
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2386 (Alvarez) - License to practice medicine: Licensed Physicians from Mexico Program and California Physician Expansion Act

Version: June 16, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: B., P. & E.D. 7 - 2

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: AB 2386 establishes the California Physician Expansion Act, which authorizes a new pathway for internationally licensed physicians to practice in California through a provisional license while working under supervision at qualifying clinics and health care facilities serving underserved communities. AB 2386 also authorizes physicians participating in the Licensed Physicians from Mexico Program (Mexico Program), who have successfully completed two three-year terms and met specified performance, training, and disciplinary requirements, to obtain a full and unrestricted physician license.

Fiscal Impact: The Medical Board of California (MBC) anticipates significant total costs, ranging from the hundreds of thousands to low millions of dollars (MBC Contingent Fund) to establish and implement the Mexico Program transition and provisional licensure pathways. While MBC expects the initial year to implement the Mexico Program transition pathway to be absorbable due to a small cohort of fewer than 30 licensees, costs stemming from the creation of the provisional licensure pathway will not be absorbable.

Specifically, MBC estimates the following costs to establish and implement the provisional licensure pathway:

- **Rulemaking:** A one-time cost of \$14,000, which includes securing a medical consultant to assist with regulatory packages.
- **Personnel and Consulting:** \$346,000 in Fiscal Year (FY) 2028-29 for 2.0 positions and \$173,000 ongoing annually for 1.0 position, alongside \$10,000 ongoing for increased medical consultant workload.
- **Enforcement and Litigation:** Increased enforcement costs of \$70,000 to \$135,000 within the first three years of licensing, alongside \$160,000 to \$1.2 million in additional litigation costs.
- **Fee Revenue:** An unknown increase in fee revenue, which may offset MBC's administrative and enforcement costs to some extent.

Additionally, the Office of Information Services (OIS) estimates unabsorbable IT costs of \$147,000 to build a new license type in BreEZe and update online applications. OIS notes that delayed implementation will be necessary to secure the required vendor resources.

Background: The MBC is authorized to issue a special faculty permit (SFP) to a person who is deemed academically eminent under the provisions of Business and Professions Code (BPC) § 2168. In order for MBC to issue a SFP, the physician must

meet the following eligibility requirements: they must be clearly outstanding in a specific field of medicine or surgery and offered a full-time academic appointment at the level of full professor, or have been offered a full-time academic appointment at the level of associate professor if a great need exists. All SFP applicants are subject to the same fingerprint requirements and primary source documents as an applicant for a physician license. The MBC reports the SFP must be renewed every two years and the holder must have the dean certify that the permit holder continues to meet the eligibility criteria, is still employed at the sponsoring institution, continues to possess a current medical license in another state or country, and is not subject to permit denial under BPC § 480. To verify a SFP holder's current status and public record, the public can search on the Board's website. The complaint process is the same for a SFP holder as it is for any complaint the Board receives for a licensed physician.

MBC has a Special Faculty Permit Review Committee (SFPRC) that reviews SFP applications and makes recommendations for approval or denial. The review committee consists of one representative from each of the eleven medical schools in California and two Board members, one physician and one public member, for a total of 13 members. The purpose of the committee is to evaluate the credentials of internationally trained physicians sponsored by a California medical school to determine if they are academically eminent in their specialty and therefore should be issued a SFP.

The SFP authorizes the physician to practice with all of the rights and privileges of a California medical license in the sponsoring medical school and its affiliated hospitals.

Proposed Law:

- Authorizes a Mexico Physicians Program participant to apply for a full and unrestricted license if the physician meets all of the following requirements:
 - The physician has completed two three-year terms of the nonrenewable license program in good standing.
 - The physician has received positive evaluations in peer reviews from the federally qualified health center's chief medical officer for each year of licensure.
 - The physician has an offer of continued employment from a California health care facility or practice, including, but not limited to, a federally qualified health center, hospital, or clinic.
 - The physician certifies that they will practice only in the areas of family medicine, internal medicine, pediatrics, obstetrics and gynecology, or psychiatry, as appropriate based on their licensure and certification in Mexico and history of practice in California.
 - The physician completed all continuing medical education (CME) requirements during the three-year term.
 - The physician has not committed any acts or crimes constituting grounds for denial of licensure.

- The physician does not have any open complaints against their license and has no history of enforcement action against their license, including, but not limited to, a citation, fine, or discipline.
- The physician is in good standing when applying for a full and unrestricted license, and applies no earlier than nine months prior to the expiration of their current license.
- The physician has submitted payment for all fees for a full and unrestricted license.
- Requires MBC to issue a full and unrestricted license to an applicant who meets the requirements described above and who otherwise meets all requirements for licensure.
- Establishes the California Physician Expansion Act, which requires the MBC to issue a provisional license to an applicant who meets the following requirements:
 - The applicant holds a full and unrestricted license to practice medicine in another country and has been in good standing for at least four years. Residency or postgraduate training programs must not be included when calculating this four-year period.
 - The MBC determines that no disciplinary action has been taken against the applicant by any medical licensing authority; the applicant has not been subject to adverse judgments or settlements resulting from the practice of medicine; and the applicant holds a license in good standing in the jurisdiction where they practiced medicine, or held a license in good standing at the time they departed that jurisdiction. The MBC is authorized to waive this requirement if official verification of good standing is unavailable.
 - The applicant has not committed any acts or crimes constituting grounds for denial of a license.
 - The MBC submits fingerprint images and related information to DOJ to determine if the applicant has a criminal conviction record in California or another state or country.
 - The applicant has completed two years of postgraduate training in a graduate medical education program approved by the applicant's country of licensure, and has practiced medicine in that country for at least six years after completing medical school.
 - The applicant obtains Educational Commission for Foreign Medical Graduates (ECFMG) certification.
 - The applicant has passed Steps 1 and 2 of the United States Medical Licensing Examination (USMLE) or has passed other assessments approved by the MBC.

- The applicant is proficient in English, as demonstrated by a passing score on the Test of English as a Foreign Language (TOEFL) or the Occupational English Test (OET) at levels established by the MBC.
 - The applicant is authorized to work in the United States.
 - The applicant has a valid offer of employment from a sponsoring entity.
- Makes the provisional license valid for a period of three years and authorizes the MBC to grant a one-time renewal for an additional period of up to three years upon demonstration of continued progress toward meeting licensure requirements; however, the total duration of a provisional license must not exceed six years.
- Limits the provisional licensee to being employed by, and practicing medicine only within, a sponsoring entity. It requires a sponsoring entity to ensure that the provisional licensee practices under appropriate supervision, to maintain a peer review process consistent with applicable state and federal law, to be responsible for the medical services provided by the provisional licensee, and to maintain a copy of the written agreement that defines the medical services the provisional licensee is authorized to perform. "Sponsoring entity" is defined as one of the following:
 - A federally qualified health center.
 - A licensed primary care clinic.
 - A primary care clinic exempt from licensure.
 - A clinic owned or operated by a public hospital or health system located in a health professional shortage area or medically underserved area.
 - A clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code.
- Limits a provisional licensee's authority to practice to the sponsoring entity identified in their application, and dictates that a provisional license is invalid if the provisional licensee ceases to be employed by that sponsoring entity.
- Requires the provisional licensee to practice under the supervision of a licensed physician in good standing. The supervising physician and the provisional licensee must enter into a written agreement defining the medical services the provisional licensee is authorized to perform. This provision shall not be construed to require the MBC to review, approve, or maintain a copy of the written agreement as a condition of issuing or renewing a provisional license.
- Prohibits a supervising physician from supervising more than four provisional licensees at any one time.
- Requires a provisional licensee to complete all continuing medical education requirements.

- Authorizes the MBC to revoke a provisional license or take any other disciplinary action deemed appropriate.
- Provides that a provisional licensee is deemed to have met the professional instruction, preliminary education, and postgraduate training requirements for a full license if they meet all of the following requirements:
 - The provisional licensee has passed Step 3 of the USMLE.
 - The provisional licensee has completed at least 36 months of practice without any disciplinary actions.
 - The provisional licensee has received a positive recommendation from the supervising physician or the director of the sponsoring entity's medical staff.
 - Requires the MBC to set application, initial licensure, renewal, and conversion fees for the provisional license at an amount sufficient to cover the costs of administering the license.
- States legislative findings and declarations.
- States legislative intent to expand access to care while maintaining appropriate standards for patient safety and professional accountability.

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