

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 991, H.D. 1

March 3, 2009

RELATING TO THE UNIVERSITY OF HAWAII

House Bill No. 991, H.D. 1, establishes a Hawaii Medical Doctor Loan program that would provide financial support to students who complete a State-approved medical school program at the University of Hawaii, or graduates of a medical school who have received medical training from a Hawaii-based medical program. Graduates that agree to practice in rural areas of the State would be eligible for the program. The program would be financed by the Hawaii Medical Doctor Loan program revolving fund created by this bill. House Bill No. 991, H.D. 1, appropriates unspecified sums from the general fund each year of the biennium 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.

Written testimony in support of HB 991  
House Committee on Higher Education  
March 3, 2009 3p.m. Room 308  
Jerris Hedges, Dean, John A. Burns School of Medicine

Aloha. Thank you, Chair Oshiro, Vice Chair Lee and members of the House Finance Committee for this opportunity to provide testimony on House Bill 991.

I am offering this testimony as an individual, who serves as the Dean of the John A. Burns School of Medicine. We have previously testified in person in support of this measure at the Committee on Higher Education.

The John A. Burns School of Medicine was founded in 1965 to provide opportunity to citizens of Hawai'i – both through the provision of physician education in Hawai'i for state residents and by providing a means to enhance the retention of practicing physicians with ties to Hawai'i within the state.

The current educational debt of the medical school graduates of the John A. Burns School of Medicine exceeds \$85,000 among those with educational debt. Coupled with a higher cost of living and lower physician reimbursement in Hawai'i than elsewhere in the U.S., the retention of medical school graduates in Hawai'i is becoming more challenging. This phenomenon has reached critical proportions on our neighbor islands.

(more)

Testimony, Dr. Hedges, Page 2, HB 991

House Bill 991 would provide some relief of this educational debt and assist with the establishment of new physician practices on the neighbor islands. An important feature of HB 991 is that in addition to providing financial support for students who attended medical school in Hawai'i, it also allows financial support to residents schooled elsewhere but seeking post-graduate training in Hawai'i. We have learned that physicians who perform their post-graduate -- or residency training -- in a community have a vested interest in staying in that community as practicing physicians. We also believe the best care available for rural area residents must come from doctors who spend time training in and learning about the community they will serve.

This program will be most successful if coupled with neighbor island educational programs that are underdevelopment by the John A. Burns School of Medicine. An extended exposure to our more rural communities while a medical student, resident (post medical school specialty training) and through such a loan repayment program will enhance long-term career and practice site choices favoring the neighbor islands.

Thank you for the opportunity to testify.

Jerris R. Hedges, MD, MS, MMM  
Professor & Dean  
John A. Burns School of Medicine  
Barry & Virginia Weinman Endowed Chair  
University of Hawai'i – Mānoa



## Hawai'i Primary Care Association

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To: **The House Committee on Finance**  
The Hon. Marcus R. Oshiro, Chair  
The Hon. Marilyn B. Lee, Vice Chair

**Testimony in Support of House Bill 991, HD 1**  
**RELATING TO THE UNIVERSITY OF HAWAII**  
**Submitted by Beth Giesting, CEO**  
**March 3, 2009, 3:00 p.m. agenda, Room 308**

The Hawaii Primary Care Association asks your support for this bill. We believe loan repayment programs are a very powerful tool for recruiting and retaining health care professionals in underserved areas. It is all too apparent that Hawaii has an urgent need for such a program at this time.

Thank you for the opportunity to testify on this measure.



**Tuesday, March 03, 2009, 3:00 pm, Conference Room 308**

To: COMMITTEE ON FINANCE  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

From: Hawaii Medical Association  
Gary A. Okamoto, MD, President  
Philip Hellreich, MD, Legislative Co-Chair  
Linda Rasmussen, MD, Legislative Co-Chair  
April Donahue, Executive Director  
Richard C. Botti, Government Affairs  
Lauren Zirbel, Government Affairs

Re: HB 991 RELATING TO U of H MEDICAL SCHOOL GRADUATES (Establishes loan repayment program for University of Hawaii medical school graduates working in rural areas of the State.)

Chairs & Committee Members:

Hawaii Medical Association supports this measure as being a unique means of addressing our rural area physician shortage. While it is long range, it is a solid method of helping to accomplish a number of long range goals, such as:

- Create home grown physicians for our rural communities;
- Assure that many of our graduates will be able to remain in Hawaii;
- Increase the opportunity for professional employment and/or entrepreneurial opportunities in our rural communities; and
- Address our access to medical care crisis with long range planning.

This investment now will provide not only a return on investment in these long-term goals, but will also provide taxpayers of the future.

Thank you for the opportunity to provide this testimony.

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# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 3, 2009

The Honorable Marcus Oshiro, Chair  
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

**Re: HB 991 HD1 – Relating to the University of Hawaii**

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 991 HD1.

States across the country are attempting to attract physicians through the implementation of innovative programs such as the loan repayment program in HB 991 HD1. A loan repayment program offered in tandem with the John A. Burns' School of Medicine's rural residency program will make practicing in rural areas of the state more attractive and feasible for newly graduated physicians.

As you may know, the HMSA Foundation has supported the development of the University of Hawaii's family medicine training program in Hilo through a three year grant of \$535,000 beginning in 2007. We believe that programs such as these enhance physician recruitment for Neighbor Island practices by exposing students to Neighbor Island life, culture and communities.

HMSA is working to ensure that our members have access to the services they need wherever they may reside in the State. This includes working with community partners to facilitate recruitment of physicians as well as supporting initiatives such as the rural residency program.

Thank you for the opportunity to testify today. We would respectfully urge the Committee's support of this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "JDiesman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jennifer Diesman  
Assistant Vice President  
Government Relations