

HB902

HD2



UNIVERSITY OF HAWAI‘I SYSTEM

Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Health
Senate Committee on Education
Monday, March 21, 2011 at 1:15 p.m.

By

Virginia S. Hinshaw, Chancellor

And

Jerris Hedges, MD, MS, MMM, Dean

John A. Burns School of Medicine

University of Hawaii at Manoa

HB 902 HD2 RELATING TO UNIVERSITY OF HAWAII

Chairs Green and Tokuda and members of the Senate Committees on Health and Education, thank you for this opportunity to provide testimony in support of the intent of this bill to alleviate the shortage of physicians in Hawai‘i, especially those in our rural communities, including the neighbor islands.

HB 902 HD2 creates a loan program for medical students who work in rural areas of the State. Given the importance of addressing the workforce shortage and the reality of rising tuition costs, such programs are needed to complement our other efforts to expand the physician workforce. Future bills should also seek to address educational support for Nurse Practitioners as well.

We believe support for administration of any such program (to include loan officer staff, administrator, collections personnel, overhead, etc) must be provided along with actual funds for the loans. The School’s overall operating budget must not be taxed by any such new program.

In summary, we support the measure provided that the measure does not replace or adversely impact priorities as indicated in the University’s Board of Regents Approved Executive Biennium Budget.

Mahalo.

NEIL ABERCROMBIE
GOVERNOR



GREGG YAMANAKA
CHAIRPERSON

JAMES P. HARDWAY
EXECUTIVE DIRECTOR

**STATE OF HAWAII
WORKFORCE DEVELOPMENT COUNCIL**

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March 19, 2011

To: The Honorable Jill Tokuda, Chair
and Members of the Senate Committee on Education

The Honorable Josh Green, M.D., Chair
And Members of the Senate Committee on Health

Date: Monday, March 21, 2011
Time: 1:15 p.m.
Place: State Capitol, Conference Room 225

From: James P. Hardway, Executive Director
Workforce Development Council

RE: HB 902, HD2 - RELATING TO THE UNIVERSITY OF HAWAII (REVISED)

The Workforce Development Council ("WDC") strongly supports the establishment of the Hawaii Medical Doctor Loan Program for University of Hawaii medical school graduates and medical school graduates with training from Hawaii-based medical programs, working in rural areas of the State.

The WDC is an attached agency to the DLIR and is responsible for advising the Governor and Legislature on workforce development to support economic development and employment opportunities for all. The WDC is also the State Workforce Investment Board for purposes of the federal Workforce Investment Act ("WIA") of 1998. The WDC assists the Governor in developing and updating comprehensive five-year strategic workforce investment plans and oversees workforce (public) investment activities in the state.

The healthcare workforce in Hawaii has reached "critical condition." The State has major industry barriers, including: lack of local training available for specialized occupations, lack of specific labor market information, a high cost of living and transportation that inhibits training (especially on neighbor islands), and rural and isolated areas with limited access to healthcare and high health disparities among certain populations. When comparing to average US healthcare utilization rates, these and other barriers, have led to an estimated 20% lack of primary care providers in the State, as well as shortages in many other healthcare occupations.

Like many other states, the State of Hawaii is threatened by a lack of skilled workers in the healthcare industry. **According to the Hawaii State Center for Nursing and the Hawaii/Pacific Basin Area Health Education Center at the University of Hawaii's John A.**

Burns School of Medicine, current projections show the state could be short 1,230 doctors to care for an estimated 280,496 baby boomers who will be 65 or older by 2020. These shortages will worsen in the following decade.

Given the high percentage of older residents, who generally use medical care more than other age groups, this insufficient number of physicians will have serious repercussions.

The WDC supports this initiative as it is an attempt to address the physician shortage Hawaii currently experiences, and which is likely to worsen in the on-coming years.

Additionally, the establishment of such a fund could qualify the State of Hawaii to apply for the federal State Loan Repayment Program from the U.S. Department of Health and Human Services Administration which currently provides matching funds to more than 30 states to operate their own loan repayment programs for primary care clinicians working in Health Professional Shortage Areas.

The WDC would request that the bill be amended to allow the establishment of a loan repayment program for physician assistants, and nurse practitioners similar to that proposed in SB 240 for the reasons noted above.



HAWAII MEDICAL ASSOCIATION

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Thursday, March 21, 2011, 1:15 pm, Conference Room 225

To: COMMITTEE ON EDUCATION
Senator Jill N. Tokuda, Chair
Senator Michelle Kidani, Vice Chair

COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, 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 902 HD 2 Relating to the University of Hawaii

In Support.

Chairs & Committee Members:

Inadequate access to health care on the neighbor islands has become a vitally important issue. Too many people die, or suffer poor outcomes, because there are inadequate numbers of practicing physicians. The life span of a Big Island resident is currently 2 years shorter than those in other parts of the state.

Hawaii Medical Association supports this measure, which will:

- Assure that more of our JABSOM graduates will be able to remain in Hawaii;
- Increase the opportunity for professional employment and/or entrepreneurial opportunities in our rural communities;
- Address our access to medical care crisis with long range planning.

The HMA strongly supports this effort to provide incentives for physicians to service

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underserved areas and to keep more physicians in Hawaii.

Economic incentives reduce the financial burden of a medical practice serve as meaningful incentive to practice in rural areas.

Financial burdens include:

- Overhead that can be as high as 75% of gross income;
- Overhead includes high medical malpractice insurance premiums (premiums vary by medical specialty but for high risk specialties can be around \$70,000);
- Overhead includes increasing office staffing, office rent and other business expenses;
- Income is based on capped and often inadequate payment for services from private and public health plans; and
- For new physicians, typical student loan debt around \$160,000.

Thank you for the opportunity to provide this testimony.



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

SENATE COMMITTEE ON EDUCATION
Senator Jill Tokuda, Chair

Conference Room 225
March 21, 2011 at 1:15 p.m.

Supporting HB 902 HD 2.

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 HB 902 HD 2, which creates a loan program that encourages physicians to practice in the rural areas of Hawaii.

The overall demand for physicians in Hawaii far outstrips the supply, and the shortage is most conspicuous in rural areas, based on a study by Dr. Kelley Withy. Hawaii is 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 who are currently practicing, nearly 40% will reach the retirement age of 65 within the next 10 years.

The factors of the current physician shortage and the expected number of 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 become even more critical with the implementation of federal health care reform and the individual mandate in 2014, which will result in more people obtaining insurance coverage and an increase in the demand for medical services.

Hawaii's economy poses disincentives for new graduates of medical schools to set up practice. Hawaii has one of the highest costs of living in the nation. Yet average physician payments are only the twenty-second highest, based on Medicare fees. HB 902 HD 2 will create an incentive for Hawaii's medical school graduates to practice in Hawaii's rural areas, where they are most needed.

For the foregoing reasons, the Healthcare Association supports HB 902 HD 2.

Testimony for HTH/EDU 3/21/2011 1:15:00 PM HB902

Conference room: 225
Testifier position: support
Testifier will be present: No
Submitted by: Kristi Kobayashi
Organization: Pre-Medical Association at UH Manoa
Address:
Phone:
E-mail: kristifk@hawaii.edu
Submitted on: 3/20/2011

To Whom It May Concern,

Passing this bill would greatly benefit everyone. Getting a medical education in order to help the people of the island should not be affected by costs. People who want to pursue medicine are there because they want to make a difference. It is not fair that many who go through medical school must deal with huge debts. Being in the Pre-Medical Association at UH Manoa allows me to see so many with great potential and passion who dream of going to JABSOM. Loans and other types of monetary help for medical students who work in rural areas would be a good incentive for students to get involved in community health and would therefore benefit the community as well. Please help the members of the Pre-Medical Association, my sister, and my boyfriend have their dream of becoming a doctor come true.

Thank you very much,
Kristi Kobayashi