

Honolulu, Hawaii

MAR 20 2008

RE: H.B. No. 2519
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B.
No. 2519, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

begs leave to report as follows:

The purpose of this measure is to address the physician and
dentist shortage in health professional shortage areas of the
State by:

- (1) Establishing the Hawaii Health Corps that shall provide
loan repayment and stipend programs for physicians and
dentists who agree to work in health professional
shortage areas; and
- (2) Expanding the Enterprise Zone Business Tax Credit,
providing general excise tax exemptions, and other tax
incentives for physicians and dentists who establish or
maintain practices in designated enterprise zones.

Your Committee received testimony in support of this measure
from the State Council on Developmental Disabilities, Kaiser
Permanente, Hawaii Primary Care Association, Hawaii Medical
Service Association, Healthcare Association of Hawaii, Hawaii
Medical Association, Hawaii Association of Health Plans, and
Consumer Lawyers of Hawaii. The Department of Health; the
Department of Taxation; the Department of Business, Economic
Development, and Tourism; Hawaii Health Systems Corporation; the



Tax Foundation of Hawaii; and the University of Hawai'i System submitted comments on this measure. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee finds that the State is facing a critical shortage of physicians and dentists, particularly in rural areas of the State. However, further research needs to be conducted to find solutions that will ensure that appropriate and effective incentives are implemented.

Accordingly, your Committee has amended this measure by deleting its language and inserting language that establishes the Hawaii Health Corps Task Force that is to study the feasibility of a loan repayment program, a stipend program, and tax incentives for physicians and dentists who agree to work in health professional shortage areas of the State and as first responders during civil defense and other public health emergencies.

Your Committee further amended this measure by inserting an appropriation for the Hawaii Health Corps Task Force to conduct a feasibility study that effectuates the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health,



DAVID Y. IGE, Chair



