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**Tuesday, March 17, 2009, 8:30am, CR 329**

To: House Committee on Health  
Rep. Ryan I. Yamane, Chair  
Rep. Scott Y. Nishimoto, Vice Chair

From: Hawaii Medical Association  
Gary A. Okamoto, MD, President  
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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. Licensee fees should not be used to solve our health care crisis or any other societal problems. Physicians are already having severe financial difficulties because of 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. HMA would not be able to sell to its members this concept of increasing their license fees to solve the physician shortage.

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 would be increased for an assortment of health-related studies and activities, exacerbating the economic pressures on Hawaii physicians, not solving the physician shortage.

Thank you for the opportunity to provide this testimony.

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**Hawaii State Legislature**  
~~Senate Ways and Means~~ **House Health Committee**  
**S.B. 43 Physician Workforce Assessment and Planning**  
**Testimony of Kelley Withy, M.D., PhD**  
**March 17, 2009**

As a physician workforce researcher, I offer my strongest support for this bill. In Hawaii, no organization presently collects information ~~regarding that details~~ where our physicians work. ~~Our~~ The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, which does an excellent job of collecting mailing addresses and information on physician competence, does not collect demographic information, work locations, services provided or future practice plans (i.e. retirement). As a result, nobody knows how many physicians are actually practicing medicine in Hawaii, or what services are available in which communities. I see anecdotal reports of physician shortages in the media all the time, but in reality, no one knows the facts.

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Because of the societal consequences of a serious physician shortage, we need a credible, on-going assessment of our physician workforce, based on reliable data. The most effective way to collect the necessary data is to contact the physicians directly. Mail surveys sent to physicians have a notoriously low response rate. More Hence, more than half the states in the U.S. use an expanded licensure survey to collect this information, which is the easiest and least expensive way to do this. ThereforeSo, if we expand the questions asked at relicensure, we will be able to have up-to-date information on all practicing physicians every two years. With this, ~~we my team~~ can work to place physicians in the areas ~~and specialties~~ of need, and we can assess the ~~suecess~~ results of intervention programs such as loan repayment and scholarships.

The costs of the medical school's ~~biannual~~ biennial data collection, analysis and planning will be supported by a small surcharge to the physician relicensure fee. The fee described in the legislative language (an additional \$30/yr which puts the total cost of a medical license at \$150/yr) maintains the cost of physician licensure well below the national average of \$205 per year.

Finally, I understand the financial predicament that the State finds itself. Knowing that my research team will most likely not receive G-funds, I have been pursuing alternative funding sources, such as federal grants, to complete the first part of the physician workforce assessment established in Act 219, SLH, 2007 (the creation of a database of practicing physicians, developing supply/demand models for physicians services through 2020, identifying shortages and developing a plan to address the shortages). I firmly believe that Act 219 will be completed and that the provisions in SB 43 will be of great benefit to our State.

Thank you for this opportunity to provide testimony.

Sincerely,

*Kelley Withy*

Kelley Withy, MD, PhD