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In reply, please refer to:
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HOUSE COMMITTEE ON FINANCE

LATE

SB2157 SD1, HD 1, RELATING TO HEALTH

Testimony of Chiyome Leinaala Fukino, M.D.
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4:30 PM

1 **Department's Position:** The Department of Health (DOH) has no comment on Part I of the bill but
2 offers comments on Parts II and III of this measure, and defers to the Department of Business Economic
3 Development and Tourism (DBEDT) and to the Department of Taxation on Part IV of the bill. DOH
4 appreciates the intent of the bill but believes that the concepts proposed warrant further discussion and
5 research about the best way to address statewide health care professional shortages with limited federal
6 and state resources.

7 **Fiscal Implications:** The bill contains unspecified appropriations for the creation and implementation
8 of the proposed Hawaii Health Service Corps Program. Details of this program need to be worked out
9 to obtain a full estimate of its cost.

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

1 work in health professional shortage areas (HPSAs) and obligate program participants to serve as first
2 responders during civil defense and other emergencies.

3 This measure proposes intriguing ideas that potentially could work in Hawaii. We note that
4 planning, designing, implementing and managing the comprehensive program outlined in this bill would
5 require DOH to establish an entirely new division or office within the department with new staff
6 positions and an as yet unquantified operational budget – a daunting task with so many competing
7 priorities in a time of needed budget restraint.

8 The North Carolina State Loan Repayment Program (SLRP) employs a staff of up to 6 FTEs.
9 Physicians and dentists participating in the North Carolina SLRP each receive \$70,000 in loan
10 repayment and a bonus if they work in high need areas. The amount for this SLRP is legislated each
11 year and the allocations for this North Carolina program are substantial. Hawaii will need to consider
12 the amount of loan repayments in order to be competitive with other states to attract and retain
13 physicians and dentists.

14 It takes time to implement a loan program. The department's 80% federal and 20% state funded
15 environmental loan programs took 2-3 years to start, in part, because of the time involved to ensure
16 program compliance with federal and state laws and regulations. (The department's environmental loan
17 programs have a staff of 10 FTEs.)

18 The risk of lending should be researched. The department's environmental loans are given to
19 county and state entities and thus such risk is reduced. Although SB2157, SD1, HD 1 specifies that the
20 department administer the Hawaii Health Loan Repayment Program "in partnership with a financial
21 institution whose operations are principally conducted in Hawaii" the percentage of pay back of such
22 loans should be estimated.

23 We believe the interested parties should continue this conversation about how federal and state
24 resources might be used to improve recruitment and retention of health care professionals in rural and/or

1 underserved areas. The U.S. Department of Health & Human Services (DHHS), Health Resource
2 Services Administration (HRSA) has a State Loan Repayment (grant) program (SLRP) that requires a
3 1:1 match from the state with the next grant period in 2009. More information on SLRP may be found
4 at <http://bhpr.hrsa.gov/interdisciplinary/stateloan.html>. HRSA's National Health Service Corps (NHSC)
5 has loan repayment http://nhsc.bhpr.hrsa.gov/join_us/lrp.asp and scholarship
6 http://nhsc.bhpr.hrsa.gov/join_us/scholarships.asp programs that are worth exploring as well.

7 Thank you for the opportunity to testify on this interesting measure.

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