



STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

House Committee on Health

HB2519, RELATING TO HEALTH CARE

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

February 1, 2008

1 **Department's Position:** The Department of Health (DOH) offers comments on Part II of this measure
2 and defers to the Department of Business Economic Development and Tourism (DBEDT) and to the
3 Department of Taxation on the remainder of the bill. DOH appreciates the intent of the bill but believes
4 that the concepts proposed warrant further discussion about the best way to address statewide health care
5 professional shortages with limited federal and state resources.

6 **Fiscal Implications:** The measure creates a special fund to be administered by DOH, appropriates
7 \$2,000,000 of general funds to DBEDT to support the Hawaii Health Corps program and \$100,000 also
8 to DBEDT for administration of health care enterprise zones. It is noted that these appropriations are
9 outside the Executive Supplemental Budget.

10 **Purpose and Justification:** Part II of this bill creates a new chapter in Hawaii Revised Statutes
11 establishing the Hawaii Health Corps program designed to encourage physicians and dentists to serve in
12 areas of the state where there is a shortage of these health professionals or in areas where there are
13 relatively high numbers of uninsured patients. The DOH is tasked with administering this program that
14 would provide "loan forgiveness" and stipends as incentives to work in health professional shortage

1 areas (HPSA) and obligate program participants to serve as first responders during civil defense and
2 other emergencies.

3 This measure proposes intriguing ideas including a provision to allow county governments or
4 hospitals serving rural communities to become sponsors of prospective medical students who would
5 then be required to return to the sponsoring area to provide health care services once they became
6 licensed health professionals.

7 Planning, designing, implementing and managing the comprehensive program outlined in this
8 bill would require DOH to establish an entirely new division or office within the department with new
9 staff positions and an as yet unquantified operational budget – a daunting task with so many competing
10 priorities in a time of needed budget restraint.

11 We are pleased to continue this conversation about how federal and state resources might be
12 used to improved recruitment and retention of health care professionals in rural and/or underserved
13 areas. The U.S. Department of Health & Human Services (DHHS), Health Resource Services
14 Administration (HRSA) has a State Loan Repayment (grant) program (SLRP) that requires a 1:1 match
15 from the state with the next grant period in 2009. More information on SLRP may be found at
16 <http://bhpr.hrsa.gov/interdisciplinary/stateloan.html>. HRSA's National Health Service Corps (NHSC)
17 has loan repayment http://nhsc.bhpr.hrsa.gov/join_us/lrp.asp and scholarship
18 http://nhsc.bhpr.hrsa.gov/join_us/scholarships.asp programs that are worth exploring as well.

19 Thank you for the opportunity to testify on this interesting measure.
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**Testimony of Thomas J. Smyth, CECD
Before the
House Committee on Health
Friday, February 1, 2008
8:00 am Room 329
on
HB2519 Relating to Health Care**

Chair Green, Vice Chair Mizuno, and Members of the Committee:

I support the intent and purpose of HB 2519 that creates the “Hawaii Health Corps” and provides loans and stipends for physicians and dentists who serve in rural under served communities. The bill also amends the Hawaii Enterprise Zone Partnership statute (Chap. 209E) by making all medical and health care services eligible for those EZ tax incentives.

I recently retired from the Department of Business, Economic Development & Tourism but my testimony today as an individual is based on over 20 years experience managing the Hawaii Enterprise Zone Partnership.

Creating special areas with financial assistance for those choosing to serve in under served areas is sound. I note that the Department of Health is the agency designated to administer the Health Corps in Part II of this bill, but the appropriation of funds ostensibly for this financial assistance is to DBEDT.

As for the inclusion of routine medical and health care by physicians and dentists, and also apparently by any other health care professional, as an eligible activity for participation in the existing EZ program, I believe that it may not achieve the intended results. As the bill is drafted, anyone providing these services in any of the 22 zones now established would be eligible. This includes downtown Honolulu, all of Kauai, Molokai, Lanai, almost all of Maui Island and the Big Island and other parts of Honolulu such as Kapolei.

The existing Enterprise Zones are not the same as the “Health Enterprise Zones” proposed in HB 1996, which are the medically under served areas determined by the U.S. Department of Health and Human Services and designated as zones by the Hawaii Department of Health.

This difference is significant. It appears that there would be little incentive to provide care in the under served areas when the same benefits were available in areas clearly not under served. I suggest that the financial assistance provided in this bill be more specifically linked to those areas to be designated under the provisions of HB 1996.

Thank you for the opportunity to provide testimony.