
A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii has a
2 shortage of physicians compared to similar populations
3 throughout the United States. Studies of the physician
4 workforce in Hawaii demonstrate extreme shortages of primary
5 care specialties, most notably in rural areas. Rising demand on
6 the health care system in Hawaii due to population growth,
7 aging, and the prevalence of chronic disease call for an
8 increase in the existing physician base. Access to a personal
9 physician has been shown to decrease morbidity and mortality
10 while controlling health care costs through early detection and
11 careful management of chronic disease and deferral of
12 unnecessary hospital admission and emergency room visits.

13 Despite this shortage, many medical students graduating
14 with considerable debt feel compelled to choose a non-primary-
15 care specialty with higher compensation in order to repay
16 student loans. In addition, the current stock of physicians is
17 rapidly approaching retirement age, suggesting a contraction in
18 the existing physician workforce. As the entire United States



1 develops the accountable care organization model, the
2 competition to recruit new primary care providers will increase.

3 Furthermore, physicians tend to remain and practice where
4 they train. If bright medical students leave Hawaii to train
5 elsewhere, they are less likely to return and practice in
6 Hawaii. Strong evidence suggests that if both medical school
7 and residency are completed in Hawaii, eighty-five per cent of
8 physicians will remain and practice in Hawaii.

9 The legislature further finds that a comprehensive approach
10 that addresses the primary care workforce shortage in Hawaii
11 requires incentivizing primary care by:

- 12 (1) Reducing medical school debt via a loan repayment
13 program for medical students and other health
14 professionals who serve in shortage specialties and
15 underserved areas of Hawaii;
- 16 (2) Ensuring a culturally competent workforce for the
17 unique and diverse peoples of Hawaii with support for
18 programs and initiatives such as the Imi Hoola
19 program, which brings disadvantaged young people into
20 medical careers, and the native Hawaiian student
21 pathway to medicine program, which supports workforce
22 diversity; and



1 (3) Expanding the graduate medical education or residency
2 training positions in primary care that are available
3 to students, such as doubling the faculty and
4 infrastructure of the existing family medicine
5 residency program at the John A. Burns school of
6 medicine and developing new accredited family health
7 centers in association with teaching hospitals.

8 The purpose of this Act is to address the shortage of
9 primary care physicians in the State by making an appropriation
10 for the Hawaii health corps and diversity programs and primary
11 care workforce expansion at the John A. Burns school of
12 medicine.

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2013-2014 and the
16 same sum or so much thereof as may be necessary for fiscal year
17 2014-2015 for deposit into the Hawaii health corps revolving
18 fund.

19 SECTION 3. There is appropriated out of the Hawaii health
20 corps revolving fund the sum of \$ or so much thereof as
21 may be necessary for fiscal year 2013-2014 and the same sum or
22 so much thereof as may be necessary for fiscal year 2014-2015



1 for purposes pursuant to section 309H-6, Hawaii Revised
2 Statutes.

3 The sums appropriated shall be expended by the University
4 of Hawaii John A. Burns school of medicine and the University of
5 Hawaii at Manoa school of nursing and dental hygiene for the
6 purposes of this Act.

7 SECTION 4. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so much
9 thereof as may be necessary for fiscal year 2013-2014 and the
10 same sum or so much thereof as may be necessary for fiscal year
11 2014-2015 to support programs of the John A. Burns school of
12 medicine's native Hawaiian center of excellence such as the Imi
13 Hoola program and the native Hawaiian student pathway to
14 medicine program.

15 The sums appropriated shall be expended by the University
16 of Hawaii John A. Burns school of medicine for the purposes of
17 this Act.

18 SECTION 5. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2013-2014 and the
21 same sum or so much thereof as may be necessary for fiscal year
22 2014-2015 for increases in faculty and infrastructure of the



1 existing family medicine residency program and development of
2 new accredited family health centers in association with
3 teaching hospitals.

4 The sums appropriated shall be expended by the John A.
5 Burns school of medicine for the purposes of this Act.

6 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Primary Health Care; Primary Care Workforce Development Plan;
Appropriation

Description:

Appropriates funds to address the shortage of primary care physicians in the State through a comprehensive primary care workforce development plan that addresses the critical areas of loan repayment, diversity programs, and primary care workforce expansion. Effective 07/01/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
Tuesday, March 19, 2013

by

Dr. Winona Mesiona Lee MD
Director, The Imi Ho`ola Post-baccalaureate Program
and on behalf of

Dr. Keawe Kaholokula, PhD.
Chair, Department of Native Hawaiian Health

Dr. Allen Hixon, MD
Chair, Department of Family Medicine and Community Health
and

Jerris Hedges, MD
Dean, John A. Burns School of Medicine
University of Hawai'i at Mānoa

SB 665 SD1 – RELATING TO HEALTH

Aloha and thank you for allowing us to testify today. The John A. Burns School of Medicine (JABSOM) supports the intent of SB 665 SD1, which would support our Native Hawaiian Center of Excellence, expand education to train primary care physicians, and fund an educational loan repayment program to attract and retain rural health care providers.

Native Hawaiian Health and Primary Care

To ensure the future health of Hawai'i's people, JABSOM is committed to producing a diverse health care workforce dedicated to meeting the health needs of all people of Hawai'i and the Pacific.

Native Hawaiians continue to suffer high rates of diabetes, cancer, heart disease, and obesity while remaining severely under-represented in all health professions. Only 4% of licensed physicians in Hawai'i are of Native Hawaiian descent, even though 26.2% of the population is of that ancestry. The good news: Native Hawaiian and other Pacific Islander health care providers are more likely than others to return to serve their home communities and provide services to those populations most in need.

Specifically, SB 665 SD1 would support the sustainability of the `Imi Ho`ōla Program, a post-baccalaureate, labor-intensive pre-medical school preparatory program for disadvantaged students, and the Native Hawaiian Center of Excellence (NHCOE), which help the medical school produce more primary care providers while simultaneously boosting the numbers of Native Hawaiians in the health professions.

The Native Hawaiian Center of Excellence (NHCOE) creates paths for Native Hawaiian students to succeed in health careers. Through community and educational collaborations (i.e. Na Pua No`eau-Center for Gifted and Talented Native Hawaiian Children, and Ahahui O Na Kauka-Association of Native Hawaiian Physicians), NHCOE is able to extend its reach annually to over 2,500 students spanning K-12, undergraduate, and post-baccalaureate. NHCOE's Native Hawaiian Student Pathway to Medicine program works with promising Native Hawaiian students to become competitive applicants to health professions schools, such as JABSOM.

Due to NHCOE's pipeline efforts, nearly 25% of `Imi Ho`ōla applicants for the 2013 entering class are Native Hawaiian.

The `Imi Ho`ōla program, whose students have been generously supported by The Queen's Health Systems, provides educational opportunities to aspiring MDs from disadvantaged backgrounds who demonstrate a commitment to underserved communities of Hawai`i. Students who complete the program automatically earn enrollment in the next JABSOM MD Class. To date, 226 `Imi Ho`ōla alumni have successfully graduated from JABSOM. Of these graduates, 38% are Native Hawaiian, 85% are providing primary care services, and 96% are practicing in underserved and/or disadvantaged populations.

Supporting Primary Care Graduate Medical (Post-MD) Education

SB 665 SD1 would allow JABSOM's existing Family Medicine Residency Program to expand faculty and increase its number of training positions.

Residency trainees are newly minted physicians working under our faculty's supervision in order to prepare for their licensure and board certification. They are the closest step in the educational pipeline to the point where they may become full-fledged doctors.

Currently, Hawai`i produces only six board-eligible "Family Medicine Physicians per year." A comprehensive approach to address the physician workforce shortage is needed

A robust primary care workforce is associated with improved population health outcomes and lower overall health care costs. As the Legislature knows by funding JABSOM's Hawai`i Health Workforce Assessment, our State's own physician shortage is worsened by the fact that a large percentage of doctors practicing in Hawai`i are reaching retirement age.

Physician and Nurse Practitioner Loan Repayment Program

Inspired by the Hawai`i State Legislature's creation of a Hawai`i Health Corps, JABSOM sought private funding and Affordable Care Act monies to launch the unfunded health corps program concept. Through the generosity of HMSA and The Queen's Medical Center, this year we have begun paying back up to \$40,000 a year in educational debt for two physicians and two nurse practitioners who have committed to serve at least two years in rural centers on O`ahu, Maui and Hawai`i Island. Next year, an additional nine loan repayment contracts will be drawn up. With the Legislature's support, such as that offered in SB 665, we hope to increase the number of loan repayment contracts to 50 a year, which would significantly address the shortage of rural-area health care providers.

Mahalo for this opportunity to testify.



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

DATE: Tuesday, March 19, 2013
TIME: 2:00 PM
PLACE: Conference Room 309

To:
COMMITTEE ON HIGHER EDUCATION
Rep. Isaac W. Choy, Chair
Rep. Linda Ichiyama, Vice Chair

From: Hawaii Medical Association
Dr. Steven Kemble, MD, President
Dr. 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: SB 665 RELATING TO HEALTH

In Support.

The HMA appreciates the effort to enable physicians to service rural and underserved areas.

Hawaii is currently experiencing a patient access to medical care crisis due to an inadequate supply of physicians statewide.

Economic incentives that reduce the financial burden of a medical practice can 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);
- Overhead includes increasing manpower, office rent and other business expenses;
- Income is based on inadequate payment for services from private and public health plans; and
- For new physicians, typical student loan debt of \$150,000.

Thank you for the opportunity to testify on this matter.

OFFICERS

PRESIDENT - STEPHEN KEMBLE, MD **PRESIDENT-ELECT - WALTON SHIM, MD**
SECRETARY - THOMAS KOSASA, MD **IMMEDIATE PAST PRESIDENT - ROGER KIMURA, MD**
TREASURER - BRANDON LEE, MD **EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, DO**

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 19, 2013

The Honorable Isaac W. Choy, Chair
The Honorable Linda Ichiyama, Vice Chair

House Committee on Higher Education

Re: SB 665, SD1 – Relating to Health

Dear Chair Choy, Vice Chair Ichiyama and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 665, SD1, which appropriates funding for various programs directed at expanding the primary care workforce. These include funding for the Hawaii Health Corps, the University of Hawaii's John A. Burns School of Medicine (JABSOM) and the School of Nursing and Dental Hygiene, JABSOM's Native Hawaiian Center of Excellence, and funding to enhance faculty and infrastructure of the Family Medicine Residence Program and for the development of new accredited family health centers. HMSA supports this Bill.

HMSA is acutely aware of the issue of access to health care, especially in rural areas of the state. Additionally, HMSA has been committed to making the patient-centered medical home the model for Hawaii's health care system. The success of that system will depend on an adequate primary care workforce. The appropriations in this Bill reflect an investment on the part of the State to constitute meeting that same goal.

Thank you for the opportunity to testify in support of SB 665, SD1.

Sincerely,

A handwritten signature in black ink that reads 'Mark K. Oto'.

Mark K. Oto
Director
Government Relations



HPCA

HAWAI'I PRIMARY CARE ASSOCIATION

House Committee on Higher Education

The Hon. Isaac W. Choy, Chair

The Hon. Linda Ichiyama, Vice Chair

Testimony on Senate Bill 665 SD1

Relating to Health

Submitted by Robert Hirokawa, Chief Executive Officer

March 18, 2013, 2:00 p.m., Room 309

The Hawai'i Primary Care Association **supports** Senate Bill 665 SD1, which works to address the shortage of primary care clinicians in rural Hawai'i and other underserved areas. We believe that the state-based loan repayment program, the John A. Burns School of Medicine's Native Hawaiian Center of Excellence programs, the family residency program, and development of new accredited family health centers in association with teaching hospitals 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 urge you to pass this measure and thank you for the opportunity to testify.

HOUSE COMMITTEE ON HIGHER EDUCATION
Rep. Isaac Choy, Chair

March 19, 2013 at 2:00 p.m.
Conference Room 309

Supporting SB 665 SD 1: Relating to Health

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, a majority of home health agencies and hospices, as well as long term care facilities and other health care organizations. Our members contribute significantly to Hawaii's economy by employing nearly 20,000 people statewide, delivering quality care to the people of Hawaii.

Thank you for this opportunity to testify in support of SB 665 SD 1, which appropriates funds for the Hawaii Health Corps and for the education of primary care physicians.

The Hawaii Health Corps was created by the Legislature through Act 187 in 2012. The program encourages physicians, physicians assistants, and nurse practitioners to serve in counties with shortages of these types of practitioners, particularly in rural areas, by offering them student loan repayments.

Rural areas are particularly affected by shortages because of lower compensation when compared with urban areas. The low compensation is caused by an unfavorable payer mix that is typical of rural areas. The average physician graduates from medical school with about \$150,000 in student loans. With such a large amount to pay back, it is no surprise that most of them seek employment in urban areas rather than rural areas.

Statewide, Hawaii currently faces a shortage of 600 physicians when compared with communities of the same size on the mainland, according to a report of the Physician Workforce Assessment Project of the John A. Burns School of Medicine. Most of that shortage is in the area of primary care. That number is projected to double by 2020 if changes are not made soon. This bill addresses the shortage of physicians and physician extenders in rural areas and the overall shortage of primary care physicians.

For the foregoing reasons, the Healthcare Association of Hawaii supports SB 665 SD 1.

Written Testimony Presented Before the
House Committee on Higher Education

March 19, 2013, 2:00 p.m.

by

Mary G. Boland, DrPH, RN, FAAN

LATE

SB 665 SD 1 - Relating to Health

Chair Choy, Vice Chair Ichiyama, and members of the House Committee on Higher Education, thank you for this opportunity to provide testimony in support of this bill, SB 665 SD 1, to provide a comprehensive approach to address the primary care workforce shortage. I am providing personal testimony on this measure.

The continuing difficulty in accessing primary care throughout the state requires investment in the education of both physicians and nurse practitioners. I respectfully request you amend the bill on page 2, line 12 to read, “(1) reducing ~~medical school~~ educational debt via a loan repayment program for medical students, nurse practitioners, and other health professionals . . .”

I commend the committee for recognizing the contributions of nurse practitioners in primary care and supporting an appropriation to the Hawai'i Health Corps for loan repayments to eligible physicians and nurse practitioners.

I appreciate your continuing support of nursing and healthcare in Hawai'i. Thank you for the opportunity to testify.