SB240

UNIVERSITY OF HAWAIʻI SYSTEM
Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Education
and
Senate Committee on Health
Friday, February 4, 2011 at 2:45 p.m.
by
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and
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SB 240 - RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Aloha Chairs Tokuda and Green, Vice-Chairs Kidani and Nishihara and members of the Committees. My name is Jerris Hedges and I am the Dean of the University of Hawaiʻi at Mānoa John A. Burns School of Medicine (JABSOM). Thank you for this opportunity to provide testimony in **support** of SB 240. 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 Hawaiʻi. The fee is used to support the ongoing assessment and planning related to the physician workforce in Hawaiʻi, the ultimate goal of which is to address the shortage of physicians.

Anecdotal reports of physician shortages in Hawaiʻi 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. Hawaiʻi 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 Hawaiʻi. 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 Hawaiʻi 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.

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 programs specifically targeting rural physician workforce development as identified and monitored through analysis of the data. For instance, grants from Hawai'i Medical Service Association (HMSA) and others provided travel support for as many as 71 medical students annually doing primary care clinical practice rotations on the Neighbor Islands for the last two fiscal years. Their support, almost $200,000, ended this fiscal year and is not subject to renewal. Use of the excess funds could allow this support to continue our rural training programs.

Some JABSOM graduates report an interest in and even commitment to practicing on the Neighbor Islands following their rotations there. Here is an excerpt from a newsletter interview of a medical student shortly after returning from a six-week rotation on Moloka'i:

> *"Shadowing a family practice physician at the Molokai Community Health Center was my first encounter with a truly rural practice," said (Derek) Nakayama. "With the nearest specialist a $100-plus plane ticket away, the doctor there becomes the patient's only efficient avenue for medical attention and advice. Yet the clinic ran smoothly from signing-in, all the way through diagnosis and even picking up prescriptions at the pharmacy. But what amazed me most were the people. With so many outdoor activities to do and such nice people who need physicians in a medically-underserved community, I would not be able to resist the offer of practicing on Molokai or in another similar rural setting," said Nakayama.*
> Oct-Nov 2009

We urge this Committee to pass SB 240 with the requested amendment to eliminate the cap.

Thank you for this opportunity to testify.

PRESENTATION OF THE
HAWAII MEDICAL BOARD

TO THE SENATE COMMITTEE ON EDUCATION

AND

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Friday, February 4, 2011
2:45 p.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 240, RELATING TO PHYSICIAN WORKFORCE ASSESSMENT.

TO THE HONORABLE JILL N. TOKUDA, CHAIR,
TO THE HONORABLE JOSH GREEN, M.D., CHAIR,
AND MEMBERS OF THE COMMITTEES:

My name is Constance Cabral and I am the Executive Officer of the Hawaii Medical Board ("Board"). The Board has not had the opportunity to review this bill but will be discussing it at the next Board meeting on February 10, 2011. Therefore, it is not able to take a position at this time.

Thank you for the opportunity to provide written testimony on S.B. No. 240.

TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE HAWAII ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT OF S.B. NO. 240

February 4, 2011

To: Chairpersons Jill Tokuda and Josh Green, M.D. and Members of the Senate Committees on Education and on Health:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in support of S.B. No. 240, relating to Physician Workforce Assessment.

HAJ supports reasonable measures to recruit and retain health care practitioners for rural and underserved areas of the state. In the past, there has been much uncertainty and lack of baseline data concerning the scope of physicians working in various areas of the state, as well as the distribution of specialists throughout the state. The physician workforce assessment program assists in providing data about number, types and distribution of physicians needed to rationally assess the situation and formulate policies and programs to address critical areas. The continuation of the program serves an important purpose and deserves your due consideration.

Thank you for this opportunity to testify.

Hawaii State Legislature

Senate Health Committee

S.B. 240 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Testimony of Kelley Withy, MD, PhD

February 4, 2011

As a physician, an educator, a workforce researcher and a patient, I am writing to offer my strongest support for SB 240. 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

Senate Health Committee

S.B. 240 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Testimony of David Sakamoto, MD, MBA

February 4, 2011

I am a member of the physician workforce assessment and planning team at the John A. Burns School of Medicine. I am providing this testimony as a private citizen, and the opinions expressed are entirely my own. I am in strong support of SB 240.

There are now hard data that show that we currently have a shortfall that exceeds 600 physicians, when compared with a community of the same size on the mainland. Geographically, although the problem is most acute on the Big Island, residents throughout the state are beginning to experience access problems.

Our Lewin Group supply-demand model indicates that if significant changes are not made, by 2020 Hawaii will have a shortage of 1,600 physicians. The imbalances are driven principally by inevitable demographic trends, the loss of over 40% of our practicing physician to retirement along with population growth and aging.

To put the magnitude of these shortages into perspective, consider the following. The total number of patient-care physician full-time equivalents (FTEs) at Kaiser added to the total number practicing at Straub comes to fewer than 500 FTEs.

Compounding the problem, Hawaii's physician workforce is the 5th oldest of all the states (in terms of the percent of physicians 60 and older) and we have the 6th lowest percent of physicians under the age of 40. Combined, we are in the worst position of all of the states.

Unfortunately, there are no easy, inexpensive solutions. Simply put, we have to ramp up our recruitment and retention as much as we can, and even then we will

continue to suffer a net loss of doctors each year. Ultimately, we will have to transform our delivery system to what is called, an Integrated Delivery System – along the lines of a Mayo Clinic, Geisinger Health Systems, or Kaiser.

I believe that the JABSOM workforce assessment team should be self-funded and has three major functions from this point forward:

1. Provide the legislature status reports on the physician workforce in terms on specialty mix and distribution.

2. Provide the legislature an annual assessment on the public's access to care, by specialty and by island.

3. Facilitate recruitment and retention, and facilitate the transformation of the delivery system.

Examples: a) to improve the physician practice environment, the JABSOM team will bring together a workgroup of legal and medical experts to draft legislation to reform the medical malpractice liability process; if successful, to support implementation and provide an assessment of the outcomes.

b) develop and implement training programs from students, residents, and practicing physicians on how to practice in a patient-centered medical home model clinic.

c) complete a study to determine why young physicians are not locating in Hawaii and to determine what it would take to bring them (and other physicians) to our state.

Proposed amendments to SB 240: i) at the time of relicensure, rebate all residual monies in the JABSOM special fund - up to the amount of the surcharge - to the physicians as an incentive to complete the JABSOM physician survey; ii) remove the cap; iii) allow SB 240 to sunset in 4 years.

Thank you for the opportunity to submit this testimony.