

JAN 23 2009

A BILL FOR AN ACT

RELATING TO HAWAII HEALTH CORPS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that many of the
2 residents of Hawaii are increasingly unable to obtain timely and
3 appropriate health care because of physician and dentist
4 shortages. These shortages primarily affect the rural areas of
5 our State. In the area of medical services, shortages are
6 especially acute in disciplines such as family practice,
7 obstetrics, gynecology, and orthopedics.

8 The legislature further finds that the increasingly high
9 cost of a physician's professional education requires physicians
10 to seek out the higher incomes that allow them to repay their
11 student loans. However, physician salaries in rural shortage
12 areas are often lower than those in non-shortage areas.

13 Federal loan repayment and stipend programs for health care
14 providers have historically been successful in encouraging
15 health care providers to work in rural and underserved areas.
16 Incentives such as stipends can be provided to physicians and
17 dentists to offset the lower salaries offered in shortage areas.



1 Administration of the United States Department of Health and
2 Human Services as having shortages of primary medical care,
3 dental care, or mental health care providers, including any
4 rural area of the State and areas served by community health
5 centers.

6 "Physician" means a person licensed under chapter 453.

7 "Program" means the Hawaii health corps program.

8 "Service obligation" means the duty to provide health care
9 services in a health professional shortage area of the State and
10 during periods declared to be an emergency by the governor,
11 undertaken in exchange for a physician or dentist stipend from
12 the program.

13 § -2 Hawaii health corps; established. The Hawaii
14 health corps program is established to encourage physicians and
15 dentists to serve in areas of the State where there is a
16 shortage of health care providers. Stipends shall be granted to
17 an aggregate maximum of one hundred physicians and dentists at
18 any one time. The program shall be administered by the
19 department of health. In administering this program, the
20 department shall:

21 (1) Adopt rules and develop guidelines to administer the
22 program;



- 1 (2) Identify and designate health professional shortage
2 areas and qualifying sites, including all community
3 health centers and Hawaiian health centers;
- 4 (3) Establish criteria for the selection, and select
5 physicians and dentists to participate in the stipend
6 program;
- 7 (4) Define and determine compliance with the program
8 enrollment requirement, licensure requirement, and
9 service obligations;
- 10 (5) Collect and manage repayments from stipend recipients
11 who do not meet the licensure requirement or service
12 obligations under the program;
- 13 (6) Publicize the program, particularly to maximize
14 participation by individuals who live in health
15 professional shortage areas;
- 16 (7) Solicit and accept grants and donations from public
17 and private sources for the program; and
- 18 (8) Establish criteria and procedures for calling program
19 participants into service during a civil defense or
20 other emergency.



1 § -3 Hawaii health corps stipend. (a) The department
2 shall award annual stipends of not more than \$30,000 per year to
3 each physician or dentist who agrees to:

4 (1) Provide health care services, for which the physician
5 or dentist is validly licensed, for a minimum of three
6 years to individuals residing in health care
7 professional shortage areas as designated by the
8 department;

9 (2) Provide during the stipend year not less than fifty
10 per cent of their services in a health professional
11 shortage area or not less than ten per cent of their
12 services to uninsured patients;

13 (3) Repay the stipend in full if the physician or dentist
14 that received the stipend is unable to complete the
15 minimum three year service obligation requirement; and

16 (4) Provide first responder emergency services during
17 civil defense and other emergencies proclaimed under
18 section 127-10 or 128-7.

19 (b) No limitation shall be placed on expenditure of the
20 stipend by the recipient. The department shall determine the
21 manner and timing of stipend payments to ensure performance of



1 the stipend service obligation. Not more than five years of
2 stipends shall be paid to any one recipient.

3 § -4 Hawaii health corps first responder service
4 obligation. If a civil defense or other emergency, proclaimed
5 under section 127-10 or 128-7, physicians and dentists
6 participating in the Hawaii health corps program may be ordered
7 into service by the governor as a critical action relief lineup
8 to serve in areas of the State and in a capacity determined by
9 the director.

10 § -5 Preference and selection. (a) In selecting
11 stipend recipients, the department shall give first priority
12 preference to:

- 13 (1) Graduates of the University of Hawaii John A. Burns
14 school of medicine;
- 15 (2) Graduates of a Hawaii-based residency program, or
- 16 (3) Graduates of a Hawaii affiliated medical or dental
17 school.

18 (b) There shall be a second priority preference to fill
19 shortages in specialty areas, including obstetrics, gynecology
20 and orthopedics, in health professional shortage areas that have
21 been designated by the department.



1 § -6 Rules. The department shall adopt rules to
2 implement the program. The rules shall be adopted pursuant to
3 chapter 91, but shall be exempt from public notice and public
4 hearing requirements.

5 § -7 Hawaii health corps special fund. (a) There is
6 established within the state treasury a special fund to be known
7 as the Hawaii health corps special fund to be administered and
8 expended by the department of health.

9 (b) The fund shall be used to provide stipends to
10 qualifying Hawaii health corps physicians and dentists pursuant
11 to this chapter.

12 (c) Moneys deposited into this fund shall include funds
13 transferred from the community health centers special fund
14 pursuant to section 321-1.65, the trauma system special fund
15 pursuant to section 321-22.5, appropriations made by the
16 legislature from general funds, private contributions, stipend
17 repayments, and interest on and other income from the fund,
18 which shall be separately accounted for.

19 (d) Legislative appropriations are not required for the
20 transfer of moneys from the community health centers special
21 fund or the trauma system special fund to the Hawaii health
22 corps special fund."



1 SECTION 3. Section 321-1.65, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The moneys in the special fund shall be used by the
4 department of health for the operations of federally qualified
5 health centers[-] and the Hawaii health corps program pursuant
6 to chapter _____."

7 SECTION 4. Section 321-22.5, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) The moneys in the trauma system special fund shall be
10 used by the department to support the continuing development and
11 operation of a comprehensive state trauma system[-] and the
12 Hawaii health corps program pursuant to chapter _____. The
13 trauma system special fund shall be used to subsidize the
14 documented costs for the comprehensive state trauma system,
15 including but not limited to the following:

- 16 (1) Costs of under-compensated and uncompensated trauma
17 care incurred by hospitals providing care to trauma
18 patients; and
19 (2) Costs incurred by hospitals providing care to trauma
20 patients to maintain on-call physicians for trauma
21 care.



1 The money in the trauma system special fund shall not be
2 used to supplant funding for trauma services authorized prior to
3 July 1, 2006, and shall not be used for ambulance or medical air
4 transport services."

5 SECTION 5. (a) The department of health shall implement
6 the Hawaii health corps program no later than June 30, 2010.

7 (b) For the purposes of efficiency in the implementation
8 of this new program, the department shall award a minimum of
9 thirty stipends of \$30,000 per recipient in the first year of
10 the program, an additional thirty stipends of \$30,000 per
11 recipient in the second year of the program, and an additional
12 thirty stipends of \$30,000 per recipient in the third year of
13 the program. Thereafter, the department shall award annually a
14 maximum of one hundred stipends in perpetuity.

15 (c) The director of health shall report to the legislature
16 on the status of the Hawaii health corps program no later than
17 twenty days prior to the convening of each regular session of
18 the legislature beginning with the regular session of 2010.

19 SECTION 6. If any part of this Act is found to be in
20 conflict with federal requirements that are a prescribed
21 condition for the allocation of federal funds to the State, the
22 conflicting part of this Act is inoperative solely to the extent



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1 of the conflict and with respect to the agencies directly
 2 affected, and this finding does not affect the operation of the
 3 remainder of this Act in its application to the agencies
 4 concerned. The rules under this Act shall meet federal
 5 requirements that are a necessary condition to the receipt of
 6 federal funds by the State.

7 SECTION 7. Statutory material to be repealed is bracketed
 8 and stricken. New statutory material is underscored.

9 SECTION 8. This Act shall take effect upon its approval.

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Report Title:

Hawaii Health Corps; Health Professional Shortage Areas;
Stipends

Description:

Establishes the Hawaii health corps that provides annual stipends to physicians and dentists who work in health professional shortage areas and shortage specialties; establishes the Hawaii health corps special fund.

