

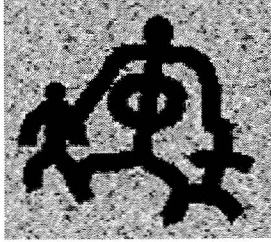
TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 43, S.D. 2, H.D. 1

April 1, 2009

RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Senate Bill No. 43, S.D. 2, H.D. 1, implements measures for a statewide physician workforce assessment and planning to help prevent physician shortages in Hawaii. The bill creates the John A. Burns School of Medicine special fund to finance physician assessment and planning efforts. The fund would generate revenues through legislative appropriations, an unspecified fee amount assessed when a physician license is renewed, grants, gifts, donations, and interest earned. Senate Bill No. 43, S.D. 2, H.D. 1, appropriates an unspecified sum from the general fund each year of the biennium to implement statewide physician workforce assessment and planning. In addition, the bill appropriates an unspecified sum from the compliance resolution fund each year for deposit into the John A. Burns School of Medicine special fund.

We are opposed to this bill. The Department of Budget and Finance cannot support the use of general funds for new programs due to the State's current fiscal situation. Additionally, 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.



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2008-2009
 Executive Board
 Judy Mikami
 President

Hawaii State Legislature
 House Finance Committee
 S.B. 43 Physician Workforce Assessment and Planning
 Testimony of Judy Mikami, President of Hawaii State Rural Health Association

March 30, 2009

Kelley Withy
 Vice President

The Hawaii State Rural Health Association would like to express our strongest support for SB43. We are acutely aware of the fact that we are approaching a healthcare crisis in rural Hawaii. In fact, some areas of the State, such as the Big Island, and indeed, many other rural areas throughout our State, are already suffering a severe shortage of healthcare providers. AND, as the newspapers regularly report, we seem to be losing providers from the State every week.

Jana Lindsey
 Secretary

Woody Kita
 Treasurer

But the truth is, we don't even know how bad the situation is because there is no viable system to monitor Hawaii's healthcare workforce. For example, there may be over 8,000 physicians licensed in Hawaii, but how many actually practice here? No one really knows.

Directors:

What about Hawaii's future health care needs? Our population is aging – we all know that – so, aren't we going to need more physicians and other health care providers to care for our aging? Who is monitoring that? Does anyone have a plan to ensure that we will have enough doctors?

May Akamine

Dileep Bal, MD

The Hawaii State Rural Health Association supports legislation that will increase services to rural communities, including legislation that supports expanding the health workforce, developing assistance programs for rural areas, and expanding the facilities available to rural citizens. We are more than willing to do our part to support the Hawaii Area Health Education Center and the John A. Burns School of Medicine to assess changes in the workforce and develop and implement plans to meet the challenges faced on the neighbor islands. We look forward to this being done in culturally appropriate ways with grass roots community involvement at all steps of the process. We humbly ask you to pass this important bill.

Scott Daniels

William Kenoi

Cash Lopez

Thank you for this opportunity to be heard.

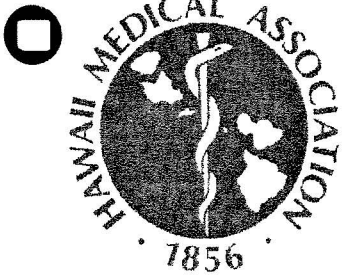
Alan Parker

Sincerely,

Napua Spock

Judy Mikami
 President, Hawaii State Rural Health Association

Aaron Ueno



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Wednesday, April 1, 2009, 2:00 pm, CR 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: SB43 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Chairs & Committee Members:

This bill proposes to assess Hawaii's physician shortage by increasing physician license fees. Hawaii Medical Association strongly opposes this measure because licensee fees should not be used to solve our health care crisis or any other societal problems. Physicians are already having severe financial difficulties due to low reimbursements, high medical malpractice insurance, and the fact that they simply can't pass any of these costs on to patients or insurers. Physician license and re-licensing fees should not be increased to pay for this or any other studies.

The issue is continued rising costs with prohibitions against passing those costs on to patients and customers. Physicians are taking their own actions to solve this dilemma in their own way. This includes:

- Leaving to greener pastures where they can better provide for themselves and their families, and where the cost of living is far less;
- Closing their practices as a means of preserving financial security, and either retiring or finding a job that avoids the pitfalls that exist in being a private practice physician.

If the legislature feels that this study is vital, it should increase the JABSOM budget for this purpose, or it should take money from the general fund. If this bill passes as is, MD and DO license fees could be increased for an assortment of health-related studies and activities, exacerbating the economic pressures on Hawaii physicians, while doing nothing to solve the physician shortage.

Thank you for the opportunity to provide this testimony.

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Hawaii Pacific Health

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Wednesday, April 1, 2009 – 2:00pm
Conference Room 308

The House Committee on Finance

To: Representative Marcus Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

From: Virginia Pressler, MD, MBA
Executive Vice President

Re: **Testimony in Support SB 43 SD2 HD1- Relating to Physician Workforce Assessment**

Dear Honorable Committee Chairs and Members:

My name is Virginia Pressler, Executive Vice President for Hawaii Pacific Health (HPH). For more than a century, families in Hawaii and the Pacific Region have relied on the hospitals, clinics, physicians and staff of Hawaii Pacific Health as trusted healthcare providers. Our non-profit integrated healthcare system is the state's largest healthcare provider and is committed to improving the health and well-being of the people of Hawaii and the Pacific Region through its four hospitals -- Kapi'olani Medical Center for Women & Children, Kapiolani Medical Center at Pali Momi, Straub Clinic & Hospital and Wilcox Memorial Hospital -- 18 outpatient centers and a team of 1,100 physicians on the islands of Oahu, Kauai and Lanai.

We are writing in support of SB 43 SD2 HD1 which would create a John A. Burns school of medicine special fund; establishes a physician workforce assessment fee to renew physician and osteopathic physician licenses.

As cumulative losses to Hawaii hospitals continue to grow, the real costs to the community of inadequate reimbursement are physician attrition, patient access to specialty care, and compromised quality of care. The ability to assess Hawaii's physician workforce on a continual basis would be a valuable planning tool to further establish areas of medical access and need. On-going assessments based on reliable physician workforce data will support proactive measures to prevent or ameliorate the impact of physician shortages in Hawaii. The creation of this special fund is critical for this work to be sustainable.

Thank you for your time regarding this measure. We ask that you pass SB 43 SD2 HD1.

KAPI'OLANI
MEDICAL CENTER
AT PALI MOMI



KAPI'OLANI
MEDICAL CENTER
FOR WOMEN & CHILDREN



Straub
CLINIC & HOSPITAL



Wilcox Health

**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT OF S.B. No. 43, SD 2,
RELATING TO PHYSICIAN WORKFORCE ASSESSMENT**

April 1, 2009

To: Chairman Marcus R. Oshiro and Members of the House Committee on Finance:

My name is Bob Toyofuku and I am testifying on behalf of the Hawaii Association for Justice in Support of S.B. No. 43, SD 2.

The discussion on the shortage of physicians especially on the neighbor islands has been on-going for several years and HAJ feels that it is essential to obtain the needed information and data in order to fashion solutions to the problem. This purpose of this bill is to obtain this needed information and in one of the positive approaches in attempting to solve the issue of the shortage of physicians in rural areas. HAJ wholeheartedly supports the concepts in this bill and is of the opinion that funds should be appropriated at this time in spite of the current economic situation.

Thank you for this opportunity to testify in SUPPORT of S.B. No. 43, SD 2.

Hawaii State Legislature

House Finance Committee

S.B. 43 Physician Workforce Assessment and Planning

Testimony of Kelley Withy, MD, PhD

March 31, 2009

As a physician workforce researcher, I again wish to offer my strongest support for this bill that will facilitate physician workforce planning and development in Hawaii. I believe that everyone agrees that there is a benefit to having additional information on the location of practicing physicians in Hawaii. As I understand it, the only objection to the bill is the establishment of a special fund and a physician licensure surcharge of \$60 every two years to support the data collection and analysis efforts. This methodology resembles that used by the Center for Nursing, and will provide benefits to physicians and to the population of Hawaii far greater than the \$30/year cost to physicians.

The Budget Office and the Hawaii Medical Association (HMA) are both saying the same thing, that the SB 43 special fund being created, and by extension, its goals, do not “reflect a clear nexus between the benefits sought and charges made upon the users.” The HMA states that physicians are “closing their practices as a means of preserving financial security, and either retiring or finding a job that avoids the pitfalls that exist in being a private practice physician.”

My team has been conducting research directly with physicians to identify in a detailed way the factors that will improve the satisfaction of practicing physicians. We are in agreement with our colleagues in the HMA that these retention factors must not only be studied in an academic way, but must be addressed, if we are to maintain our healthcare delivery network. The special fund described in SB43 will allow us to address Hawaii’s retention efforts as well as increase coordinated training and recruitment activities to build the workforce we need. We offer two

● retention activities that we are planning to pursue as an example of activities to be supported by SB43.

Payment issues are at the top of virtually every physician's list of ways to improve satisfaction. That being the case, my team has studied the Geographic Adjustment Factors that determine the level of Medicare reimbursements to physicians. There are two areas that can and should be modified, which will materially raise Part B reimbursements. We intend to pursue them with our Congressional delegation.

Physicians also complain vociferously about their difficulties with the insurance billing system. The different insurers use different forms, they have different rules, and their "rule books" are scattered all over the lot. Well, maybe it makes sense to have one set of billing forms, used by all of the insurance companies. Maybe the regulations should be uniform, and just maybe all of this should be maintained on a single, user-friendly website. Physicians have told us that they spend 60-90 minutes per day, every day on billing issues. It would save providers time and money to have this standardized and we will pursue this.

These are just two possibilities on a long list of ways to improve physician satisfaction. In addition, my team is working to strengthen the pipeline for students going into health careers (maybe you saw the news clip on KITV news last Monday), increase training of medical students across Hawaii and create a database of mainland physicians with ties to Hawaii who will be contacted to inquire about returning to Hawaii. We invite the HMA and our legislators to join us in making these improvements and others that are uncovered through our work. We all want good healthcare and an intact delivery system. SB 43 will help pave the way.

Thank you for the opportunity to provide this additional testimony.

Kelley Withy

Kelley Withy, MD, PhD