



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
INTERIM DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
RICHARD C. LIM
Interim Director
Department of Business, Economic Development, and Tourism

before the
**SENATE COMMITTEE 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 791
RELATING TO HEALTH.

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

The Department offers the following comments regarding Senate Bill 791 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**

Robert Irvine, M.D.
Chair

Brenda Ho, R.N., M.S.
Vice-Chair

Carol Iadaluca-Myrianthis, Psy.D.
Secretary/Treasurer

Christine Beck, APRN

Susan B. Hunt, MHA

Brian Iwata, CPA

Dennis Lee, M.D.

Craig Shikuma, M.D.

Leonard Tanaka

Diana Van De Car, Esq.

Harry Yada

Gary Yoshiyama

**EAST HAWAII
CORPORATE BOARD**

Howard N. Ainsley

Carol VanCamp

**HAWAII STATE SENATE
COMMITTEE ON HEALTH**

Senator Josh Green, MD, Chair
Senator Clarence K. Nishihara, Vice Chair

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 791 RELATING TO HEALTH

Creates the Hawaii health corps program. Makes an appropriation to the department of business, economic development, and tourism to implement the Hawaii health corps program.

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

Thank you for the opportunity to provide testimony in support of SB 791. The East Hawaii Region of Hawaii Health Systems Corporation fully supports the intent of this bill to form the Hawaii Health Corps Program to address physician shortages in rural areas by implementing both loan repayment and physician recruitment programs.

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.



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 K. 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 791, Relating to Health
Creates the Hawaii Health Corps Program. Makes an appropriation to the
Department of Business, Economic Development, and Tourism to implement the
Hawaii Health Corps Program.**

by

Alice M. Hall

Interim President and Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC), thank you for the opportunity to present testimony in support of SB 791 that creates the Hawaii Health Corps Program.

This proposed legislation ensures that access to quality health care will remain at the local level for our Big Island communities. In light of today's challenging health care environment, particularly physician shortages at all levels, this program is vital and needed now. Much discussion has already been invested in this collaborative effort and we look forward to seeing our shared vision come to fruition.

Thank you for the opportunity to testify before this committee. We would respectfully urge the Committee's support of this measure.



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 791.

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 791, 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 791.



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 791**

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 791 Relating to Health.**

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.

845 22nd Avenue, Honolulu, Hawaii 96816
Phone # (808) 737-5805

E-mail: jackieb@hmhb-hawaii.org website: www.hmhb-hawaii.org



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 K. 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 791, Relating to Health
Creates the Hawaii Health Corps Program. Makes an appropriation to the
Department of Business, Economic Development, and Tourism to implement the
Hawaii Health Corps Program.**

by

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

On behalf of the Hawaii Health Systems Corporation (HHSC), thank you for the opportunity to present testimony in support of SB 791 that creates the Hawaii Health Corps Program.

This proposed legislation ensures that access to quality health care will remain at the local level for our Big Island communities. In light of today's challenging health care environment, particularly physician shortages at all levels, this program is vital and needed now. Much discussion has already been invested in this collaborative effort and we look forward to seeing our shared vision come to fruition.

Thank you for the opportunity to testify before this committee. We would respectively urge the Committee's support of this measure.



Hawai'i Primary Care Association

345 Queen Street | Suite 601 | Honolulu, HI 96813-4718 | Tel: 808.536.8442 | Fax: 808.524.0347
www.hawaiipca.net

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.