

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2287

LATE
Testimony

January 23, 2008

RELATING TO HEALTH CARE PROFESSIONALS

House Bill No. 2287 establishes a rural physician loan program that would provide loans to five non-resident students annually if 1) they are or will be enrolled in a physician education and training program administered by the University of Hawaii John A. Burns School of Medicine, and 2) agree to practice as licensed physicians within six months of completing their residency, and for a minimum number of years. The bill also includes loan forgiveness provisions based on the number of years an individual is employed in a rural or nonrural health professional shortage area. The program would be financed by the Hawaii Rural Physician Loan Program special fund created by this bill. The fund would generate revenues through legislative appropriations, gifts, donations, grants, loan payments, proceeds of program operations, and interest. House Bill No. 2287 appropriates \$1,000,000 from the general fund for deposit into the special fund.

We are opposed to this bill. As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-53.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.

LINDA LINGLE
GOVERNOR OF HAWAII



LATE
Testimony

CHIYOME LEINAALA FUKINO, M.D.
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In reply, please refer to:
File:

COMMITTEE ON HEALTH

HB 2287, RELATING TO HEALTH CARE PROFESSIONALS

Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health

January 23, 2008, 8:00 A.M.

1 **Department's Position:** The Department supports the intent of this bill in as much as its
2 implementation does not adversely impact the priorities in the Executive Supplemental Budget.

3 **Fiscal Implications:** HB 2287 appropriates \$1M for the Hawaii rural physician loan program to be
4 expended by the department of health.

5 **Purpose and Justification:** The Department of Health recognizes that there is a statewide shortage of
6 health care professionals and that rural areas in Hawaii are particularly vulnerable because some health
7 services are unavailable or inaccessible due to distance. The lack of health professionals is a national
8 issue and the US Department of Health & Human Services (DHHS), Health Resources Services
9 Administration (HRSA) has a loan repayment program under the National Health Service Corps:
10 <http://nhsc.bhpr.hrsa.gov> and a State Loan Repayment Program under the Bureau of Health
11 Professionals: <http://bhpr.hrsa.gov/interdisciplinary/stateloan.html>.

12 The Department defers to the University of Hawaii which is designated by this bill to administer
13 the Hawaii rural physician loan program as to the appropriateness of the expending agency for
14 expediting this program's implementation.

15 Thank you for the opportunity to testify.