

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON HIGHER EDUCATION AND HEALTH
ON
SENATE BILL NO. 43

February 5, 2009

RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Senate Bill No. 43 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, a \$60 fee assessed when a physician license is issued or renewed, grants, gifts, donations, and interest earned. Senate Bill No. 43 appropriates \$150,000 from the general fund each year of the biennium to implement statewide physician workforce assessment and planning. In addition, the bill appropriates \$5,000 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. 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.

**PRESENTATION OF THE
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
AND
HAWAII MEDICAL BOARD**

TO THE SENATE COMMITTEE ON HIGHER EDUCATION

AND

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FIFTH STATE LEGISLATURE
REGULAR SESSION of 2009

Thursday, February 5, 2009
1:15 p.m.

**TESTIMONY ON SENATE BILL NO. 43, RELATING TO PHYSICIAN WORKFORCE
ASSESSMENT.**

TO THE HONORABLE JILL N. TOKUDA, CHAIR,
TO THE HONORABLE DAVID Y. IGE, CHAIR,
AND MEMBERS OF THE COMMITTEES:

My name is Noe Noe Tom, Licensing Administrator of the Professional and Vocational Licensing Division ("PVL"), Department of Commerce and Consumer Affairs.

I would like to thank you for the opportunity to provide testimony on S.B. No. 43, Relating to Physician Workforce Assessment.

First, this bill should have input from our Hawaii Medical Board ("Board"), however, they have not had the opportunity to review this bill but will do so at its Board meeting on February 13, 2009. Therefore, there is no Board position on this bill at this time.

PVL has reviewed this bill and, being the agency that would be responsible for implementing certain responsibilities set forth in the bill, we wish to express strong

concerns with the provision on page 4, lines 1-13. Consequently, we oppose this provision in the bill.

Among other things, this bill provides that licensure and renewal of licensure would be denied if the physician fails to provide personal and professional information needed by the UH School of Medicine for the physician workforce assessment. We find that denial of licensure based on collection of information that has nothing to do with the qualifications of the applicant to be inappropriate and exceedingly harsh. We license in order to protect the public and the practitioners. Section 26H-2, Hawaii Revised Statutes, relating to policy, states in part that "the purpose of regulation shall be the protection of the public welfare..." To this end, information required on the application and renewal form for licensure should have (and currently does have) a direct nexus to a physician's competence and qualifications to practice medicine safely. Examples of information required for physician licensure include evidence of medical education and training, verification of out of state licenses, documentation of disciplinary action (if sanctioned by another state), documentation of a criminal conviction related to a physician's qualifications, functions or duties (if convicted of crime).

On the other hand, the professional information desired by the physician workforce assessment on such matters as specialty, location of practice, and hospital privileges of the physician has no nexus to qualifications, is not required to maintain a license, and is not currently collected. To make provision of information of this sort a condition to receiving and retaining a license appears to be contrary to the policy portion

of section 26H-2, HRS, which states that “regulation shall not unreasonably restrict entry into professions and vocations by all qualified persons.”

We also need to bring to the Committee’s attention that for PVL to implement this bill (i.e., to obtain workforce data for the UH School of Medicine), our workload will increase. Sending out surveys, adding questions to licensing forms, and gathering the data involves additional staff time that we do not have. More so, if licensing and renewal of a license is contingent on furnishing workforce assessment information, dealing with licensee complaints about having to provide this information and appeals if licenses are denied will take even more time for our staff. This additional workload will adversely impact the regulatory priorities set forth in PVL’s biennial budget and for this we also oppose this provision in the bill.

Because PVL is sympathetic to the needs of the UH School of Medicine to gather workforce data, we have offered assistance in ways that would not be work intensive for us or affect the license of a physician. We have included the UH School of Medicine survey in our January 2008 biennial online renewal process, via a link. We also offered a list of licensees to whom they could mail surveys. Beyond that, however, our resources cannot be extended.

In light of our grave concerns expressed above, PVL requests that the provision on page 4, lines 1-13 be removed as an amendment to chapter 453, HRS. The provision can still be salvaged with editing to remove any reference to the Hawaii Medical Board (line 6) and the contingency for licensure (lines 11-13), can instead be placed in the new section for chapter 304A, HRS (pg. 2).

Lastly, PVL acknowledges the funding mechanism by the Compliance Resolution fund in Section 2 of the bill. A similar mechanism was enacted in the past to fund another UH entity gathering workforce data for another profession. In concept, PVL does not have a problem with this funding mechanism as we will be reimbursed by the UH School of Medicine. We will convey this position to the Board as they deliberate on this bill.

Thank you for the opportunity to provide comments on S.B. No. 43.



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February 4, 2009

To: Senate Committee on Higher Education
Senator Jill N. Tokuda, Chair
Senator Norman Sakamoto, Vice Chair

Senate Committee on Health
Senator David Y. Ige, Chair
Senator Josh Green, MD, 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. 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.

PLEASE DELIVER:
Thursday
2/5/09
1:15 pm
CR 225



Hawaii State Rural Health Association
P.O. Box 82 Pahala, HI 96777
Phone / Fax (808) 928-0101

2008-09

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February 5, 2009

Re: Testimony for SB43 regarding health

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, 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.

But the truth is, we don't even know how bad the situation is because we do not have a system to monitor our healthcare workforce. For example, we may have over 8,000 physicians licensed in Hawaii, but how many actually practice here? No one knows.

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

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 AHEC and 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 need for you to pass this important bill.

Thank you for this opportunity to be heard.

Sincerely,

Judy Mikami
President, Hawaii State Rural Health Association

Hawaii State Legislature, Senate Health Committee
S.B. 43, PHYSICIAN WORKFORCE ASSESSMENT AND PLANNING
Testimony of Kelley Withy, M.D.
February 4, 2009

As a physician workforce researcher I offer my strongest support for this bill. In Hawaii, no organization collects information regarding where physicians work. Our Department of Commerce and Consumer Affairs does an excellent job of collecting mailing addresses and information on physician competence, however currently does not collect demographic information, work location information, 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. As an example, there are almost 8,000 physicians licensed in Hawaii, but less than half are actually practicing. We hear anecdotal reports of shortages almost daily, but we don't have hard numbers of who, what, and where. We must quantify the supply of services in each part of Hawaii and match this to the demand for services. In this way we can determine where the services are lacking and we can work to meet these unmet needs in an organized and cost efficient manner.

The most effective way to collect the necessary data is to contact the physicians directly. Surveys sent out have a low response rate. Phone calls are very expensive. More than half the states in the US use an expanded licensure survey to collect this information. Therefore, the easiest and least expensive way to do this is ask the physicians for this information when they relicense every two years. Every physician who provides care to patients in Hawaii must be licensed. Therefore, 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 can work to place physicians in the areas and specialties of need, and we can assess the success of intervention programs such as loan repayment and scholarships.

The costs of this will be minimal to tax payers, with physicians who license paying a small fee for the collection and analysis of this information. The fee described in the legislative language (an additional \$30/yr which puts the total cost at \$150/yr) maintains the cost of physician licensure well below the US average of \$205 per year. This funding will be used for data collection and analysis, as well as development of interventions to improve distribution of the physician workforce in Hawaii.

Thank you for this opportunity to provide testimony.