

**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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GOVERNOR

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INTERIM DIRECTOR

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Statement of  
**RICHARD LIM**  
Interim Director

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON HEALTH  
AND  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**

Wednesday, February 9, 2011  
2:45 PM  
State Capitol, Conference Room 229

in consideration of  
**SB 22**  
**RELATING TO HAWAII HEALTH CORPS.**

Chairs Green and Fukunaga, Vice Chairs Nishihara and Wakai and Members of the  
Committees.

The Department offers the following comments regarding Senate Bill 22 which seeks to establish the Hawaii health corps program, a loan repayment program and an incentive program for the recruitment of health care professionals to serve shortage areas. DBEDT does not have the resources or core competency to administer, regulate, and enforce an industry such as health care services and related activities.

Thank you for the opportunity to offer these comments.

*"Health care that is safe, health care that works, and health care that leaves no one behind"*

**EAST HAWAII  
REGIONAL BOARD**

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**COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**

Senator Carol Fukunaga, Chair  
Senator Glenn Wakai, Vice Chair

**NOTICE OF HEARING**

Wednesday, February 9, 2011 at 2:45 p.m.  
State Capitol, Conference Room 229  
415 South Beretania Street

**SB 22 RELATING TO HAWAII HEALTH CORPS.**

Establishes the Hawaii health corps program to address physician shortages in rural areas of the State; establishes a loan repayment program and an incentive plan for the recruitment of health care professionals to serve shortage areas.

Howard N. Ainsley  
East Hawaii Regional CEO  
Hawaii Health Systems Corporation (HHSC)

Thank you for the opportunity to provide testimony in support of SB 22. The East Hawaii Region of Hawaii Health Systems Corporation fully supports the intent of this bill to address physician shortages in rural areas and improve access to quality health care.

As the CEO of the sponsoring hospital of the University of Hawaii John A. Burns School of Medicine's Hilo residency program, I would like to urge you to amend this bill to direct appropriations to help recruit health care professionals enrolled in residency program in Hilo to remain and practice in Hilo. Specifically, a budgetary line item commitment for the Hilo residency program is suggested. The Hilo residency program is the first JABSOM program to expand to the outer islands. An appropriation for the Hilo residency program is a commitment to attract new physicians to our island and provide access to healthcare on the Big Island. An appropriation also provides hope for future programs to be established on the neighbor islands.

Also, significant funding from TriWest for the Hilo program is dependent on a financial commitment by the state. In order for TriWest's funds to be released last year, then Lt. Governor James "Duke" Aiona, Jr. presented \$140,000 to the Hilo program in July 2010 to cover the FY 2010-2011 biennium. An appropriation for this year's biennium for our Hilo program would avoid any repeat of jeopardizing TriWest funding once again.

The Hawaii Island Family Health Center, the clinic established to house the Hilo residency program, has made great advances since opening on April 1, 2009. The clinic has flourished and fills the need for primary health care of many families. The program needs to recruit a few more faculty physicians prior to applying for accreditation. This bill would allow us to provide additional incentive to recruit more health care professionals to our residency program. Please support this bill and insert an appropriation for the Hilo residency program. Thank you.



SENATE COMMITTEE ON HEALTH  
Senator Josh Green, M.D., Chair

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY  
Senator Carol Fukunaga, Chair

Conference Room 229  
Feb. 9, 2011 at 2:45 p.m.

**Supporting SB 22.**

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of SB 22, which establishes the Hawaii Health Corps program to provide loan repayments on behalf of eligible physicians. Our testimony focuses only on the portion of the bill concerning loan repayments.

Statewide, based on study by Dr. Kelley Withy, the demand for physicians far outstrip the supply, with Hawaii currently being underserved by at least 450 physicians, two-thirds of whom are needed on the Neighbor Islands. Complicating matters is that of the approximately 2,800 physicians currently practicing, nearly 40 percent will reach the retirement age of 65 within the next 10 years.

Physicians leaving practice, combined with the graying of the Hawaii population, means that Hawaii will need 1,000 new physicians by the year 2030 in order to maintain current service levels. The issue of access will be even more critical with the implementation of federal health care reform and the creation of Health Insurance Exchanges in 2014, which will result in more people obtaining insurance coverage and an increase in the demand for medical services.

Despite the fact that Hawaii has one of the highest costs of living in the nation, physician reimbursements are only the twenty-second highest, based on Medicare fees. A loan repayment program would create an incentive for Hawaii's medical school graduates to set up practice in Hawaii and encourage them to locate on the Neighbor Islands.

For the foregoing reasons, the Healthcare Association supports SB 22.



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Touching Lives Everyday"*

**Senate Committee on Health**  
**Senator Josh Green, M.D., Chair**  
**Senator Clarence Nishihara, Vice Chair**

**Senate Committee on Economic Development and Technology**  
**Senator Carol Fukunaga, Chair**  
**Senator Glenn Wakai, Vice Chair**

Wednesday, February 9, 2011  
2:45 p.m.  
Conference Room 229  
Hawaii State Capitol

**Testimony Supporting Senate Bill 22, Relating to Health**

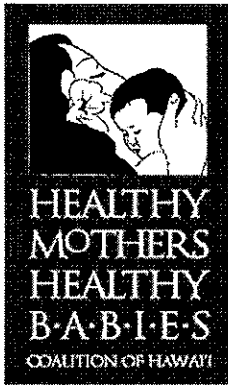
Establishes the Hawaii Health Corps program to address physician shortages in rural areas of the State; establishes a loan repayment program and an incentive plan for the recruitment of health care professionals to serve shortage areas

Alice M. Hall  
Interim President and Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporation Board of Directors, thank you for the opportunity to present testimony in strong support of SB 22 that establishes the Hawaii Health Corp program.

Recruitment and retaining essential health care providers, particularly in Hawaii's rural and underscored areas is an on-going challenge that HHSC fully recognizes in operating the state's community-hospital system. HHSC recognizes the need for creative and collaborative initiatives to address the serious health care issues our island communities face in Hawaii and consequently, strongly supports programs directed to alleviating the serious provider shortage in the state and its impact on access to quality health care for all, including residents, visitors, and tourists.

This measure provides an important loan repayment component that will make practicing in rural areas of the state more attractive and feasible for newly graduate physicians and other essential health professionals.



January 19, 2011

TO: Senator Josh Green, M.D., Chair, Senator Clarence K. Nishihara, Vice Chair and  
Members of the Committee on Health  
Senator Carol Fukunaga, Chair, Senator Glenn Wakai, Vice Chair, and Members of  
the Committee On Economic Development and Technology

FROM: Jackie Berry, Executive Director

RE: **SB 22**

Hearing: Wednesday, February 9 2011 at 2:45pm

Honorable Chairperson Green, Vice Chairperson Nishihara and Members of the Committee on Health

Honorable Chairperson Fukunaga, Vice Chairperson Wakai and Members of the Committee on Education

HMHB is a statewide coalition of public and private agencies and individuals committed to the improvement of maternal and infant health status in Hawaii through education, coordination and advocacy. **HMHB is testifying today in support of SB 22 Relating to Hawaii Health Corps.**

As we all know physician shortages on the neighbor islands and in the rural areas of Oah'u is a serious problem. Whenever we talk with women about their health care, access to quality health care is raised as one of the major problems facing them. Access to quality prenatal health care is essential to ensuring a healthy baby. HMHB believes that the establishment of a Hawaii health corps program to address physician shortages in rural areas through a loan repayment program and an incentive plan for recruitment is a positive step toward beginning to address this problem.

We urge you support of this bill.

Mahalo for your consideration of this bill and our testimony.

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## Hawai'i Primary Care Association

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### **Senate Committee on Health**

The Hon. Josh Green, MD, Chair

The Hon. Clarence K. Nishihara, Vice Chair

### **Senate Committee on Economic Development & Technology**

The Hon. Carol Fukunaga, Chair

The Hon. Glenn Wakai, Vice Chair

## **Testimony in Support of S. B. 22 RELATING TO HAWAII HEALTH CORPS & S.B. 791**

### **RELATING TO HEALTH**

**Submitted by Beth Giesting, Chief Executive Officer**

**February 9, 2011 2:45 p.m. Agenda, Room 229**

The Hawai'i Primary Care Association asks for your support for this measure, which would address the shortage of primary care physicians and dentists in Health Professional Shortage Areas, which are largely in rural Hawai'i. We believe that both the state-based loan repayment program and the recruitment program will provide much-needed incentives to help primary care clinicians choose to practice where they are most needed, including neighbor islands and other rural areas. We appreciate this bill's emphasis on prioritizing applicants with educational and life experience in Hawai'i we have too often seen promising clinicians with no local ties leave Hawai'i when they're loans have been repaid. Our communities and our home-grown clinicians deserve the opportunity provided by this bill.

Thank you for this opportunity to testify in support of this measure.

**green1 - Karen**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 07, 2011 8:04 AM  
**To:** HTHTestimony  
**Cc:** geesey@hawaii.edu  
**Subject:** Testimony for SB22 on 2/9/2011 2:45:00 PM

Testimony for HTH/EDT 2/9/2011 2:45:00 PM SB22

Conference room: 229  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Yvonne Geesey  
Organization: Individual  
Address: 1224 Nehoa Street Honolulu, HI 96822  
Phone: 808-227-9361  
E-mail: [geesey@hawaii.edu](mailto:geesey@hawaii.edu)  
Submitted on: 2/7/2011

**Comments:**

USC Title 42 authorizes funds to pay the cost of attending a program which leads to a degree appropriate to serving as a "health professional." To limit these funds to dentist and phycians only as SB 22 attempts to accomplish does not reach the intent of this loan repayment program.

This bill should be amended to include all eligble health professionals.

Mahalo, Yvonne Geesey