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# A BILL FOR AN ACT

RELATING TO HAWAII HEALTH CORPS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that changes in  
2 demographics, the delivery of health care services, and the  
3 escalating costs of education have resulted in severe shortages  
4 of health care professionals. A poor distribution of health  
5 care professionals has resulted in a surplus of these  
6 professionals in some areas of the state and a shortage in other  
7 parts of the state, particularly in the more rural areas. The  
8 rural shortage areas often require more services because the  
9 health care needs are greater due to socioeconomic or geographic  
10 circumstances. The salary potential for shortage areas is often  
11 not as favorable when compared to non-shortage areas resulting  
12 in many health care practitioners being financially unable to  
13 serve in those shortage areas.

14           The legislature finds that to successfully address the  
15 health care shortage areas within the state, a recruitment  
16 program needs to be implemented. Such a program would not  
17 receive federal matching funds. Incentives would be awarded to



1 public or private nonprofit organizations, communities, or  
2 recruitment health professionals practicing in areas designated  
3 by the department of business, economic development, and tourism  
4 that are experiencing a shortage of health care professionals.  
5 This program will be open to all health care professionals,  
6 including physicians, dentists, mid-level practitioners,  
7 pharmacists, allied health professionals, and specialists, for  
8 example, orthopedic surgeons, for whom there is an acknowledged  
9 need in some areas of the state. The incentives could be also  
10 used to provide financial support for spouses and families of  
11 recruitment health professionals as doing so is critical in  
12 recruiting and retaining health care professionals in these  
13 areas. Finally, unlike the loan repayment program, recruitment  
14 health professionals would be able to practice in geographic  
15 areas not covered under the loan repayment program.

16 SECTION 2. The Hawaii Revised Statutes is amended by  
17 adding a new chapter to be appropriately designated and to read  
18 as follows:

19 **"CHAPTER**

20 **HAWAII HEALTH CORPS PROGRAM**

21 **PART I. GENERAL PROVISIONS**



1       §   -1 **Definitions.** As used in this chapter, unless the  
2 context clearly requires otherwise:

3       "Applicant" means an individual who has submitted a  
4 completed application for the recruitment program and meets the  
5 application requirements established by the department for the  
6 respective program.

7       "Department" means the department of business, economic  
8 development, and tourism.

9       "Health professional shortage area" means an area in the  
10 state, designated by the department of health, where there are  
11 shortages of health professionals. In making health  
12 professional shortage area designations in the state, the  
13 department of health may be guided by applicable federal  
14 standards.

15       "Incentives" means the cash or in-kind award made to a  
16 recruitment recipient and includes awards made to a spouse or  
17 the family of a recruitment health professional.

18       "Recruitment health professional" means an individual who  
19 is a health professional, including allopathic and osteopathic  
20 physicians (family practitioners, internists, pediatricians,  
21 obstetricians and gynecologists, and general psychiatrists),  
22 nurse practitioners, certified nurse-midwives, physician



1 assistants, dentists, registered clinical dental hygienists,  
2 clinical or counseling psychologists, social workers,  
3 psychiatric nurse specialists, mental health counselors,  
4 licensed professional counselors, marriage and family  
5 therapists, and health care specialists.

6 "Recruitment health professional shortage area" means a  
7 health professional shortage area or other area determined by  
8 the department of health to be experiencing a shortage of  
9 recruitment health professionals.

10 "Recruitment program" means the health professional  
11 recruitment and retention program that is administered by the  
12 department.

13 "Recruitment recipient" means either a recruitment health  
14 professional or a public or private nonprofit organization or  
15 community that employs a recruitment health professional.

16 **PART II. RECRUITMENT PROGRAM**

17 § -11 **Established.** There is established the recruitment  
18 program within the department.

19 § -12 **Administration.** The recruitment program shall be  
20 administered by the department and shall:

21 (1) Maintain listings of communities and areas within the  
22 state with need for recruitment health professionals;



- 1           (2) Maintain listings of recruitment health professionals  
2           interested in working in the communities and areas;
- 3           (3) Act as an intermediary between communities or public  
4           or private nonprofit organizations and recruitment  
5           health professionals desiring to practice in  
6           recruitment health professional shortage areas;
- 7           (4) Work with communities and public or private nonprofit  
8           organizations to recruit and retain recruitment health  
9           professionals to work and live in communities  
10          experiencing a shortage of recruitment health  
11          professionals;
- 12          (5) Work with recruitment health professionals desiring to  
13          work in recruitments;
- 14          (6) Develop funding models for the recruitment program  
15          that provide for security and flexibility for  
16          recruitment health professionals;
- 17          (7) Develop incentive payment structures and packages that  
18          support recruitment health professionals, their  
19          spouses, and families, including professional  
20          liability insurance relief, cost of living allowances,  
21          income guarantee payments, housing allowances,  
22          vehicle, vehicle allowance, continuing medical



- 1 education, telemedicine capability, waiver of fees, or  
2 providing employment opportunities for the spouses of  
3 recruitment health professionals;
- 4 (8) Work with other agencies to minimize or remove  
5 regulatory barriers to relocating or practicing in  
6 health professional shortage areas;
- 7 (9) Select recruitment recipients using criteria  
8 established by the department;
- 9 (10) Publicize and market the recruitment program;
- 10 (11) Solicit and accept grants and donations from public  
11 and private sources for the recruitment program;
- 12 (12) Enter into a contract with a recruitment recipient  
13 that obligates the recruitment health professional to  
14 provide the services of the recruitment health  
15 professional in the recruitment health professional  
16 shortage area for the length of the service  
17 obligation;
- 18 (13) Establish a group, which shall be advisory only,  
19 comprising representatives from government and the  
20 health profession, including providers, community  
21 health centers, and professional organizations, to:



1 (A) Assist the department in developing criteria to  
2 select recruitment health professionals;

3 (B) Identify areas having the greatest need for  
4 health professionals; and

5 (C) Advise on other matters related to the  
6 administration of the recruitment program;

7 and

8 (14) Take any and all other actions necessary to administer  
9 the recruitment program.

10 § -13 **Selection and preference.** (a) In selecting  
11 recruitment recipients, the department shall give first priority  
12 preference to recruitment health professionals who are:

13 (1) Graduates of the University of Hawaii John A. Burns  
14 school of medicine;

15 (2) Graduates of a Hawaii residency program; or

16 (3) Residents of the State of Hawaii who have obtained  
17 residency through a minimum of three of the following  
18 seven criteria:

19 (A) Legal residence of the applicant for at least  
20 twelve months;

21 (B) Legal residence of the applicant's parents;

22 (C) The applicant's place of birth;



- 1 (D) Location of the high school from which the
  - 2 applicant graduated;
  - 3 (E) The applicant is native Hawaiian;
  - 4 (F) Location of the college or university that the
  - 5 applicant attended; or
  - 6 (G) The applicant's parent or legal guardian is a
  - 7 University of Hawaii John A. Burns school of
  - 8 medicine graduate, graduate of a Hawaii residency
  - 9 program, or is a University of Hawaii John A.
  - 10 Burns school of medicine faculty member.
- 11 (b) The department shall give second priority preference
- 12 to recruitment health professionals who are graduates of out-of-
- 13 state schools or residency programs.
- 14 (c) The department shall develop criteria for selecting
- 15 recruitment recipients. The criteria may include:
- 16 (1) The need for recruitment health professionals in the
  - 17 recruitment health professional shortage areas;
  - 18 (2) The willingness of an applicant to work full-time in
  - 19 the recruitment health professional shortage areas; or
  - 20 (3) The likelihood of the applicant continuing to practice
  - 21 in the recruitment health professional shortage area
  - 22 after the service obligation has been completed.





1           §   **-14 Award of incentives.** (a) Incentives shall only  
2 be awarded to recruitment recipients.

3           (b) Subject to available funding and need for recruitment  
4 health professionals in the recruitment health professional  
5 shortage area, the amount of the incentives awarded to each  
6 recruitment recipient shall be determined by the department, but  
7 shall not exceed \$17,500 per recruitment recipient per year.

8           §   **-15 Eligibility.** (a) The recruitment program shall  
9 accept applications from recruitment health professionals, or  
10 public or nonprofit private entities or communities intending to  
11 employ or currently employing a recruitment health professional.

12           (b) To be eligible to participate in the recruitment  
13 program, the recruitment recipient shall:

14           (1) In the case of a public or nonprofit private entity or  
15 community, employ or intend to employ and provide the  
16 services of a recruitment health professional for the  
17 length of the service obligation in the recruitment  
18 health professional shortage area; or

19           (2) In the case of a recruitment health professional,  
20 provide the services of a recruitment health  
21 professional in a recruitment health professional  
22 shortage area.



1 (c) In addition to the requirements set forth in  
2 subsection (a), to be eligible to participate in the recruitment  
3 program, a recruitment health professional shall also:

4 (1) Be a United States citizen or a naturalized citizen of  
5 the United States;

6 (2) Provide full-time services of a recruitment health  
7 professional in the recruitment health professional  
8 shortage area;

9 (3) Charge for the recruitment health professional's  
10 professional services at the usual and customary  
11 prevailing rates in the area where the services are  
12 provided, except that if a person is unable to pay the  
13 charge, the person may be charged at a reduced rate or  
14 not charged any fee;

15 (4) Agree not to discriminate on the basis of the  
16 patient's ability to pay or on the basis that the  
17 payment for the care will be made pursuant to  
18 medicare, medicaid, or the state children's health  
19 insurance program;

20 (5) Agree to accept assignment under medicare under Title  
21 XVIII of the Social Security Act, enter into an  
22 appropriate agreement with the state agency that



1 administers the state plan for medicaid under Title  
2 XIX of the Social Security Act, and enter into an  
3 appropriate agreement with the state children's health  
4 insurance program to provide service to children under  
5 Title XXI of the Social Security Act;

6 (6) Agree to pay the amount specified by the department if  
7 the service obligation is not completed for any  
8 reason;

9 (7) Be a licensed and qualified recruitment health  
10 professional in the state and maintain the licensure  
11 and qualifications during the service obligation  
12 period;

13 (8) Obtain and maintain any other licensure required of  
14 recruitment health professionals in the state; and

15 (9) Meet any other requirements that may be established by  
16 the department.

17 § -16 **Service obligation.** The recruitment recipient, in  
18 the case of a public or nonprofit private entity or community,  
19 shall obligate the recruitment health professional to practice  
20 full-time in a recruitment health professional shortage area for  
21 a minimum of two years with the possibility of extending the  
22 service obligation for one-year terms for a total service



1 obligation not to exceed five years. Periods of internship,  
2 preceptorship, clinical training, or other post-graduate  
3 training shall not be counted toward the service obligation.

4       §    **-17 Recruitment health professional shortage areas.**

5 The recruitment recipients shall be located in and shall provide  
6 services of a recruitment health professional in a recruitment  
7 health professional shortage area.

8       §    **-18 Waiver of service obligation.** The department may  
9 permanently waive the service obligation upon documentation by  
10 the recruitment health professional that a medical condition or  
11 a personal situation makes compliance with the service  
12 obligation permanently impossible, as determined by the  
13 department.

14       §    **-19 Suspension.** The department may temporarily  
15 suspend the service obligation upon documentation by the  
16 recruitment health professional of a medical condition or  
17 personal situation that makes compliance with the service  
18 obligation temporarily impossible, as determined by the  
19 department.

20       §    **-20 Default.** A recruitment recipient who fails to  
21 complete the service obligation shall pay as a penalty the sum  
22 of the following:



1 (1) The amount equal to the number of months of obligated  
 2 service not served multiplied by \$7,500; and  
 3 (2) Interest on the above amount at the maximum prevailing  
 4 interest rate determined by the Treasurer of the  
 5 United States from the day of the default;  
 6 provided that the amount the State is entitled to collect shall  
 7 not be less than \$31,000.

8 § -21 **Rules.** The department may adopt rules under  
 9 chapter 91 relating to the recruitment program.

10 **PART III. FIRST RESPONDERS**

11 § -31 **First responders.** All recruitment health  
 12 professionals participating in the recruitment program shall  
 13 commit to serve as first responders in the event of a declared  
 14 emergency in the state or at the request of the director of  
 15 health."

16 SECTION 3. (a) The department of business, economic  
 17 development, and tourism shall implement the Hawaii health corps  
 18 program no later than June 30, 2010.

19 (b) For the purposes of efficiency in the implementation  
 20 of this new program, the department shall award a minimum of  
 21 thirty stipends of \$30,000 per recipient in the first year of  
 22 the program, an additional thirty stipends of \$30,000 per



1 recipient in the second year of the program, and an additional  
2 thirty stipends of \$30,000 per recipient in the third year of  
3 the program. Thereafter, the department shall award annually a  
4 maximum of one hundred stipends.

5 (c) The director of business, economic development, and  
6 tourism shall report to the legislature on the status of the  
7 Hawaii health corps program no later than twenty days prior to  
8 the convening of each regular session of the legislature  
9 beginning with the regular session of 2010.

10 SECTION 4. If any part of this Act is found to be in  
11 conflict with federal requirements that are a prescribed  
12 condition for the allocation of federal funds to the State, the  
13 conflicting part of this Act is inoperative solely to the extent  
14 of the conflict and with respect to the agencies directly  
15 affected, and this finding does not affect the operation of the  
16 remainder of this Act in its application to the agencies  
17 concerned. The rules under this Act shall meet federal  
18 requirements that are a necessary condition to the receipt of  
19 federal funds by the State.

20 SECTION 5. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$ or so  
22 much thereof as may be necessary for fiscal year 2009-2010 and



1 the same sum or so much thereof as may be necessary for fiscal  
2 year 2010-2011 to carry out the purposes this Act.

3 The sums appropriated shall be expended by the department  
4 of business, economic development, and tourism for the purposes  
5 of this Act.

6 SECTION 6. This Act shall take effect on July 1, 2020.



**Report Title:**

Hawaii Health Corps Program; Physician Shortage; Health Care

**Description:**

Establishes the Hawaii Health Corps Program to address physician shortages in rural areas of the State. Establishes an incentive plan for the recruitment of health care professionals to serve shortage areas. Effective July 1, 2020. (SB169 HD2)

