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# A BILL FOR AN ACT

RELATING TO HEALTH CARE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that many of the  
2 residents of Hawaii are increasingly unable to obtain timely and  
3 appropriate health care because of physician and dentist  
4 shortages. These shortages primarily affect the rural areas of  
5 our state. In the area of medical services, they are especially  
6 acute in disciplines such as family practice, obstetrics,  
7 gynecology, and orthopedics.

8           Contributing to these shortages is the increasingly high  
9 cost of a physician's professional education that requires  
10 physicians to seek out the higher incomes that allow them to  
11 repay their student loans. However, physician salaries in rural  
12 shortage areas are often lower than those in non-shortage areas.

13           The establishment of state programs, such as loan repayment  
14 programs, state funded physician and dentist stipend programs,  
15 health corps, and enterprise zones may be used to encourage and  
16 enable physicians and dentists to provide care in shortage  
17 areas.



1           The preparation work for establishing a new division or  
2 office in state government to administer such activities is a  
3 multiple year project. For example, the state's department of  
4 health environmental loan programs took two to three years to  
5 start, in part, because of the time involved to ensure program  
6 compliance with federal and state laws and regulations, to  
7 analyze loan risks concerns, and procedures related loan  
8 defaults, as well as the time needed to determine loan  
9 contracts, program staffing requirements, and support functions.

10           In order to ensure that the State is able to best serve  
11 Hawaii's rural areas by encouraging physicians and dentists to  
12 provide care in shortage areas, it is essential that proper  
13 resource planning, analysis, and assessment take place first to  
14 ensure that these proposed programs meet applicable state and  
15 federal laws and has the appropriate staffing to administer the  
16 programs under the working title "Hawaii Health Corps."

17           The purpose of this Act is to establish a Hawaii health  
18 corps task force to study the feasibility of loan repayment and  
19 stipend programs, to be administered by the department of  
20 health, and tax incentives for physicians and dentists who agree  
21 to work in health professional shortage areas of the State and



1 as first responders during civil defense and other public health  
2 emergencies.

3 SECTION 2. (a) There is established the Hawaii health  
4 corps task force within the department of health for  
5 administrative purposes. The task force shall study the  
6 feasibility of a loan repayment program, a stipend program, and  
7 tax incentives for physicians and dentists who agree to work in  
8 health professional shortage areas of the State and as first  
9 responders during civil defense and other public health  
10 emergencies.

11 (b) The study shall include, but not limited to:

12 (1) A comprehensive review and analysis of applicable  
13 state and federal loan and stipend laws;

14 (2) The development of loan and stipend application  
15 procedures, policies, contracts, and regulations that  
16 meet state and federal laws;

17 (3) Policies, procedures, and penalties regarding loan and  
18 stipend repayment defaults;

19 (4) An estimation of the minimum funding needed to  
20 establish a loan and stipend programs and the ongoing  
21 funding needs that will be required in future years;



1 (5) An analysis of the average number of loan and stipend  
2 amounts and the estimated number of physicians and  
3 dentists who will benefit from the programs; and

4 (6) Research into the feasibility, costs, and procedures  
5 of expanding the enterprise zone tax credit, general  
6 excise tax exemption, and other tax incentives  
7 available to include physicians and dentists who  
8 establish or maintain practices in areas designated as  
9 enterprise zones and an estimation of the number of  
10 physicians and dentists who would benefit from tax  
11 incentive.

12 (c) The Hawaii health corps task force shall submit a  
13 report of its findings, recommendations, and any proposed  
14 legislation to the legislature twenty days prior to the  
15 convening of the regular session of 2009.

16 (d) The task force shall cease to exist upon the  
17 conclusion of its final report or June 1, 2010, whichever comes  
18 first.

19 SECTION 3. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so  
21 much thereof as may be necessary for fiscal year 2008-2009 for



1 the Hawaii health corps task force to conduct a feasibility  
2 study that effectuates the purposes of this Act.

3 The sum appropriated shall be expended by the department of  
4 health for the purposes of this Act.

5 SECTION 4. This Act shall take effect upon approval.



**Report Title:**

Health Care; Loan Repayments; Stipends; Enterprise Zones

**Description:**

Establishes the Hawaii health corps task force to study the feasibility of loan repayment and stipend programs for physicians and dentists who agree to work in health professional shortage areas and as first responders during civil defense and other emergencies. Research into the feasibility of expanding the enterprise zone business tax credit, general excise tax exemption, and other tax incentives to include physicians and dentists who establish or maintain practices in areas designated as enterprise zones. Appropriates funds. (SD1)

