

Honolulu, Hawaii

FEB 16 2011

RE: S.B. No. 596
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Health and Education, to which was referred S.B. No. 596 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII HEALTH CORPS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Health Corps Program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners who practice in any county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to participants of the program who serve in rural areas;
- (2) Provide for loan repayments by the University of Hawaii John A. Burns School of Medicine and the University of Hawaii at Manoa School of Nursing and Dental Hygiene; and
- (3) Make appropriations to support accreditation efforts and support and expand residency programs, particularly in family medicine.

The intent of this measure is to encourage and enable physicians, physician assistants, and nurse practitioners to provide care in areas of the State with health care provider shortages.



Your Committees received testimony in support of this measure from the University of Hawai'i System; Hawai'i State Center for Nursing; Hawaii Health Systems Corporation; Hawaii Health Systems Corporation, East Hawaii Regional Board; Hawaii Medical Service Association; Hawaii Medical Association; Healthcare Association of Hawaii; Hilo Medical Center Foundation; Hawaii Association for Justice; Healthy Mothers Healthy Babies Coalition of Hawaii; and four private citizens. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that the increasingly high cost of a physician's and nurse practitioner's professional education requires these professionals to seek out the higher incomes that allow them to more easily repay their student loans. Your Committees find that this measure will provide much needed incentives for physicians, physician assistants, and nurse practitioners to practice in rural areas within the State.

Your Committees further find that this measure could be improved by creating a revolving fund, the funds of which may be used for the operating costs of the Hawaii Health Corps. Your Committees also find that more discussion is needed to evaluate whether a penalty provision should be added to the measure to govern program participants who decide to leave the program early and recommend that the penalty provisions of S.B. No. 1170 be considered.

Accordingly, your Committees have amended this measure by:

- (1) Adding language and conforming amendments to allow the University of Hawaii at Manoa School of Nursing and Dental Hygiene to serve as a co-administrator of the Hawaii Health Corps Program;
- (2) Creating the Hawaii Health Corps Revolving Fund and authorizing the monies held in this fund to be used for operating costs of the Hawaii Health Corps Program;
- (3) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 596, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 596, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Education,



JILL TOKUDA, Chair



JOSH GREEN, M.D., Chair



