

SB 169



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
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March 3, 2009

The Honorable Donna Mercado Kim, Chair
Senate Committee on Ways and Means
Twenty-Fifth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Mercado Kim and Members of the Committee:

SUBJECT: SB 169 SD1 – RELATING TO HAWAII HEALTH CORPS

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

The State Council on Developmental Disabilities (DD) **SUPPORTS SB 169 SD1**. This bill establishes the Hawaii Health Corps Program to address physician shortages in rural areas of the State; establishes a loan repayment program, an incentive plan for the recruitment of health care professionals to serve shortage areas, and makes an appropriation to the Department of Business, Economic Development and Tourism.

SB 169 SD1 would assist in recruiting physicians and dentists to provide medical and dental care services for individuals with DD, especially in underserved and rural areas. Access to medical and dental care is often challenging for individuals with DD and their families due to numerous factors, such as limited number of health professionals, especially specialists, willing physicians and dentists to accept Medicaid participants, special needs of individuals, and transportation.

The provisions in SB 169 SD1 presents a multi-faceted approach to address the shortage of and increase in access to health care professionals. 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.

Thank you for the opportunity to present testimony supporting SB 169 SD1.

Sincerely,

Handwritten signature of Waynette K.Y. Cabral in black ink.

Waynette K.Y. Cabral
Executive Administrator

Handwritten signature of Rosie Rowe in black ink.

Rosie Rowe
Chair



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, March 3, 2009
9:30 AM
State Capitol, Conference Room 211

in consideration of
SB 169, SD 1
RELATING TO HAWAII HEALTH CORPS.

Chair Mercado Kim, Vice Chair Tsutsui and Members of the Senate Committee on Ways and Means.

Purpose: Establishes the Hawaii Health Corps Program (“HHCP”) within the Department of Business, Economic Development, and Tourism (“DBEDT”). The HHCP would be comprised of a Federal Loan Repayment Program structured to obtain Federal-matching funds that would be used to repay eligible student loans in exchange for a service commitment by physicians and dentists practicing in health professional shortage areas; and a Recruitment Program where incentives would be awarded to recruit and retain all types of health professionals practicing in areas designated by the Department of Health (“DOH”) as experiencing a shortage of health care professionals. The Senate Committee on Health substituted the provisions of a similar measure, S. B. 416, Relating to the Hawaii Health Corps Program, into S. B. 169 and also included a stipend provision that utilizes part of the DOH community health center and trauma special funds.

Position: The DBEDT supports the intent of this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Biennium Budget for Fiscal Years 2009-2010. To further the Department’s workforce development objective, the Department offers comments to this proposal.

Act 242, Session Laws of Hawaii 2008, requested that the DBEDT convene a working group to develop a plan to establish a program known as the Hawaii Health Corps. The program

would be designed to recruit and retain health care professionals in rural and underserved areas in the State. Recruitment and retention of health care professionals requires a multi-pronged approach. Creation of a State Loan Repayment Program that qualifies for Federal funding and a separate recruitment program that can provide a wide range of awards to all health care professionals is needed to address retention issues in areas throughout the State.

As workforce development is a key priority of the DBEDT and with the concurrence of the DOH, I propose that the proposal is amended to name the DBEDT as the agency to pursue Federal-matching funds for the loan repayment program and work in our underserved communities to administer the recruitment program. The DOH would continue to identify federally designated Health Professional Shortage Areas (“HPSA”) as well as other areas while not designated as a HPSA, but is still experiencing a shortage.

The loan repayment program will be administered by the DBEDT in a manner that makes it eligible to receive Federal-matching funds in the form of grants from the Bureau of Health Professions. Even if the eligibility to receive Federal-matching funds contains restrictions and limitations, as health professional workforce development in rural and underserved areas within the State is a critical workforce development and community development priority, this mechanism must first be established. It will also be important for the DBEDT to establish the relationships within the community; such as with individual providers, public or private nonprofit organizations or communities recruiting or employing an eligible health professional to leverage locally available resources and enable the recruitment and retention program to be established.

Establishing the HHCP (as described in the January 2009 Report to the Legislature on the Health Professional Loan Repayment Program Hawaii Health Corps Program), with or without the benefit of a general fund appropriation is the essential first step in addressing the shortage of health care professionals in the underserved areas of our State. The working group comprised of: the Dean of the John A. Burns School of Medicine; the Department of Health; the Department of Human Services; the State Health Planning and Development Agency; and members of the State Senate and House of Representatives are in agreement that the time is here and now for the State to establish the HHCP. The passage of this proposal (insofar as the priorities described in the Executive Biennium Budget are not replaced) is the necessary first step in improving access to health care services in the rural and underserved communities of our State. Comments regarding this proposal include:

- **Stipend Awards** [see Page 26, Line 11]. A stipend provision was included in this draft and requires that a minimum of thirty stipends of \$30,000 each be awarded in each of the first, second, and third years of the program. While the payment of a stipend is not inconsistent with the recruitment and retention part of the program as envisioned by the working group, requiring

both a minimum of 30 recipients at \$30,000 for each recipient in each of the first three years is unrealistic and cost prohibitive. We suggest that the stipend be limited to \$17,500 (with no minimum number of recipients specified) and available funds to be consistent with the State's matching amount for the loan repayment program.

The term "stipends" should be added to the definition of "incentives", which is the term used in the measure to describe the payments made to participants in the recruitment and retention program. In that manner, a stipend can be included as a part of the overall package of incentives that can be offered to a recruitment and retention program participant.

- **DOH Special Funds** [see Page 15, Line 21]. Funding of the stipends with DOH community health center and trauma funds was inadvertently included in this draft. We believe that funding, if any, for the loan repayment program and the recruitment and retention program should not be derived from the DOH special funds. Use of either fund to pay for the stipends could adversely affect the financial viability of community health centers and the provision of trauma services throughout the State.
- **Stipends Limited to Physicians and Dentists** [see Page 15, Line 13]. The language added to this draft limits payment of stipends to physicians and dentists only. The working group convened by DBEDT acknowledged that shortages of health professionals, other than physicians and dentists exist and that to be effective the recruitment and retention incentives should apply to a wider range of health professionals, including mid-level practitioners, allied health professionals, and the like. The separate section on stipends should be deleted and that the term, "stipends" included in the definition of "incentives" [see Page 4, Line 16]. By making the foregoing revisions, the stipend will (i) be available to a wider range of health professionals, (ii) be limited to the amount of \$17,500, and (iii) not be subject to a minimum award requirement.

Thank you for the opportunity to provide testimony on this proposal.



Hawai'i Primary Care Association

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To: **The Senate Committee on Ways & Means**
The Hon. Donna Mercado Kim, Chair
The Hon. Shan S. Tsutsui, Vice Chair

Testimony in Support of Senate Bill 169, SD 1
Relating to Hawaii Health Corps
Submitted by Beth Giesting, CEO
March 3, 2009, 9:30 a.m. agenda, Room 211

The Hawaii Primary Care Association urges your support for this bill. Of all the proposed measures that would improve recruitment and retention of key health care providers in underserved areas, this is one of the most comprehensive. We support it because it

- addresses both physician and dentist shortages;
- provides a flexible stipend that could be used for loan repayment but could also be applied to level other economic challenges in serving underserved areas;
- identifies a critical clinical workforce to serve in the event of an emergency situation.

We do ask the Committee to change "§ -14 Preference and selection" to read:

(a) In selecting repayment participants, the department shall give first priority preference to:

- (a) Graduates of the university of Hawaii John A. Burns school of medicine or other program that trains physicians in Hawaii;

Thank you for the opportunity to testify on this measure.