

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON HEALTH AND HUMAN SERVICES AND
HOUSING
ON
HOUSE BILL NO. 2393

February 1, 2008

RELATING TO THE UNIVERSITY OF HAWAII

House Bill No. 2393 establishes a Hawaii medical doctor loan program and revolving fund for qualified individuals who agree to practice in rural areas of the State as designated by the University of Hawaii. The bill also includes loan forgiveness provisions based upon completion of a state-approved medical school program, and employment as a medical doctor in a rural area of the State. The program would be financed by the Medical Doctor Loan revolving fund created by this bill. The fund would generate revenues through legislative appropriations, loan payments, and interest. House Bill No. 2393 appropriates an unspecified sum of general funds for deposit into the revolving fund to carry out the program.

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.

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HAWAII PSYCHIATRIC MEDICAL ASSOCIATION
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COMMITTEE ON HOUSE HEALTH
Rep. Josh Green, MD, Chair
Rep. John Mizuno, Vice Chair

*For House Health Hrg
Friday, 2/1/08 at
8:00 in Rm. 329*

Re: HB 2393, Relating to the University of Hawaii

SUPPORT

Hawaii's rural and geographically isolated areas have difficulty recruiting and retaining health care providers, most especially medical specialists. The reasons to the problem are complex to include high cost of living, some of the lowest reimbursements in the nation and lack of tort reform. Social considerations include desire to be in urban centers and in states that offer quality public education and lower cost of housing. The solutions need to be a varied as the complexities of the problem.

Student loan repayment programs have been identified as a very effective recruitment tool for graduating medical student. The average medical student graduates with a student loan debt of \$130,000. Paying off 20% of that loan per year for five years in exchange for working in rural underserved areas has many benefits, two of which are highlighted below:

1. Coverage for the five years.
2. Health care providers established in a community are more likely to remain in that community.

Thank you for your consideration to move this measure forward.

HAWAII PSYCHIATRIC MEDICAL ASSOCIATION

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**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE CONSUMER
LAWYERS OF HAWAII (CLH) IN SUPPORT OF H.B. NO. 2393**

February 1, 2008

To: Chairman Josh Green and Members of the House Committee on Health:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Consumer Lawyers of Hawaii (CLH) in support of H.B. No. 2393.

CLH agrees with and supports the purpose of the bill which attempts to create a loan repayment program for the University of Hawaii Medical School graduates who work in the rural areas of the state. CLH has always advocated for alternatives to provide health care in the underserved and rural areas especially on the neighbor islands.

CLH has submitted testimony in prior sessions advocating for alternatives such as this to create incentives to increase the number of physicians that would practice in our rural or underserved areas.

Thank you for the opportunity to testify.

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