

NEIL ABERCROMBIE
GOVERNOR



GREGG YAMANAKA
CHAIRPERSON

JAMES P. HARDWAY
EXECUTIVE DIRECTOR

**STATE OF HAWAII
WORKFORCE DEVELOPMENT COUNCIL**

830 PUNCHBOWL STREET, SUITE 417
HONOLULU, HAWAII 96813
www.hawaii.gov/labor/WDC
Phone: (808) 586-8672 / Fax: (808) 586-8674

March 19, 2011

To: The Honorable Ryan I. Yamane, Chair
and Members of the House Committee on Health

The Honorable Scott Nishimoto, Chair
And Members of the House Committee on Higher Education

Date: Monday, March 22, 2011
Time: 11:15 p.m.
Place: State Capitol, Conference Room 329

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

RE: SB 596, SD2 - RELATING TO HAWAII HEALTH CORPS

The Workforce Development Council ("WDC") strongly supports the establishment of the Hawaii health corps program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to those serving in rural areas. Provides for loan repayments by the University of Hawaii John A. Burns school of medicine and the University of Hawaii at Manoa school of nursing and dental hygiene.

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.

SB 596, SD2 - RELATING TO HAWAII HEALTH CORPS

March 19, 2011

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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 healthcare shortages 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.

TO : COMMITTEE ON HEALTH
Rep. Ryan I Yamane, Chair
Rep. Dee Morikawa, Vice-Chair

COMMITTEE ON HIGHER EDUCATION
Rep. Scott Y. Nishimoto, Chair
Rep. Mark M. Nakashima, Vice Chair

FROM: Eldon L. Wegner, Ph.D.
POLICY ADVISORY BOARD FOR ELDER AFFAIRS (PABEA)

HEARING: 11:15 Tuesday, March 12, 2011
Conference Room 329, Hawaii State Capitol

SUBJECT: SB 596 SD2 Relating to Hawaii Health Corp

POSITION: The Policy Advisory Board for Elder Affairs, **supports SB 596 SD 2** which would establish a Hawaii Health Corp and create a Hawaii Health Corp Revolving Fund to provide for the recruitment and retention of health professionals in rural, underserved areas. .

RATIONALE:

The Policy Board for Elder Affairs has a statutory obligation to advocate on behalf of the senior citizens of Hawaii. While we advise the Executive Office on Aging, we do not speak on behalf of the Executive Office of Aging.

A shortage of health care professionals (physicians, physician assistants and nurse practitioners) poses a serious barrier to access to health care for rural communities and rural areas, especially on the Neighbor Islands. A loan forgiveness program has been used in many places as an effective tool for recruitment and retention of health professionals to underserved areas. We therefore support passage of this bill which would establish such a program in Hawaii through the John A. Burns School of Medicine and the Departments of Nursing and Nursing Hygiene at the University of Hawaii.

Thank you for allowing me to testify on this bill.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 22, 2011

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Chair

House Committees on Health and Higher Education

Re: SB 596 SD2 – Relating to Hawaii Health Corps

Dear Chair Yamane, Chair Nishimoto and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 596 SD2 which would create the Hawaii Health Corps to assist health care providers practicing in rural areas and shortage areas through a loan repayment program.

HMSA is acutely aware of the issue of access to health care, especially in rural areas of the state. The proposed program outlined in SB 596 SD2 builds on the often cited notion that individuals will end up practicing where their residency requirements were performed. Providing loan repayments with a preference to graduates who agree to practice in rural areas lacking appropriate providers, will likely further serve to root these individuals into our community.

We support this worthy program and hope that the Committees see fit to pass this measure.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal flourish extending to the right.

Jennifer Diesman
Vice President
Government Relations



March 22, 2011
11:15am
Conference Room 329

To: The Honorable Rep. Ryan I. Yamane, Chair
The Honorable Rep. Dee Morikawa, Vice Chair
House Committee on Health

The Honorable Rep. Scott Y. Nishimoto, Chair
The Honorable Mark M. Nakashima, Vice Chair
House Committee on Higher Education

From: Paula Arcena, Director of Public Policy

Re: SB596, SD2 Relating to Hawaii Health Corps

Thank you for the opportunity to testify in **support** of SB596, SD2, which would establish the Hawaii health corps program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county that has a shortage of those professionals, with priority given to those serving in rural areas.

Currently, Hawaii has a shortage of health care professionals, especially on Neighbor Islands and other rural areas. The loan repayment program proposed by this measure is a proactive way for the State of Hawaii to support the recruitment and retention of health care professionals to serve areas that have the highest need.

We encourage the Hawaii Health Corps to coordinate its efforts with other organizations that are actively engaged in similar support efforts. AlohaCare has supported the recruitment of physicians and other providers on Maui and the Big Island and plans to continue to do so into the future. Coordination would help to prevent redundancy and maximize the benefit of community wide efforts.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

AlohaCare has been contracted by the Hawaii Department of Human Services since the QUEST program started in 1994 to provide insurance coverage for Medicaid eligible beneficiaries through the QUEST program. We serve approximately 75,000 QUEST enrollees statewide.

Thank you for this opportunity to testify.



HOUSE COMMITTEE ON HEALTH
Rep. Ryan Yamane

HOUSE COMMITTEE ON HIGHER EDUCATION
Rep. Scott Nishimoto, Chair

Conference Room 329
March 22, 2011 at 11:15 a.m.

Supporting SB 596 SD 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 SB 596 SD 2, which establishes the Hawaii Health Corps program to provide loan repayments on behalf of eligible physicians, physician assistants and nurse practitioners. Our testimony focuses only on the portion of the bill concerning loan repayments.

Statewide, based on study by Dr. Kelley Withy, the demands 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 596 SD2.



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

**HAWAII STATE HOUSE OF REPRESENTATIVES
HOUSE COMMITTEE ON HEALTH**

**Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair**

HOUSE COMMITTEE ON HIGHER EDUCATION

**Rep. Scott Y. Nishimoto, Chair
Rep. Mark M. Nakashima, Vice Chair**

March 22, 2011 at 11:15 a.m.
Hawaii State Capitol, Conference Room 329

SB 596 SD 2 RELATING TO HAWAII HEALTH CORPS.

Establishes the Hawaii health corps program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to those serving in rural areas. Provides for loan repayments by the University of Hawaii John A. Burns School of Medicine and the University of Hawaii at Manoa School of Nursing and Dental Hygiene. Creates the Hawaii Health Corps revolving fund. Makes appropriations to support accreditation efforts and support and expand residency programs, particularly in family medicine.

Boyd P. Murayama
Assistant Hospital Administrator
Medical Group Practice Director
Hilo Medical Center

Thank you for the opportunity to provide testimony in support of SB 596 SD2. The East Hawaii Region of Hawaii Health Systems Corporation supports this bill as it has tremendous potential to improve access to quality healthcare for Big Island residents and other rural communities throughout the state.

As the Clinic Administrator of the Hilo Residency Program, I also support this bill in its current form, which details a streamlined funding request to aid the Program in achieving accreditation—a crucial aspect in establishing the program, and ultimately to begin hiring the program's first medical residents.

This bill to fund the Hilo program is a commitment to provide access to healthcare on the Big Island, and provides a model for programs to be established on the neighbor islands in the future. The East Hawaii community has overwhelmingly supported this program for the past 5 years. Funding the project for the next two years is crucial and it will require state funds.

Since April 1, 2009, when the Hawaii Island Family Health Center was established to house the Hilo residency program, much progress has been made to prepare the program for accreditation. As a collaborative effort with the John A. Burns School of Medicine, the clinic is flourishing and continues to serve as the primary source of healthcare for many families. Hilo Medical Center is fully committed to the program's success and looks forward to the day this program reaches fruition.

I urge you to support this "shovel-ready" program by supporting SB 596 SD 2 to fund the Hilo residency program. Thank you.

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

HAWAII STATE HOUSE OF REPRESENTATIVES
HOUSE COMMITTEE ON HEALTH
Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair

HOUSE COMMITTEE ON HIGHER EDUCATION
Rep. Scott Y. Nishimoto, Chair
Rep. Mark M. Nakashima, Vice Chair

March 22, 2011 at 11:15 a.m.
Hawaii State Capitol, Conference Room 329

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Merilyn Harris
Administrator, Ka'u Hospital

Rural hospitals and clinics on the neighbor islands are constantly struggling with the challenge of finding and keeping physicians and other health care workers. This challenge will become especially critical in the next 5-10 years as so many of our current providers reach retirement age.

Research has shown that physicians are far more likely to open practices and start their careers in the same communities in which they served their residency. This is because by the time they graduate, they are familiar with the resources and have built up a network of support. This support system is critical to any successful recruitment and the lack of it has been a barrier to long-term placement of many physicians recruited from off island and elsewhere.

Thus the Hilo Residency program serves as a kind of incubator for the new primary care practitioners in our future. Neighbor islands and especially rural areas such as Ka'u, acutely need this pipeline to new providers if we are going to continue to provide access to care. In addition, with a strong base of primary care providers, it will be much easier to recruit specialists to the neighbor islands.

I urge you to support this program by supporting SB 596 SD 2 to fund the Hilo residency program. Thank you.



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

HAWAII STATE HOUSE OF REPRESENTATIVES
HOUSE COMMITTEE ON HEALTH
Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair

HOUSE COMMITTEE ON HIGHER EDUCATION
Rep. Scott Y. Nishimoto, Chair
Rep. Mark M. Nakashima, Vice Chair

March 22, 2011 at 11:15 a.m.
Hawaii State Capitol, Conference Room 329

SB 596 SD 2 RELATING TO HAWAII HEALTH CORPS.

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

Thank you for the opportunity to provide testimony in support of SB 596 SD2. The East Hawaii Region of Hawaii Health Systems Corporation supports this bill as it has tremendous potential to improve access to quality healthcare for Big Island residents and other rural communities throughout the state.

As the CEO of the sponsoring hospital for the Hilo Residency Program, I also support this bill in its current form, which details a streamlined funding request to aid the Program in achieving accreditation—a crucial aspect in establishing the program, and ultimately to begin hiring the program's first medical residents.

This bill to fund the Hilo program is a commitment to provide access to healthcare on the Big Island, and provides a model for programs to be established on the neighbor islands in the future. The East Hawaii community has overwhelmingly supported this program for the past 5 years. Funding the project for the next two years is crucial and it will require state funds.

Since April 1, 2009, when the Hawaii Island Family Health Center was established to house the Hilo residency program, much progress has been made to prepare the program for accreditation. As a collaborative effort with the John A. Burns School of Medicine, the clinic is flourishing and continues to serve as the primary source of healthcare for many families. Hilo Medical Center is fully committed to the program's success and looks forward to the day this program reaches fruition.

I urge you to support this "shovel-ready" program by supporting SB 596 SD 2 to fund the Hilo residency program. Thank you.



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

"Touching Lives Everyday"

House Committee on Health
Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair

House Committee on Higher Education
Representative Scott Y. Nishimoto, Chair
Representative Mark M. Nakashima, Vice Chair

Tuesday, March 22, 2011
11:15 a.m.
Conference Room 329
Hawaii State Capitol

Testimony Supporting Senate Bill 596, SD2, Relating to Health

Establishes the Hawaii Health Corps Program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county having a shortage with priority given to in rural areas. Provides for loan repayments by the University of Hawaii John A. Burns School of Medicine and the University of Hawaii at Manoa School of Nursing and Dental Hygiene. Creates the Hawaii Health Corps revolving fund. Makes appropriations to support accreditation efforts and supports and expands residency programs, particularly in family medicine, Effective 7/1/2050. (SD2)

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 596, SD2, 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.

In light that the Big Island Rural Interdisciplinary Residency Program is a good start in response to both the physician and nursing shortage issues, HHSC fully supports this measure that will ensure continued access to health care for our Neighbor Island communities. Your continued support reflects a solid commitment by the state to further develop this much needed comprehensive and inter-disciplinary program.

Thank you for the opportunity to testify before this committee. We would respectively urge the Committee's support of SB 596, SD 2.



HILO MEDICAL CENTER FOUNDATION

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Dawn Pung

VICE PRESIDENT

Julie Tulang

SECRETARY

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HOUSE COMMITTEE ON HIGHER EDUCATION

Rep. Scott Y. Nishimoto, Chair

Rep. Mark M. Nakashima, Vice Chair

March 22, 2011 at 11:15 a.m.

Hawaii State Capitol, Conference Room 329

SB 596 SD 2 RELATING TO HAWAII HEALTH CORPS.

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Dawn Pung

President

Hilo Medical Center Foundation

Thank you for the opportunity to provide testimony in support of SB 596 SD2. The Hilo Medical Center Foundation supports this bill as it has tremendous potential to improve access to quality healthcare for Big Island residents and other rural communities throughout the state.

As the President of the Hilo Medical Center Foundation, I also support this bill in its current form, which details a streamlined funding request to aid the Hilo Rural Residency Program in achieving accreditation—a crucial aspect in establishing the program, and ultimately to begin hiring the program’s first medical residents.

This bill to fund the Hilo program is a commitment to provide access to healthcare on the Big Island, and provides a model for programs to be established on the neighbor islands in the future. The East Hawaii community has overwhelmingly supported this program for the past 5 years. Funding the project for the next two years is crucial and it will require state funds.

Since April 1, 2009, when the Hawaii Island Family Health Center was established to house the Hilo residency program, much progress has been made to prepare the program for accreditation. As a collaborative effort with the John A. Burns School of Medicine, the clinic is flourishing and continues to serve as the primary source of healthcare for many families. The Hilo Medical Center Foundation is fully committed to the program’s success and looks forward to the day this program reaches fruition.

I urge you to support this “shovel-ready” program by supporting SB 596 SD 2 to fund the Hilo residency program. Thank you.

Outpatient Clinic Administration
1190 Waiuanue Avenue
Hilo, HI 96720
808.933.0469 808.974.4746 [fax]



March 21, 2011

**Testimony in support of SB596 SD2 / 3/22/2011
Hilo Residency Program**

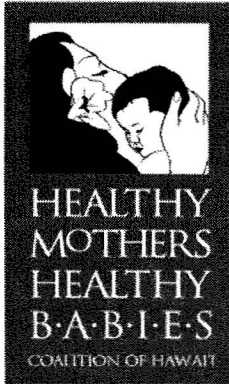
Thank you for the allowing me an opportunity to provide testimony in support of SB 596 SD2. As an employee of the East Hawaii Region of Hawaii Health Systems Corporation, Hilo Medical Center, I strongly support this bill. My position at the Hilo Medical Center is Clinic Supervisor and as the direct assistant to Boyd Murayama, Medical Group Practice Director, I have seen this program in development since August 2007 when I began my employment here. Over the last four years I have watched (and helped) this program grow and improve tremendously. I see, first hand, the dedication of the staff and providers at this clinic to provide quality healthcare to the residents of the Big Island. This is so very important when the Big Island faces ongoing physician shortages.

The sustainability of this program is going to be imperative in the near future and beyond as east Hawaii faces the prospect of several family practitioners who are approaching retirement age. This program will likely eliminate the physician shortages that we see today by bringing new practitioners to the area. This will be necessary to keep up with the growth in our great community.

Thank you.

A handwritten signature in black ink, appearing to read "Wendy Foley", written in a cursive style.

Wendy Foley
Clinic Supervisor
Hilo Medical Center



March 18, 2011

TO: Committee on Health: Rep. Ryan Yamane, Chair
Rep. Dee Morikawa, Vice Chair
Committee on Higher Education: Rep. Scott Nishimoto, Chair
Rep. Mark Nakashima, Vice Chair

FROM: Jackie Berry, Executive Director

Hearing: Tuesday, March 22, 2011, 11:15 p.m.

RE: **SB 596, SD2 – Relating to Hawaii Health Corps.**

Testimony in Support

Chairs Yamane and Nishimoto, and members of the joint committee.

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 596, SD2 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. HMHB believes that the establishment of a Hawaii Health Corps program to provide loan repayments on behalf of eligible physicians, physician assistant, and nurse practitioners in any county having a shortage of these professionals, with a priority given to those practicing in rural areas is an important step toward attracting practitioners in areas of need.

We urge your 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

Mar 16, 2011

Representative Daynette Morikawa
State Capitol, Room 426
415 South Berstania Street
Honolulu, HI 96813

Dear Representative Morikawa,

Thank you for this opportunity to share my thoughts in support of HB 596, which creates a Medicaid presumptive eligibility process for patients who are waitlisted in hospitals for long term care.

On any given day there are an average of 150 patients in Hawaii's hospitals who have been treated so that they are well enough to be transferred to long term care, but who are waitlisted because long term care is not available. Waitlisting is undesirable because it represents an inappropriate quality of care for the patient and creates a serious financial drain on hospitals. Waitlisted patients also unnecessarily occupy hospital beds that could otherwise be used by those who need acute care. Patients may be waitlisted for a matter of days, weeks, or months, and in some cases over a year.

The waitlist dilemma is unique to Hawaii, largely because Hawaii has one of the lowest ratios of long term care beds for its population in the United States. Whereas the US average is 47 long term care beds per 1000 people over age 65, Hawaii averages 23 (half of the US average). The shortage of long term care beds is the result of high costs of construction and operation, along with low payments for services.

The Healthcare Association has advocated for solutions to the waitlist problem since 2007, when it sponsored SCR 193, which directed the Association to study the problem and propose solutions. The Association subsequently created a task force for that purpose, which studied the problem, wrote a report, and submitted it to the Legislature. However, the Legislature has not yet taken action on it.

Since then the Association has advocated for measures that have been designed to:

- (1) Promote the movement of waitlisted patients out of acute care;
- (2) Reduce unpaid costs incurred by hospitals and free up hospital resources so that they can be used to treat those who need that high level of care; and
- (3) Enable long term care facilities to accept waitlisted Medicaid patients with complex medical conditions while addressing the additional costs related to their care.

Hospitals continue to lose money because of waitlisted patients. A report issued by Ernst & Young in late 2009 reported that Medicaid pays for only 20% to 30% of the actual costs of care for waitlisted patients, representing uncompensated hospital costs of approximately \$72.5 million in 2008. Long term care facilities can provide appropriate care to waitlisted patients. This bill will hasten the transfer of patients who are waitlisted in hospitals to long term care.

For the foregoing reasons, I support HB 596.

Sincerely,

Mr. Kevin Roberts
640 Ulukahiki St
Kailua, HI 96734-4454