

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
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HONOLULU, HAWAII 96814
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February 12, 2008

The Honorable Jerry L. Chang, Chair
House Committee on Higher Education
Twenty-Fourth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Chang and Members of the Committee:

SUBJECT: HB 2519 HD1 – RELATING TO HEALTH CARE


The position and views expressed in this testimony do not represent nor reflect the position and views of the Department of Health.

The State Council on Developmental Disabilities (DD) **SUPPORTS HB 2519 HD1**. The purpose of HB 2519 HD1 is to establish the Hawaii Health Corps Program to provide student loans and physician and dentist stipends, and makes the enterprise zone business tax credit and general excise tax exemption available to physicians and dentists who practice in those enterprise zones.

HB 2519 HD1 provides a multi-faceted approach to provide loans and stipends, and tax credits and exemptions to increase access to health care professionals. These provisions would assist in recruiting physicians and dentists to provide medical and dental care services for individuals with DD, especially in undeserved and rural areas. Access to medical and dental care is often challenging for individuals with DD and their families. We hear from numerous individuals and families that they cannot find a dentist willing to accept Medicaid participants because of the paper work and low reimbursement rate.

With regard to the tax credits and general excise tax exemption, we defer to the Department of Taxation for the financial costs for the credits and exemptions. The Council applauds the Legislature's initiative and foresight to address the shortage of physicians and dentists through the establishment of the Hawaii Health Corps Program.

Sincerely,


Waynette K. Y. Cabral
Executive Administrator



HOUSE COMMITTEE ON HIGHER EDUCATION
Rep. Jerry Chang, Chair

Conference Room 309
February 12, 2008 at 2:15 p.m.

Testimony in support of HB 2519 HD 1.

I am Rich Meiers, President and CEO of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in support of HB 2519 HD 1, which establishes the Hawaii Health Corps Program that encourages physicians and dentists to practice in shortage areas by providing loan repayments to medical and dental students and stipends to physicians and dentists. The bill also provides tax benefits to physicians and dentists who practice in enterprise zones that are located in shortage areas.

In recent weeks the media have featured a number of articles highlighting the complex and multi-faceted crisis that is plaguing Hawaii's health care system. Payments for health care from Medicare, Medicaid, and private insurance are too low. Medical malpractice insurance premiums are too high. Some physicians have already left Hawaii to practice on the mainland where financial conditions are more viable. Kahuku Hospital was on the verge of bankruptcy a year ago and about to close its doors before it was acquired by the Hawaii Health Systems Corporation (HHSC). Meanwhile, HHSC is requesting emergency funding during the current session in order to pay its suppliers. This bill addresses one aspect of Hawaii's health care crisis.

Many rural areas of our state are especially impacted because of a dispersed population. Urban areas, with their population density, provide a much greater potential to attract patients. Physicians are especially affected because of the high cost of medical malpractice insurance. Dentists are also in short supply in many rural areas.

This bill creates an innovative program that encourages physicians and dentists to serve in medically underserved areas. It creates a loan forgiveness program for medical and dental students that provides incentives to practice in medically underserved areas after graduation. The program also provides stipends to physicians and dentists who practice in shortage areas. This bill addresses the shortage of physicians and dentists in many rural areas that limits access to care.

For the foregoing reasons, the Healthcare Association supports HB 2519 HD 1.

Testimony of
Frank P. Richardson
Executive Director of Government Relations

Before:
House Committee on Higher Education
The Honorable Jerry L. Chang, Chair
The Honorable Joe Bertram, III, Vice Chair

February 12, 2008
2:15 pm
Conference Room 309

HB 2519, HD1 RELATING TO HEALTH CARE (Hawaii Health Corps Program)

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on HB2519, HD1 which establishes the Hawaii Health Corps Program to provide student loan repayments and physician and dentist stipends, and makes the enterprise zone business tax credit and general excise tax exemption available to physicians and dentists who practice in enterprise zones that are in health professional shortage areas of the state and areas designated by the Department of Health. Requires participants in the Hawaii Health Corps Program to serve as first responders in times of civil defense or other emergencies declared by the governor.

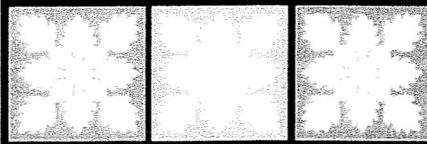
Kaiser Permanente Hawaii supports this bill.

Physician shortages in rural and other areas of the State of Hawaii, and impediments to access to quality health care in these areas due to physician shortages, especially among physician specialists, is a matter of grave concern to Kaiser Permanente in its ability to service its members in such shortage areas.

Particularly in the islands other than Oahu, where Kaiser has fewer clinics and where fewer members of the Hawaii Permanente Medical Group reside, Kaiser relies upon its contracts with non-HPMG physicians and other providers and caregivers to service Kaiser members residing in these shortage areas. To the extent the State is unable to attract or retain physicians, particularly specialists, and other caregivers in these shortage areas, it creates barriers to access for Kaiser members, just as it does for other residents of Hawaii. This sometimes results in Kaiser having to fly physicians from Oahu to the other islands, or fly its member patients who are in need of unavailable specialty care on those islands to Oahu. In either case, delivery of care becomes less expeditious, less efficient, and more costly.

For these reasons, Kaiser supports this bill's targeted effort to relieve barriers to access to timely and appropriate health care in underserved physician shortage areas of the State.

Thank you for the opportunity to comment.



Hawaii Association of Health Plans

February 12, 2008

The Honorable Jerry Chang, Chair
The Honorable Joe Bertram III, Vice Chair

House Committee on Higher Education

Re: HB 2519 HD1 – Relating to Health Care

Dear Chair Chang, Vice Chair Bertram and Members of the Committee:

My name is Rick Jackson and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.

MDX Hawai‘i
University Health Alliance
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

Thank you for the opportunity to testify in support of HB 2519 HD1, which would establish the Hawaii Health Corps Program to provide student loans and physician and dentist stipends, and make the enterprise zone business tax credit and general excise tax exemption available to physicians and dentists who practice in those enterprise zones. As you are aware, Hawaii, as in the rest of the U.S. is experiencing difficulty in recruiting physicians in certain specialties to practice in the more rural areas of our State.

HAHP supports the innovative set of proposals contained in HB 2519 HD1 to encourage physicians to practice in certain areas through loan forgiveness and tax breaks. Efforts such as this are a welcome addition to the other initiatives being conducted in the community to address this issue.

Thank you for the opportunity to testify.

Sincerely,

Rick Jackson, President

• AlohaCare • HMAA • HMSA • HWMG • MDX Hawaii • UHA • UnitedHealthcare •
HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813
www.hahp.org

Haunani Olds

From: Frank.P.Richardson@kp.org
Sent: Monday, February 11, 2008 1:01 PM
To: HEDtestimony
Subject: Testimony for HB2519, HD1, House HED, Feb. 12, 2008, 2:15pm

Testimony of Frank P. Richardson, Executive Director of Government Relations, Kaiser Permanente Hawaii (attached below).

Before: House Committee on Higher Education
February 12, 2008, 2:15pm, Conference Room 309
HB 2519, HD1 RELATING TO HEALTH CARE (Hawaii Health Corps Program)

5 copies to Room 311.

Thank you.

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