.0
Total cost		\$2,982.5

* The cost estimate for this recommendation is a range; this figure is the high end of the range.



Full report, recommendations,
and impact statements available at:

futurehealthworkforce.org

EXECUTIVE SUMMARY: MEETING THE DEMAND FOR HEALTH

FINAL REPORT OF THE CALIFORNIA FUTURE HEALTH WORKFORCE COMMISSION

Introduction: A Looming Workforce Crisis

California's health system is facing a crisis, with rising costs and millions of Californians struggling to access the care they need. This growing challenge has many causes and will require bold action by the new governor, legislators, and a broad spectrum of stakeholders in the public and private sectors. At the core of this challenge is the simple fact that California does not have enough of the right types of health workers in the right places to meet the needs of its growing, aging, and increasingly diverse population.

The California Future Health Workforce Commission has spent nearly two years focused on meeting this challenge, issuing a new report with recommendations for closing California's growing workforce gaps by 2030.

The Problem: Workforce Shortages, Provider Mismatches

In many parts of the state, this crisis is already at hand: Seven million Californians, the majority of them Latino, African American, and Native American, already live in Health Professional Shortage Areas — a federal designation for counties experiencing shortfalls of primary care, dental care, or mental health care providers. These shortages are most severe in some of California's largest and fastest-growing regions, including the Inland Empire, Los Angeles, and San Joaquin Valley, and in most rural areas.

As a generation of baby boomers retires — including a large percentage of the health workforce — and as living costs rise and the state's production of health workers continues to lag growing demands, millions more Californians will find it difficult to access quality, affordable care. This looming crisis will be most acute in primary care, behavioral health, and among workers who care for older adults. In just 10 years, for example, California is projected to face a shortfall of more than

About the California Future Health Workforce Commission

The Commission was co-chaired by Janet Napolitano, president of the University of California (UC), which operates the largest health sciences education and training system in the nation and is a major health provider, and Lloyd Dean, president and CEO of Dignity Health, one of the state's largest health systems and health employers. The 24 commissioners included prominent health, policy, workforce development, and education leaders in the state.

4,100 primary care clinicians and 600,000 home care workers, and will have only two-thirds of the psychiatrists it needs.

To adequately fill these gaps, the state must also overcome the growing mismatch between its existing workforce and the state's increasingly diverse population. People of color will make up the majority of Californians by 2030, but they remain severely underrepresented in the health workforce. While Latinos are now nearly 40% of the state's population, for example, they compose only 7% of physicians. More than seven million Californians have limited English proficiency and would benefit from multilingual providers — yet few are available.

The Solution: A Comprehensive Plan to Build the Workforce That California Needs

The California Future Health Workforce Commission was created in 2017 by a group of the state's leading health philanthropies to address this looming crisis — and to create a comprehensive action plan for building the health workforce California will need by 2030.

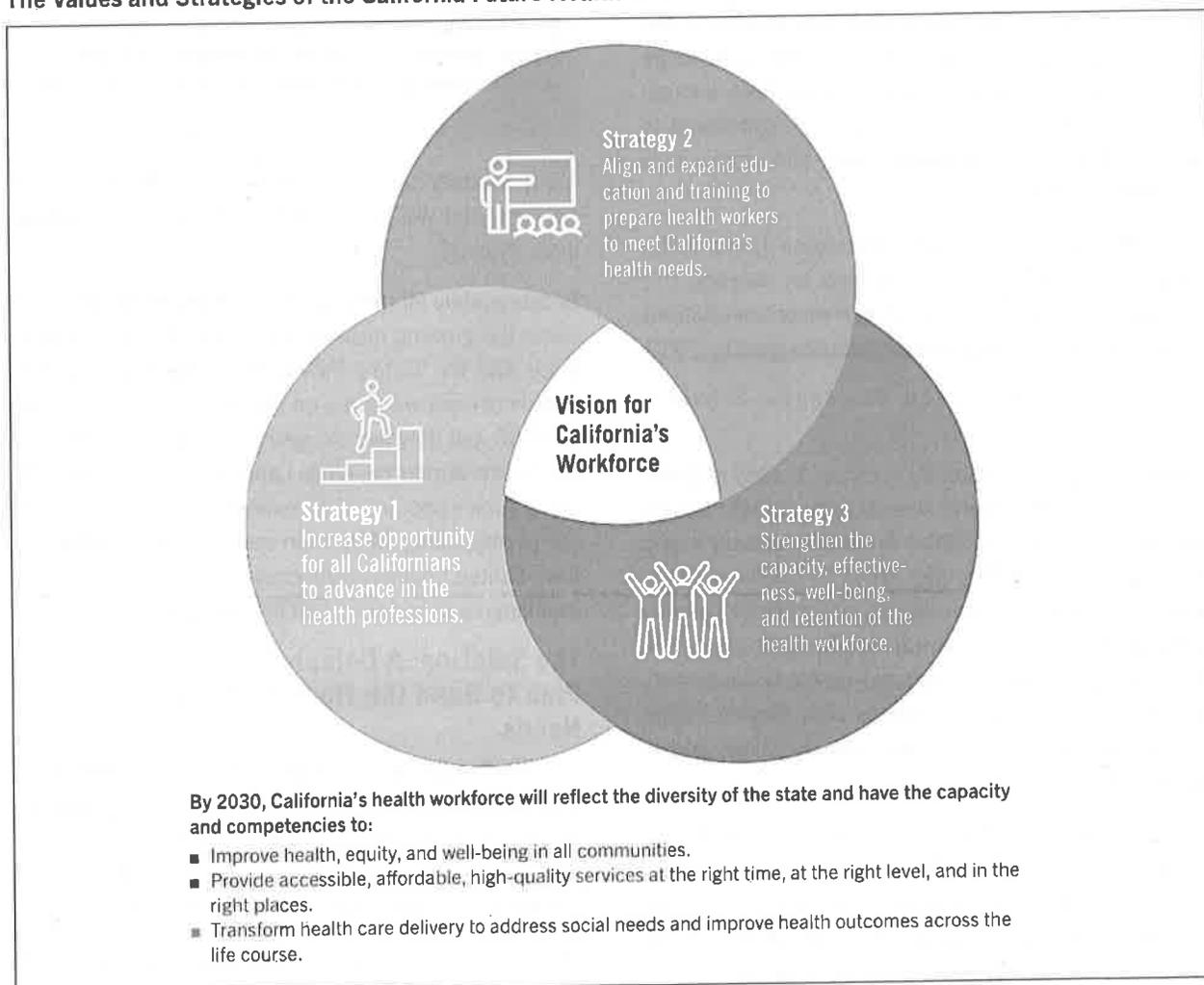
The Commission's final report includes a set of 27 detailed recommendations within three key strategies that will be necessary for: (1) increasing opportunities for all Californians to advance in the health professions, (2) aligning and expanding education and training, and (3) strengthening the capacity, retention, and

effectiveness of health workers. Throughout its deliberations, the Commission has focused on the need to increase the diversity of the state's health workforce, enable the workforce to better address health disparities, and incorporate new and emerging technologies.

While advancing all 27 recommendations over the next decade will be important, the Commission has highlighted 10 priority actions that its members have agreed would be among the most urgent and most impactful first step toward building the health workforce that California needs. (See next page.)

To make these proposals a reality, the Commission also recommended establishing statewide infrastructure, starting in 2019, to implement the recommendations in partnership with stakeholders, to monitor progress, and to make adjustments as needs and resources change. This statewide effort will need to be paired with strong regional partnerships to advance local workforce and education solutions.

The Values and Strategies of the California Future Health Workforce Commission



Priorities for Action

California leaders, stakeholders, and partners in health professions education and health care delivery must embrace bold steps to create and sustain the health workforce that communities need now and will need in the future. The Commission's bold and far-reaching recommendations reflect the new directions and significant commitment required by multiple stakeholders to motivate, prepare, and provide opportunities for Californians from all backgrounds and communities to excel in the health professions, to train enough new workers to meet statewide and regional needs, and to support current workers by strengthening their capabilities and preventing burnout.

The Commission's 10 priorities for immediate action and implementation are:

1. **Expand and scale pipeline programs to recruit and prepare students from underrepresented and low-income backgrounds for health careers** with mentorship, academic, career, and psychosocial support. Under these health pipeline programs, as many as 5,700 low-income and underrepresented minority professionals will be able to join the California health care workforce during a 10-year period at a cost of just \$11,000 per person. (Recommendation 1.1)
2. **Recruit and support college students, including community college students, from underrepresented regions and backgrounds to pursue health careers**, and form associated partnerships that provide academic, advising, and health career development support. College students from low-income and first-generation backgrounds will be targeted for inclusion in this priority, which has the potential to add at least 25,500 new California health care workers over 10 years. (Recommendation 1.2)
3. **Support scholarships for qualified students who pursue priority health professions and serve in underserved communities** under a new Emerging California Health Leaders Scholarship Program. Approximately 3,810 students (1,707 physicians, 696 nurse practitioners, 152 physician assistants, 325 public health professionals, and 930 social workers) would be supported over the next 10 years, making the path to health education and service in underserved communities a reality for many more Californians. (Recommendation 1.3)
4. **Sustain and expand the Programs in Medical Education (PRIME) program across UC campuses** to train highly motivated, socially conscious graduates who will become licensed physicians practicing in underserved communities. Under this priority, the goal is to support PRIME's current student enrollment of 354 students and increase enrollment by 40 students a year. (Recommendation 2.1)
5. **Expand the number of primary care physician and psychiatry residency positions**, yielding an increase of 1,872 primary care physicians and 2,202 psychiatrists by 2030. In conjunction with priorities 7 (maximize role of nurse practitioners) and 9 (psychiatric nurse practitioners), this recommendation would eliminate California's projected shortage of primary care physicians and psychiatrists. (Recommendation 2.2)
6. **Recruit and train students from rural areas and other underresourced communities to practice in community health centers in their home regions** by providing these medical students with full-tuition scholarships for medical school in exchange for practicing in underserved areas. Once this partnership with 10 California medical schools and several community health centers is fully implemented in 2026, it's anticipated that California would see an increase of 200 to 480 additional medical students annually. (Recommendation 2.3)
7. **Maximize the role of nurse practitioners as part of the care team to help fill gaps in primary care**, helping to increase the number of nurse practitioners to 44,000 by 2028, and providing them with greater practice authority, with particular emphasis in rural and urban underserved communities. (Recommendation 3.1)
8. **Establish and scale a universal home care worker family of jobs with career ladders and associated training**, helping to meet the need for an estimated 600,000 home care workers by 2030, and potentially reducing spending on unnecessary emergency department visits and hospitalizations by more than \$2.7 billion over 10 years due to enhanced training and care. (Recommendation 3.2)

9. Develop a psychiatric nurse practitioner program that recruits from and trains providers to serve in underserved rural and urban communities to help address access gaps in behavioral health by treating over 350,000 patients over five years. (Recommendation 3.3)

10. Scale the engagement of community health workers, *promotores*, and peer providers through certification, training, and reimbursement, broadening access to prevention and social support services in communities across the state. Community health workers and *promotores* (CHW/Ps) and peer providers can help meet increasing demand for team-based integrated primary and behavioral health care, drawing on lived experience to support better outcomes for all and to promote recovery and self-sufficiency for people with mental illness and substance use disorder. (Recommendation 3.4)

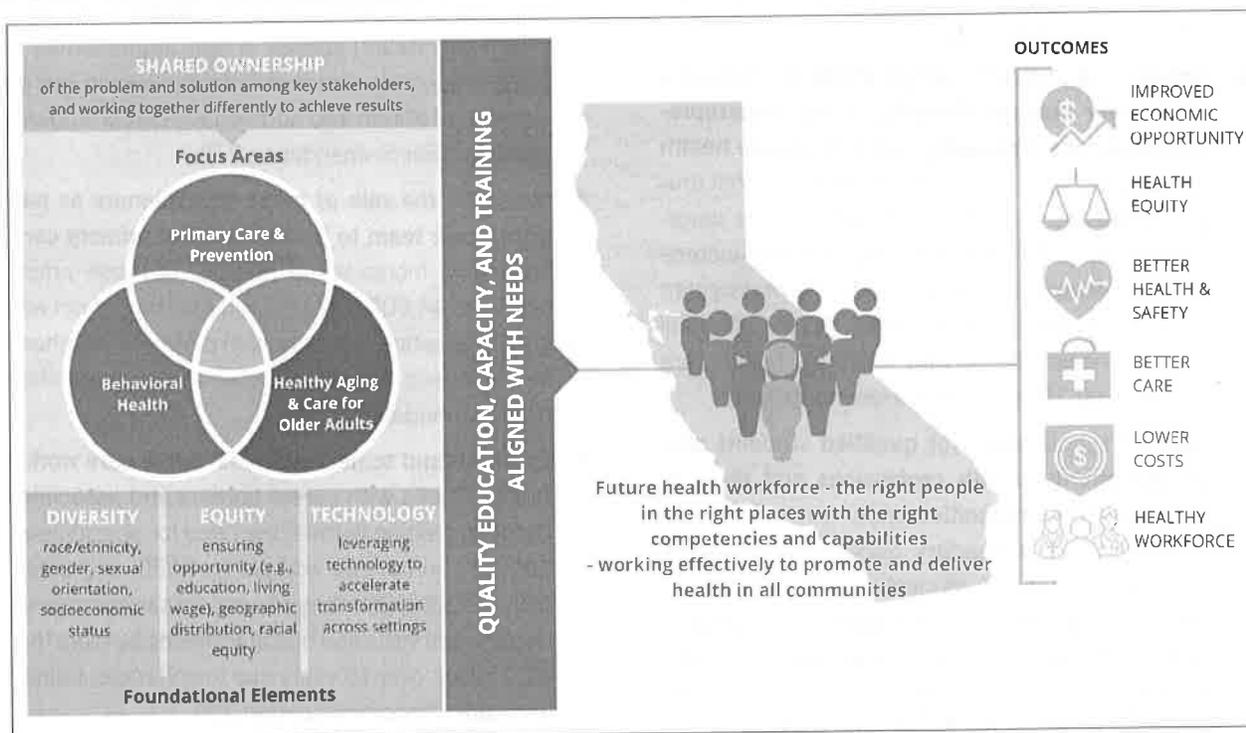
Together, the Commission's prioritized recommendations will:

- Grow, support, and sustain California's health workforce pipeline by reaching over 60,000 students and cultivating careers in the health professions.

- Increase the number of health workers by over 47,000.
- Improve diversity in the health professions, producing approximately 30,000 workers from underrepresented communities.
- Increase the supply of health professionals who come from and train in rural and other underserved communities.
- Train over 14,500 providers (physicians, nurse practitioners, and physician assistants), including over 3,000 underrepresented minority providers.
- Eliminate the shortage of primary care providers and nearly eliminate the shortage of psychiatrists.
- Train more frontline health workers who provide care where people live.

Implementation will require a \$3 billion investment over a 10-year period: For perspective, that is less than 1% of what Californians are projected to spend across the health care system in 2019 alone.

A 2030 Workforce Plan: Foundational Elements, Focus Areas — and Outcomes



Additional Recommendations

In addition to its 10 priorities for action, the Commission has developed 17 other important recommendations to address critical health workforce needs, for a combined estimated cost of \$6 billion. Many of these proposals will help retool California's health workforce to strengthen prevention, improve behavioral health care, and address social determinants of health. Together, these recommendations represent a mix of proven models and bold initiatives and will require a mix of short- and long-term investments.

Although the Commission focused on identifying workforce solutions, its final report acknowledges several other factors that will impact the success of building the health workforce that California needs. For example, without adequate Medi-Cal payment rates, an accelerated shift to value-based payment, effective preparation of K–12 students, and the ability for California to address other “essential conditions,” even well-intentioned efforts to address the state's health workforce needs may fall short.

Conclusion: California Must Build the Health Workforce It Needs Now

The Commission recognizes that bolstering California's health workforce is an enormous undertaking. Health care represents almost 12.6% of the state's economy, employing 1.4 million skilled workers across dozens of different, highly technical, and closely regulated fields. A robust and diverse health workforce is also increasingly a matter of public health. The growing mismatch between the size and composition of California's current health workforce, the demographic trends underway, and California's limited educational capacity to close growing shortfalls has created a looming health workforce crisis that the state simply cannot afford.

By strengthening the supply, distribution, and diversity of workers in primary care, behavioral health care, care for older adults, and other emerging areas of need, Californians will receive better access to quality care and experience better health outcomes — whether receiving that care in their homes, community clinics, or medical offices. Students and health professionals from underserved regions and low-income backgrounds will have expanded opportunities and better support to pursue rewarding educations and careers. And, ultimately, California will benefit from a healthier population, with more residents receiving the right type of care from trusted health professionals in their communities.

It's time to invest in, support, and build a healthy, diverse, and robust workforce that all Californians need and deserve. The California Future Health Workforce Commission has set forth a path and set of actionable recommendations for achieving that goal.

