
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 residents of
2 Hawaii are increasingly unable to obtain timely and appropriate
3 health care due to shortages of primary health care providers in
4 the State, including physicians, physician assistants, and nurse
5 practitioners. These shortages threaten the health of Hawaii's
6 residents and affect state health care costs. Primarily
7 affecting the rural areas of the State, these shortages have
8 pushed the federal government to designate a number of areas in
9 the State, particularly rural areas, as medically underserved
10 areas, health professional shortage areas, or as having
11 medically underserved populations.

12 The legislature further finds that counties in the United
13 States with robust primary health care systems have lower costs
14 and improved patient outcomes. Recognizing this relationship,
15 many states have implemented budget line item support for the
16 primary care pipeline.

17 Family physicians are well suited to rural practice due to
18 their broad scope of clinical skills across the life cycle,



1 encompassing the inpatient, outpatient, nursing home, and home
2 setting. In addition to providing acute, chronic, and
3 preventive care, many family physicians provide maternity care,
4 family planning, and mental health services. With this scope of
5 practice, family physicians are well equipped to work in teams
6 with other health professionals to develop fully functioning
7 patient-centered medical homes.

8 The University of Hawaii John A. Burns school of medicine,
9 in association with Wahiawa general hospital, conducts a fully
10 accredited three-year family medicine residency program. This
11 program has contributed over sixty family physicians who
12 currently work throughout the State of Hawaii.

13 Since 2006, a second rural residency program model has been
14 under development with the John A. Burns school of medicine and
15 the Hilo medical center. This will be the first residency
16 program established on a neighbor island. As well as medical
17 students and resident physicians, this model rural
18 interdisciplinary training site will include advanced practice
19 nursing, pharmacy, psychiatry, and other areas of practice. It
20 is anticipated that this rural primary care training model can
21 be replicated on other islands.



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

6 Loan repayment programs have been successfully used in
7 Hawaii to increase the number of educators serving in hard-to-
8 fill teaching positions, and can also be used to encourage and
9 enable physicians, physician assistants, and nurse practitioners
10 to provide care in shortage areas of the State.

11 The purpose of this Act is to:

- 12 (1) Establish the Hawaii health corps, under the
13 University of Hawaii John A. Burns school of medicine,
14 to provide loan repayment for physicians, physician
15 assistants, and nurse practitioners who agree to work
16 in a county having a shortage of physicians, physician
17 assistants, and nurse practitioners, with priority
18 given to a rural area of that particular county; and
- 19 (2) Appropriate funds to increase access by medically
20 underserved resident populations to culturally
21 appropriate primary health care services by supporting



1 the development of the rural health workforce as
2 follows:

3 (A) For the Hilo medical center, by implementing and
4 sustaining the rural interdisciplinary residency
5 program; and

6 (B) For the John A. Burns school of medicine for:

7 (i) Its continued participation as the
8 Accreditation Council for Graduate Medical
9 Education-sponsoring institution;

10 (ii) Required faculty leadership in
11 accreditation, implementation, and graduate
12 medical education oversight;

13 (iii) An increased number of family medicine
14 residency slots, establishment of rotations
15 on other islands including Maui, Molokai,
16 and Kauai; and

17 (iv) A yearly incentive stipend for each resident
18 in a family practice medical residency at
19 the Hilo medical center.

20 SECTION 2. The Hawaii Revised Statutes is amended by
21 adding a new chapter to be appropriately designated and to read
22 as follows:



1 "CHAPTER

2 HAWAII HEALTH CORPS

3 § -1 Definitions. As used in this chapter, unless the
4 context requires otherwise:

5 "Loan repayment" or "repayment of loan" means the payment
6 of up to twenty per cent of a Hawaii health corps program
7 participant's health care training costs, including but not
8 limited to, tuition not exceeding \$35,000 per year for a maximum
9 of five years of repayment.

10 "Nurse practitioner" means a person licensed as an advanced
11 practice registered nurse under chapter 457.

12 "Physician" means a person licensed to practice medicine
13 and surgery, as required by section 453-2.

14 "Physician assistant" means a person licensed to practice
15 medicine under the supervision of a physician or osteopathic
16 physician, as required by section 453-5.3.

17 § -2 Hawaii health corps program established. The
18 Hawaii health corps program is established to encourage
19 physicians, physicians assistants, and nurse practitioners to
20 serve in counties having a shortage of physicians, physician
21 assistants, and nurse practitioners, with priority given to a
22 rural area county. The Hawaii health corps program shall be



1 administered by the University of Hawaii John A. Burns school of
2 medicine. In administering the program, the University of
3 Hawaii John A. Burns school of medicine shall:

4 (1) Adopt rules and develop guidelines to administer the
5 program;

6 (2) Identify and designate areas of the counties where
7 there is a shortage of physicians, physician
8 assistants, and nurse practitioners;

9 (3) Establish criteria for the selection by the University
10 of Hawaii John A. Burns school of medicine of
11 physicians, physician assistants, and nurse
12 practitioners to participate in the Hawaii rural
13 health care provider loan repayment program;

14 (4) Define and determine compliance with the service
15 commitments of the Hawaii rural health care provider
16 loan repayment program;

17 (5) Collect and manage reimbursements from participants
18 who do not meet their service commitments under the
19 Hawaii rural health care provider loan repayment
20 program;

21 (6) Publicize the program, particularly to maximize
22 participation by individuals who live in areas of a



1 county where there is a shortage of physicians,
2 physician assistants, and nurse practitioners;

3 (7) Solicit and accept grants and donations from public
4 and private sources for the Hawaii rural health care
5 provider loan repayment program, including maximizing
6 the use of federal matching funds; and

7 (8) Establish criteria and procedures for calling Hawaii
8 health corps program participants into service during
9 a civil defense or other emergency.

10 § -3 Hawaii rural health care provider loan repayment
11 program. (a) There is created within the Hawaii health corps
12 program, the Hawaii rural health care provider loan repayment
13 program to be administered by the University of Hawaii John A.
14 Burns school of medicine in partnership with a lending financial
15 institution whose operations are principally conducted in
16 Hawaii. The Hawaii rural health care provider loan repayment
17 program shall provide loan repayments to eligible physicians,
18 physician assistants, and nurse practitioners who make the
19 service commitment under subsection (b). The University of
20 Hawaii John A. Burns school of medicine shall make loan
21 repayments directly to the financial institution under
22 subsection (b) to offset the loan repayment for which the Hawaii



1 rural health care provider loan repayment program recipient
2 would otherwise be liable. Loan repayments shall commence upon
3 the commencement of loan repayments by the Hawaii rural health
4 care provider loan repayment program recipient to the lending
5 financial institution. The University of Hawaii John A. Burns
6 school of medicine shall prioritize loan repayments in
7 accordance with the greatest specialty shortages for the
8 particular county.

9 (b) The Hawaii rural health care provider loan repayment
10 program shall provide loan repayments on behalf of licensed
11 physicians, physician assistants, and nurse practitioners who
12 agree to serve for five consecutive years as a physician,
13 physician assistant, or nurse practitioner in a county having a
14 shortage of physicians, physician assistants, and nurse
15 practitioners, with priority given to a rural area of that
16 particular county; provided that eligible physicians, physician
17 assistants, or nurse practitioners, as applicable, shall have
18 graduated from a duly accredited medical school or nursing
19 school within the United States; provided further that
20 preference shall be given to graduates of the University of
21 Hawaii John A. Burns school of medicine or the University of
22 Hawaii school of nursing and dental hygiene, as applicable.



1 (c) Eligible participants in the Hawaii rural health care
2 provider loan program shall be determined by the University of
3 Hawaii John A. Burns school of medicine on a competitive basis
4 and in accordance with subsection (b).

5 (d) If a Hawaii rural health care provider loan repayment
6 program participant fails to satisfy the recipient's service
7 commitment under subsection (b), the Hawaii rural health care
8 provider loan repayment program participant shall be liable for
9 the repayment of the outstanding balance of the loan to the
10 lending financial institution under subsection (b). In
11 addition, the University of Hawaii John A. Burns school of
12 medicine may seek reimbursement for any loan repayment made by
13 the University of Hawaii John A. Burns school of medicine on
14 behalf of the Hawaii rural health care provider loan repayment
15 program participant.

16 (e) In accordance with chapter 103D, the University of
17 Hawaii John A. Burns school of medicine may enter into written
18 contracts with collection agencies to collect delinquent
19 reimbursements of loan repayments. All payments collected,
20 exclusive of a collection agency's commissions, shall revert and
21 be credited to the Hawaii health corps fund. A collection
22 agency that enters into a written contract with the University



1 of Hawaii John A. Burns school of medicine to collect delinquent
2 reimbursements of loan repayments pursuant to this section may
3 collect a commission from the debtor in accordance with the
4 terms of, and up to the amounts authorized in, the written
5 contract.

6 § -4 Hawaii health corps first responder service
7 obligation. In the event of a civil defense or other emergency,
8 proclaimed under chapter 127 or 128, physicians, physician
9 assistants, and nurse practitioners participating in the Hawaii
10 health corps program may be ordered into service by the governor
11 as first responders to serve in areas of the State and in a
12 capacity determined by the director of health.

13 § -5 Rules. The University of Hawaii John A. Burns
14 school of medicine shall adopt rules to administer this chapter.
15 The rules shall be adopted pursuant to chapter 91, but shall be
16 exempt from public notice and public hearing requirements.

17 § -6 Hawaii health corps fund. (a) There is
18 established in the treasury of the State the Hawaii health corps
19 fund, to be administered by the University of Hawaii John A.
20 Burns school of medicine. Any funds appropriated by the
21 legislature for the Hawaii rural health care provider loan
22 repayment program, as well as gifts, donations, and grants from



1 public agencies and private persons, reimbursements of loan
2 repayments, proceeds of the operations of the program, and
3 interest earned or accrued on moneys deposited in the fund shall
4 become a part of the fund.

5 (b) The University of Hawaii John A. Burns school of
6 medicine may expend moneys from the fund for the purposes of
7 this chapter."

8 SECTION 3. The University of Hawaii John A. Burns school
9 of medicine shall implement the Hawaii health corps program no
10 later than June 30, 2012.

11 The dean of the University of Hawaii John A. Burns school
12 of medicine shall report to the legislature on the status of the
13 Hawaii health corps program no later than twenty days prior to
14 the convening of each regular session of the legislature,
15 beginning with the regular session of 2012.

16 SECTION 4. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$10,000,000 or so
18 much thereof as may be necessary for fiscal year 2011-2012 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2012-2013 for the implementation and administration of the
21 Hawaii health corps program.



1 The sums appropriated shall be expended by the University
2 of Hawaii John A. Burns school of medicine for the purposes of
3 this Act.

4 SECTION 5. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2011-2012 and
7 the same sum or so much thereof as may be necessary for fiscal
8 year 2012-2013 to implement and sustain the Hilo medical
9 center's rural interdisciplinary residency program.

10 The sums appropriated shall be expended by the University
11 of Hawaii John A. Burns school of medicine for the purposes of
12 this Act.

13 SECTION 6. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2011-2012 and
16 the same sum or so much thereof as may be necessary for fiscal
17 year 2012-2013 for expenditures as follows:

- 18 (1) To enable the John A. Burns school of medicine to
19 continue to participate as the Accreditation Council
20 for Graduate Medical Education sponsoring institution;



1 (2) For required faculty leadership in accreditation,
2 implementation, and graduate medical education
3 oversight; and

4 (3) To increase the number of family medicine residency
5 slots, and establish rotations on other islands,
6 including Maui, Molokai, and Kauai.

7 The sums appropriated shall be expended by the University
8 of Hawaii John A. Burns school of medicine for the purposes of
9 this Act.

10 SECTION 7. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2011-2012 and
13 the same sum or so much thereof as may be necessary for fiscal
14 year 2012-2013 for to provide yearly incentive stipend in an
15 amount to be determined by the University of Hawaii John A.
16 Burns school of medicine to each medical resident in a family
17 medicine residency at the Hilo medical center.

18 The sums appropriated shall be expended by the University
19 of Hawaii John A. Burns school of medicine for the purposes of
20 this Act.

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1 SECTION 8. This Act shall take effect on July 1, 2011.

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INTRODUCED BY:

[Signature]
[Signature]
John M. Nezzo
Tom Brun
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JAN 24 2011



Report Title:

Hawaii Health Corps; Appropriation

Description:

Establishes the Hawaii health corps program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to in rural areas. Provides for loan repayments by the University of Hawaii John A. Burns school of medicine. Makes appropriations to support accreditation efforts and support and expand residency programs, particularly in family medicine.

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