SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

SB 679 (Weber Pierson) Version: April 22, 2025 Hearing Date: April 29, 2025 Fiscal: Yes Urgency: No AM

SUBJECT

Health care facilities: physicians and surgeons: terminations and revocation of staff privileges: data reporting by race and gender

DIGEST

The bill requires a health care facility or peer review body to submit a report to the Civil Rights Department (CRD) that contains certain information related to staff privileges, including the number of physicians and surgeons and medical residents who were terminated and their race or gender if that information was provided. The bill requires CRD to publish the aggregated and deidentified data on its website, as provided.

EXECUTIVE SUMMARY

The author and sponsor argue this bill will provide the public with crucial data on the demographics of physicians, surgeons, and medical residents in order to identify existing gaps in representation and access to care, which would enable the state to take steps to address any disparities. They point to a 2017 study by the California Research Bureau (Bureau) that concluded that the data the Bureau reviewed showed a correlation between physician race and the pattern of complaints, investigations and discipline.

This bill is sponsored by the Golden State Medical Association and supported by the California-Hawaii State Conference of the NAACP and Sinkler Miller Medical Association. This bill is sponsored by the Golden State Medical Association and supported by various organizations representing medical professionals and the California-Hawaii State Conference of the NAACP. The Committee received no timely opposition. This bill passed the Senate Business, Professions and Economic Development Committee on a vote of 8 to 0.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Regulates the practice of medicine under the Medical Practice Act and establishes the Medical Board of California (Medical Board) and Osteopathic Medical Board of California for the licensure, regulation, and discipline of physicians and surgeons. (Bus. & Prof. Code §§ 2000 et seq.)
- 2) Defines "peer review body" as specified multi-member bodies that review the basic qualifications, staff privileges, employment, medical outcomes, or professional conduct of licensees to make recommendations for quality improvement and education, as specified. (Bus. & Prof. C § 805(a).)
- 3) Establishes the Civil Rights Department (CRD) and outlines various prohibited practices, including but not limited to practices by employers related to discrimination. (Gov. Code §§ 12900 et seq.)
 - a) Requires employers with 100 or more employees to submit a pay data report to the CRD that includes specified information, including but not limited to the number of employees by race, ethnicity, and sex in specified job categories and authorizes CRD to annually publish and publicize aggregate reports based on this data. (Gov. Code §§ 12999.)
- 4) Provides, pursuant to the California Constitution, that the people have the right of access to information concerning the conduct of the people's business, and, therefore, the meetings of public bodies and the writings of public officials and agencies are required to be open to public scrutiny. (Cal. const. art. I, § 3(b)(1).)
 - a) Requires a statute to be broadly construed if it furthers the people's right of access, and narrowly construed if it limits the right of access. (Cal. const. art. I, § 3(b)(1).)
 - b) Requires a statute that limits the public's right of access to be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. (Cal. const. art. I, § 3(b)(1).)
- 5) Governs the disclosure of information collected and maintained by public agencies pursuant to the CPRA. (Gov. Code §§ 7920.000 et seq.)
 - a) States that the Legislature, mindful of the individual right to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Gov. Code § 7921.000.)
 - b) Defines "public records" as any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. (Gov. Code § 7920.530.)

c) Provides that all public records are accessible to the public upon request, unless the record requested is exempt from public disclosure. (Gov. Code § 7922.530.)

This bill:

- 1) Requires a health care facility or peer review body to submit a report to CRD that includes the following in a) through i), below, for the prior year:
 - a) The number of physicians and surgeons and medical residents at the health care facility who were terminated.
 - b) The number of physicians and surgeons who completed an application for staff privileges at the health care facility.
 - c) The number of physicians and surgeons who were granted staff privileges at the health care facility.
 - d) The number of physicians and surgeons whose staff privileges were revoked at the health care facility.
 - e) The number of physicians and surgeons and medical residents at the health care facility whose staff privileges were suspended.
 - f) The percentage of physicians and surgeons in each of the categories specified in paragraphs (a) to (e), above, who identified their race or gender.
 - g) The percentage of medical residents at the health care facilities who were terminated and who identified their race or gender.
 - h) The number of physicians and surgeons in each of the categories specified in paragraphs (a) to (e), above, and who identified their race or gender, stratified by race and gender.
 - i) The number of medical residents at the health care facilities who were terminated and who identified their race or gender, stratified by race and gender.
- 2) Requires CRD to publish on its website and make available to the public the information submitted under 1).
 - a) The published information must be aggregated and deidentified. It cannot disclose the names of the health care facilities, or personally identifying information.
 - b) Provides that, except as provided in (a), above, the information submitted under 1, above, is confidential and is not to be disclosed under the CPRA.

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COMMENTS

1. Stated need for the bill

The author writes:

California's healthcare system relies on the strength and diversity of its physician workforce to ensure that all communities have access to quality care. However, the ongoing physician shortage, particularly in underserved and minority communities, has led to increasing concerns about the retention and equitable treatment of physicians, especially those from underrepresented racial and ethnic backgrounds. This bill would gather non-definable demographic data on physicians, surgeons, and medical residents whose hospital privileges have been granted, reduced, limited, or revoked, with the goal of mitigating the loss or removal of competent, qualified physicians from the workforce.

In 2013, the Golden State Medical Association raised concerns regarding racial biases in the dismissal of medical professionals. In response, the Medical Board commissioned a 2015 study by the California Research Bureau, analyzing over 125,000 physician records. The study, which confirmed racial disparities, found that Latino and Black physicians were more likely to face complaints, investigations, and disciplinary actions, with Latino physicians especially targeted. A 2021 report revealed that Black medical residents had disproportionately high dismissal rates of up to 19%, despite making up only 5% of the population, leading to the launch of the #BlackDocsBelong campaign in 2022 to address these inequities and the physician shortage.

The lack of minority physicians contributes to healthcare disparities, affecting access, treatment, and outcomes in underserved communities. A diverse workforce leads to more culturally competent care, improving patient outcomes and fostering trust. Ensuring healthcare providers reflect the communities they serve is vital to reducing disparities and ensuring equitable access for all. The bill would gather crucial data on the demographics of physicians, surgeons, and medical residents in order to identify existing gaps in representation and access to care, and enable the state to take steps to effectively address these disparities.

2. Background

a. Physician peer review

The Senate Business Professions and Economic Development Committee provides useful background on the physician peer review process:

Physician peer review is one of the regimes used to ensure that quality of care is delivered while minimizing medical errors and managing patient risks. During a peer review, physicians evaluate their colleagues' work to determine compliance with the standard of care. Reviews are intended to detect incompetent or unprofessional physicians early and terminate, suspend, or limit their practice if necessary. Peer review is triggered by a wide variety of events including patient injury, disruptive conduct, substance abuse, or other medical staff complaints. A peer review committee investigates the allegation, comes to a decision regarding the physician's conduct, and takes appropriate remedial actions.[...]

Recognizing that peer review is necessary to maintain and improve quality medical care, Congress in 1986 enacted the Health Care Quality Improvement Act (HCQIA). HCQIA established standards for hospital peer review committees, provided immunity for those who participate in peer review, and created the National Practitioner Data Bank (NPDB). The NPDB is a confidential repository of information related to the professional competence and conduct of physicians, dentists, and other health care practitioners. Credentialing bodies are required to check the NPDB database before granting privileges to physicians or re-appointing them.[...]

The California Department of Public Health's Licensing and Certification Program (DPH) licenses, regulates, and inspects hospitals and other health care facilities throughout California. DPH regulations require all hospitals to have an organized medical staff and to also have formal peer review procedures in place as part of their licensing requirements. DPH has also issued more stringent peer review requirements for hospitals engaging in medical specializations such as heart surgery. All DPH licensed healthcare facilities are required to have an organized medical staff which establishes controls to ensure that physicians practicing at the faculty meet all required ethical and professional standards.¹

b. Corporate practice of medicine

California bans the corporate practice of medicine and; therefore, physicians are rarely employed by health facilities, with certain exceptions. The rationale behind the ban is that the professional standards, obligations, and ethics of physicians is incompatible with the profit motive of a corporation. As such, many physicians are not employees of the heath facilities in which they practice.

c. Concerns about disparity in disciplinary actions by the Medical Board

In 2013, the Golden State Medical Association, the sponsor of the bill, raised concerns regarding racial biases in the dismissal of medical professionals. The Medical Board

¹ Sen. Bus. Prof. and Econ. Dev. Comm. analysis of SB 679 (2025-26 reg. sess.) p. 5-7.

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commissioned a 2015 study by the California Research Bureau in response to these concerns. In 2017, the California Research Bureau published a report titled *Demographics of Disciplinary Actions by the Medical Board of California (2003-2013)* that used archival data of complaints, investigations, and discipline from July 2003 through June 2013. The report concluded that "although limitation with the study prevent the Research Bureau from providing a definitive answer, the data does show a correlation between physician race and the pattern of complaints, investigations and discipline.² After controlling for a number of other variables, Latino/a and Black physicians were both more likely to receive complaints and more likely to see those complaints escalate to investigations. Latoio/a physicians were also more likely to see those investigations result in disciplinary outcomes."

3. Privacy and limitation on access to public records

Access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Gov. Cod § 7921.000.) In 2004, the right of public access was enshrined in the California Constitution with the passage of Proposition 59 (Nov. 3, 2004, statewide general election),³ which amended the California Constitution to specifically protect the right of the public to access and obtain government records: "The people have the right of access to information concerning the conduct of the people's business, and therefore . . . the writings of public officials and agencies shall be open to public scrutiny." (Cal. Const., art. I, sec. 3 (b)(1).) In 2014, voters approved Proposition 42 (Jun. 3, 2014, statewide direct primary election)⁴ to further increase public access to government records by requiring local agencies to comply with the CPRA and the Ralph M. Brown Act⁵, and with any subsequent statutory enactment amending either act, as provided. (Cal. Const., art. I, sec. 3 (b)(7).)

Under the CPRA, public records are open to inspection by the public at all times during the office hours of the agency, unless they are exempt from disclosure. (Gov. Code § 7922.525.) A public record is defined as any writing containing information relating to the conduct of the public's business that is prepared, owned, used, or retained by any public agency regardless of physical form or characteristics. (Gov. Code § 7920.530.) There are several general categories of documents or information that are permissively exempt from disclosure under the CPRA essentially due to the character of the information. The exempt information can be withheld by the public agency with

content/uploads/2021/08/MedicalBoardDemographicsJan17.pdf.

² Demographics of Disciplinary Actions by the Medical Board of California (2003-2013), Cal. Res. Bur. (Jan. 2017) at pp. 2-3, available at <u>https://www.library.ca.gov/wp-</u>

³ Prop. 59 was placed on the ballot by a unanimous vote of both houses of the Legislature. (SCA 1 (Burton, Ch. 1, Stats. 2004))

⁴ Prop. 42 was placed on the ballot by a unanimous vote of both houses of the Legislature. (SCA 3 (Leno, Ch. 123, Stats. 2013))

⁵ The Ralph M. Brown Act is the open meetings laws that applies to local agencies. (Gov. Code §§ 59450 et. seq.)

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custody of the information, but it also may be disclosed if it is shown that the public's interest in disclosure outweighs the public's interest in non-disclosure of the information. (*CBS, Inc. v. Block* (1986) 42 Cal.3d 646, at 652.). Additionally, some records are prohibited from disclosure or are specifically stated to not be public records. (*see* Gov. Code § 7924.110(a).)

California generally recognizes that public access to information concerning the conduct of the people's business is a fundamental and necessary right.⁶ At the same time, the state recognizes that this right must be balanced against the right to privacy.⁷ The general right of access to public records may, therefore, be limited when records include personal information. The bill states that it strikes a balance between disclosing relevant information to the public while protecting the privacy of individuals and health care facilities.

4. Statements in support

The Golden State Medical Association, sponsor of the bill, writes in support:

California's healthcare system relies on the strength and diversity of its physician workforce to ensure that all communities have access to quality care. However, the ongoing physician shortage, particularly in underserved and minority communities, has led to increasing concerns about the retention and equitable treatment of physicians, especially those from underrepresented racial and ethnic backgrounds.

CRDMS (Golden State Medical Association's (GSMA) Los Angeles Society, began raising concerns to the Medical Board California (MBC) about racial biases in regards to the dismissals of medical professionals in 2013, then GSMA took on the mantle, carrying it through until 2015 when the MBC finally commissioned the California Research Bureau (CRB) to do a study investigating these claims. While previous studies have explored factors like specialization or education, the role of race and gender in disciplinary outcomes has been less frequently addressed.

In January 2017, CRB released to the public their results of analyzing data from July 2003 to June 2013, which included 125,792 physician records and 32,978 complaint records. The study sought to determine whether racial disparities existed in the disciplinary process. While observational, the study identified a correlation between a physician's race and the likelihood of receiving complaints, undergoing investigations, and facing disciplinary actions. Specifically, Latino and Black physicians were 60% and 40%, respectively, more likely to be subject to complaints and investigations, with Latino physicians particularly prone to disciplinary action.

⁶ Cal. Const., art. I, § 3; Gov. Code, § 7921.000.

⁷ Cal. Const., art. I, § 1.

In contrast, Asian and White physicians were less likely to face complaints or investigations.

A report from the Accreditation Council for Graduate Medical Education in 2021 revealed that Black residents experienced disproportionately high dismissal rates, representing as much as 19% of those dismissed, despite making up only 5% of the total resident population. This stark disparity highlights the broader issue of inequities that disproportionately affect minority physicians. This disparity prompted the Black Doc Village to launch the #BlackDocsBelong campaign in 2022 to raise awareness about the disproportionate dismissal rates among Black medical residents, alongside the ongoing physician shortage.

The underrepresentation of minority physicians contributes to significant disparities in healthcare access and outcomes. Addressing these disparities and supporting the retention of physicians from underrepresented groups is essential to building a healthcare system that is both competent and representative of the populations it serves. By needs of all communities.[...]

SUPPORT

Golden State Medical Association (sponsor) Black Doc Village California-Hawaii State Conference of the NAACP Medical Bridge of the Motherland National Medical Association Western Region VI Nigerian Physician Advocacy Group Sinkler Miller Medical Association

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation: None known.

PRIOR VOTES:

Senate Business, Professions and Economic Development Committee (8 Ayes, 0 Noes)