

HB 1203, HD 2

Measure Title: RELATING TO PHYSICIAN WORKFORCE ASSESSMENT.

Report Title: Physicians; Assessment Fee

Description: Makes the physician workforce assessment fee permanent. Specifies what excess funds from the workforce assessment fee shall be used for. Effective July 1, 2030. (HB1203 HD2)

Companion:

Package: None

Current Referral: CPN, WAM

Introducer(s): YAMANE

**PRESENTATION OF THE
HAWAII MEDICAL BOARD**

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Thursday, March 17, 2011
10:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 1203, H.D. 2, RELATING TO PHYSICIAN
WORKFORCE ASSESSMENT.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Danny M. Takanishi, M.D. and I am the Chairperson and a physician member of the Hawaii Medical Board ("Board"). The purpose of this bill is to make the physician workforce assessment fee permanent and specify what excess funds should be used for from the workforce assessment fee.

The Board opposes this bill as it believes that the workforce assessment fee should be repealed on June 30, 2012. It does not see any value in continuing the physician survey with each license renewal. The Board is concerned with getting mired in cycles of analyses and feels that there is a compelling need to proceed to the next phase, and that is planning for and providing a market based workforce for our State.

To this end, the Board suggests that in the coming year, JABSOM work in collaboration with the Hawaii Residency Program ("HRP") and the Board to explore ways of restructuring the residency program to meet our community's health needs. The Board acknowledges JABSOM's report and finds that the

interim will allow the report to be fine-tuned with the purpose of including a proposal that would be submitted to the Legislature in 2012 for consideration.

As a regulatory body, the Board's focus with regard to the physician shortage is on licensure, education and the competent practice of medicine. Therefore, should the Legislature continue the fee, the Board respectfully asks that consideration be given to license portability, telemedicine, continuing medical education ("CME") and a newsletter.

Portability of licensure would make it easier for physicians who are licensed in another state to become licensed here, making it a potential draw for those looking to relocate their practice.

Once licensed, the delivery and quality of health services become critical. Telemedicine would allow physicians to expand their services beyond the limits of their geographical location. An OB/GYN in Honolulu could potentially treat and care for patients in Hana. CME would insure that the quality of care performed by the OB/GYN is maintained with a newsletter supplementing educational information physicians receive through CME.

Finally, should the Legislature continue the survey, the Board suggests that a market analysis be done by an agency familiar with the process and a report of the findings be submitted to the Legislature next year.

A market analysis would yield important information that identifies and analyzes the need for physicians (including specialists) in a particular

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geographical area. It would also take into consideration other factors such as the size of the market (current and future), market growth rate and market trends. Most importantly, it would identify key success factors in recruiting and retaining physicians in Hawaii.

Thank you for the opportunity to provide written comments on H.B. No. 1203, H.D.2.



HAWAII MEDICAL ASSOCIATION

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Thursday, March 17, 2011 10:00 a.m. Conference Room 229

To: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

From: Hawaii Medical Association
Dr. Morris Mitsunaga, MD, President
Linda Rasmussen, MD, Legislative Co-Chair
Dr. Joseph Zobian, MD, Legislative Co-Chair
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: HB 1203 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

The HMA supports the concept of this bill but would ask for the following minor amendment to Section 9:

"SECTION 9. This Act shall take effect on July 1, 2009[; ~~provided that sections 3 and 4 shall be repealed on June 30, 2012~~] and shall be opened and assessed by the legislature for alternative funding sources effective June 30, 2015."

Thank you for the opportunity to testify.

OFFICERS

**PRESIDENT - MORRIS MITSUNAGA, MD PRESIDENT-ELECT - ROGER KIMURA, MD
SECRETARY - THOMAS KOSASA, MD IMMEDIATE PAST PRESIDENT - DR. ROBERT C. MARVIT, MD TREASURER
- STEPHEN KEMBLE, MD EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, DO**



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Commerce and Consumer Protection
Thursday, March 17, 2011 at 10:00 am

By

Virginia S. Hinshaw, Chancellor

And

Jerris Hedges, MD, MS, MMM, Dean

John A. Burns School of Medicine

University of Hawai'i at Mānoa

HB 1203, HD2 - RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Aloha Chair Baker, Vice-Chair Taniguchi and members of the Committee. My name is Jerris Hedges and I serve as the Dean of the University of Hawai'i at Mānoa, John A. Burns School of Medicine (JABSOM). Thank you for this opportunity to provide testimony in **support** of HB 1203, HD2, which would eliminate the sunset date of June 30, 2012 for the Physician Workforce Assessment of \$60 (\$30 per year) which is assessed on all new and renewal (biennial) medical and osteopathic licenses issued in Hawai'i. The fee is used to support the ongoing assessment and planning related to the physician workforce in Hawai'i, the ultimate goal of which is to address the shortage of physicians.

PROPOSED AMENDMENTS (See Attachment for Specific Language):

Currently, the funds collected under Act 18 are transferred to JABSOM. Because of a cap of \$150,000 specified by Act 18, JABSOM cannot expend the excess, which has been about \$95,000 per year.

We respectfully request that this cap be lifted and JABSOM be authorized to apply the excess funds to convene a working group to examine the issues outlined in HB 1203, HD2, ie., reimbursement reform and medical home model.

Anecdotal reports of physician shortages in Hawai'i have long circulated. Through the implementation of Act 18, SLH 2009, the physician workforce has been carefully studied resulting in the documented finding that we now face a significant shortfall of practicing physicians. The study found a current shortage of 600 physicians (more than 20% of our total supply) and an impending shortage of 1,600 physicians by 2020. Hawai'i needs over 200 additional adult primary care providers and is particularly short of Neurosurgeons, Cardiologists, Infectious Disease Specialists, and General Surgeons. The shortages are driven by population growth and aging, combined with the loss of over 40% of our practicing physicians to retirement.

Based on the findings of the study, physician shortages of the magnitude described will directly impact the health and well-being of virtually all residents of Hawai'i. Residents throughout the state are already beginning to experience problems accessing physician services. If the trends in shortages identified in the study continue, it will only become more difficult for our residents to receive the medical services they need.

In order to mitigate the shortage problem, ten interventions have been prioritized by Hawai'i healthcare experts and stakeholders as part of the workforce assessment process. The interventions include investing in pipeline activities that get more local students into healthcare careers, expanding medical training to address geographic mal-distribution and specialty needs, enhancing incentives for physicians to practice on the neighbor islands, involving communities in the recruitment and retention of physicians, creating a more favorable physician practice environment through tort reform, administrative simplification, reimbursement changes and moving the model of care toward a team-based "patient-centered medical home" integrated delivery system that will allow a much smaller physician workforce to care for a larger and older Hawai'i populace. The extent of changes needed is very challenging and can only be achieved if all sectors of society (physicians, healthcare administrators and personnel, government, insurers, educators, business and the community) work together to create changes that increase the supply of practicing physicians and decrease the demand for healthcare services in Hawai'i.

Study of the shortage and development of potential interventions have been limited by the current cap of \$150,000 on the fund. However, the data obtained are invaluable to targeting shortage areas within the medical profession and identifying geographic locations where the shortage of physicians is most pronounced. Further ongoing research as would be possible through extension of Act 18 is vital to addressing these physician shortages and implementing the intervention strategies.

We urge this Committee to pass HB 1203 HD2 with our suggested amendments.

Thank you for this opportunity to testify.

PROPOSED AMENDMENTS

§ 304A-2171. John A. Burns school of medicine special fund

(a) There is established the John A. Burns school of medicine special fund, to be administered and expended by the University of Hawaii.

(b) The following shall be deposited into the special fund:

- (1) Appropriations by the legislature;
- (2) Physician workforce assessment fees established pursuant to section 453-8.8;
- (3) Grants, donations, gifts, or other income received for the purposes of the special fund; and
- (4) Interest earned or accrued on moneys in the special fund.

(c) Moneys in the special fund shall be used to support the John A. Burns school of medicine's activities related to physician workforce assessment and planning within Hawaii~~[-; provided that expenditures from the special fund shall be limited to no more than \$150,000 annually]~~. This shall include but not be limited to maintaining accurate physician workforce assessment information and providing or updating personal and professional information, that shall be maintained in a secure database. The John A. Burns school of medicine may disclose information specific to any physician only with the express written consent of that physician

[§453-8.8] Physician workforce assessment fee; license; physician workforce

information. When a license is renewed, each physician or surgeon and each osteopathic physician or surgeon shall be assessed a fee of \$60 that shall be transferred and deposited into the John A. Burns school of medicine special fund established under section 304A-2171 to support ongoing assessment and planning of the physician workforce in Hawaii~~[-]; provided that any excess funds from the fund shall be used [for]to convene a working group to examine the following issues:~~

- (1) Assessing reimbursement reform;
- (2) Expediting reimbursements to physicians;
- (3) Educating physicians on the impact of federal health care reform; and
- (4) Advancing the medical home model.

Hawaii State Legislature
Senate Committee for Commerce and Consumer Protection
Testimony of Kelley Withy, MD, PhD for
H.B. 1203 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT
Submitted March 15, 2011

As a physician, an educator, a workforce researcher and a patient, I am writing to offer my strongest support for HB 1203. The State of Hawaii has the equivalent of 2,860 full time physicians caring for the civilian population. We need 3,500 (determined by the organization that analyzes physician demand for the US government). Thus, we have 600 fewer physicians than are needed. This is compounded by the fact that we are significantly short of nurse practitioners and physician assistants. If we do not take action now, by 2020 we may be 1,600 physicians short of what is needed and we will ALL find it very difficult to receive appropriate medical care.

In order to mitigate the shortage problem, ten interventions have been prioritized by Hawaii healthcare experts and stakeholders at the Hawaii Physician Workforce Summit organized by the physician workforce research team on June 29, 2010. These solutions include investing in pipeline activities that get more local students into healthcare careers, expanding medical training particularly in areas and specialties of need, improving incentives for physicians to practice on the neighbor islands, involving communities in the recruitment and retention of physicians, creating a more favorable physician practice environment (tort reform and reimbursement reform) and changing the model of care

toward a team-based “patient-centered medical home” that, in time, can become an integrated delivery system using electronic health records that will increase physician productivity, improve quality and patient safety, lower cost, and produce greater patient and provider satisfaction.

The Physician Workforce Assessment team, of which I am a member, has created a database of all practicing non-military physicians working in Hawaii and can now track changes in the physician workforce. In addition, we established a summary or resources for students interested in careers in medicine; are partnering with Department of Labor and Industrial Relations to strengthen pipeline training; created a working group of physicians and trial attorneys to address medical malpractice reform; are working with insurance companies to develop a partnership for administrative simplification; are supporting a conference to alert communities to resources to help them recruit and retain providers (4/5/2011 Hawaii State Rural Health Association Annual Conference); are partnering to support increased rural training opportunities for health professions students and residents; are researching patient centered medical home practice in Hawaii and planning a conference on this topic for late 2011; are contacting Hawaii born physicians working on the mainland to see what would interest them in jobs in Hawaii; and, of course, continue to track the changes Hawaii physician workforce.

I believe that the physician workforce assessment project is essential to the State of Hawaii and recommend its continuation. Thank you for allowing me to provide testimony.

Hawaii State Legislature, 2011
Testimony of Kelley Withy, President of Hawaii State Rural Health Association
In support of SB1203

The Hawaii State Rural Health Association would like to express our strongest support for SB1203. We have conducted published research on the rural health care needs across the State and found that while all communities are unique, there are some themes that are common throughout the state. Needs that are commonly identified in our rural and underserved communities include:

1. Financial assistance (insurance coverage, medication, free services)
2. Expanding services that are available to rural communities (including telehealth services)
3. Improving access to available services (Long term care, primary care, specialty care, mental health care, substance abuse treatment, health care training and other services)
4. Decreasing drug use
5. Increasing health education and training opportunities for community members
5. Increasing the number of health care providers working in rural areas
6. Increasing cultural sensitivity of providers

The most recent assessment of physicians in the State of Hawaii shows that we have 600 providers less than we need to meet the demand estimated by population mix. Furthermore, this deficit may grow to 1,600 providers by 2020 if no action is taken. There are many actions that must be taken to meet the growing demand for health care providers and SB1203 is essential for continuing the assessment of physicians, and implementing solutions so that we have enough health care providers to serve all communities, particularly the rural areas where the unmet needs are the greatest.

Sincerely,



Kelley Withy, MD, PhD
President, Hawaii State Rural Health Association