
A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. Hawaii has a shortage of physicians, compared
2 to populations of a similar size and demographic found elsewhere
3 in the United States. Rising demand within the health care
4 system of Hawaii due to population growth, aging, and the
5 prevalence of chronic diseases calls for an increase in the
6 existing physician base. Studies of the physician workforce in
7 Hawaii demonstrate extreme shortages of primary care
8 specialties, most notably in rural areas. Access to a personal
9 physician is shown to decrease morbidity and mortality and to
10 control health care costs. Physician access promotes early
11 detection and careful management of chronic diseases, deferral
12 of unnecessary hospital admissions, and avoidance of unnecessary
13 emergency department visits.

14 Despite this shortage, many medical students graduate with
15 considerable educational debt and are obligated to choose a non-
16 primary care specialty with higher compensation to repay their
17 student loans. In addition, many of the practicing physicians



1 in Hawaii are approaching retirement age, suggesting a further
 2 contraction in the existing available physician workforce. As
 3 the United States adopts an accountable care organization model
 4 largely built upon primary care providers, the competition to
 5 recruit new primary care providers will increase. Financial
 6 support of a family medicine residency training program will
 7 enable the University of Hawaii John A. Burns School of Medicine
 8 to increase its number of resident positions as well as begin
 9 steps to implement a family medicine program on Kauai or in
 10 North Hawaii.

11 The purpose of this Act is to address the shortage of
 12 physicians in Hawaii, starting with family medicine primary care
 13 physicians for rural Oahu and neighbor island communities in the
 14 State, by making an appropriation for graduate medical
 15 education.

16 SECTION 2. There is appropriated out of the general
 17 revenues of the State of Hawaii the sum of \$ or so much
 18 thereof as may be necessary for fiscal year 2016-2017 for
 19 medical resident positions in rural Oahu and neighbor island
 20 communities and the following associated costs:



- 1 (1) Increases in faculty and infrastructure of the
2 existing University of Hawaii John A. Burns School of
3 Medicine, Family Medicine Residency Program; and
4 (2) Development of new accredited family health centers in
5 association with teaching hospitals.

6 The sum appropriated shall be expended by the University of
7 Hawaii John A. Burns School of Medicine for the purposes of this
8 Act.

9 SECTION 3. This Act shall take effect on July 1, 2070.



Report Title:

John A. Burns School of Medicine; Physician Shortage;
Appropriation

Description:

Appropriates funds to the John A. Burns School of Medicine to fund medical residency programs to help alleviate the shortage of primary care physicians in rural Oahu and neighbor island communities. (HB1758 HD1)

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



February 16, 2016 at 2:01 pm
Conference Room 309

House Committee On Higher Education

To: Representative Isaac Choy, Chair
Representative Linda Ichiyama, Vice Chair

From: Michael Robinson, Vice President of Government Relations and Community Affairs

Re: Testimony in Support, HB 1758, HD1 Relating to Health

My name is Michael Robinson, and I am the Vice President of Government Relations and Community Affairs for Hawaii Pacific Health (HPH). Hawaii Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawaii Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawaii Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

HPH is writing in **strong support** of HB 1758, HD1 which would provide funding for the graduate medical education (GME) program of the John A. Burns School of Medicine (JABSOM). This measure would help to alleviate the shortage of primary care physicians in Hawaii and in particular in rural Oahu and on the neighbor islands.

Hawaii already faces a shortage of physicians, especially primary care physicians. Workforce studies indicate that we are nearly 700 physicians short when compared to national norms. This number has been steadily rising over the years and is predicted to increase. However, it has been shown that 80% of doctors who receive their medical degree and their GME training in Hawaii stay in Hawaii to practice.

Through its GME program, together with Hawaii's teaching hospitals, including Kapiolani Medical Center for Women and Children and Pali Momi Medical Center, JABSOM puts 240 doctors to work every year as physician trainees. As they train, these residents care for patients under the supervision of JABSOM's clinical staff. Funding the GME program would enable JABSOM to train more doctors, which ensures that Hawaii grows new doctors who will train and remain in practice in the state.

Thank you for the opportunity to testify.





February 16, 2016 at 2:01 PM
Room 309

House Committee on Higher Education

To: Chair Isaac W. Choy
Vice Chair Linda Ichiyama

From: George Greene
President and CEO
Healthcare Association of Hawaii

Re: **Testimony in Support**
HB 1758 HD 1, Relating to Health

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 180 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

We would like to thank the committee for the opportunity to testify in **support** of HB 1758 HD 1, which would fund graduate medical education at the John A. Burns School of Medicine (JABSOM). Investing in our physician workforce is critical because of the primary physician shortage in Hawaii. This funding will help to alleviate that shortage by creating opportunities for students in the state. It has been shown that of physicians that receive their medical degree and their training here in Hawaii, 80 percent will stay and practice in the state.

We are supportive of the legislature's attempts to direct funding towards effective and important programs such as this and urge your support of the measure. Thank you for your time and consideration of this matter.



An Independent Licensee of the Blue Cross and Blue Shield Association

February 16, 2016

The Honorable Isaac W. Choy, Chair
The Honorable Linda Ichiyama, Vice Chair
House Committee on Higher Education

Re: HB 1758, HD1 – Relating to Health

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

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on HB 1758, HD1 which provides an appropriation to the John A. Burns School of Medicine for the Medical Residency Program. HMSA supports this Bill.

HMSA absolutely supports programs that build healthcare capacity, particularly in the rural communities of Hawaii. As you may be aware, the HMSA Foundation, for example, provided over \$500,000 to the Rural Family Practice Residency Program in Hilo to help train physicians who would remain and practice on the Hawaii Island.

HMSA believes programs such as JABSOM's Medical Residency Program are laudable and consistent with our goal of ensuring the health and wellbeing of Hawaii's communities.

Thank you for allowing us to testify in support of HB 1758, HD1.

Sincerely,

Jennifer Diesman
Vice President, Government Relations.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Issac W. Choy, Chair
The Honorable Linda Ichiyama, Vice Chair
Members, Committee on Higher Education

From:  Paula Yoshioka, Senior Vice President, The Queen's Health Systems

Date: February 12, 2016

Hrg: House Committee on Higher Education Hearing; Tuesday, February 16, 2016 at 2:01pm
in Room 309

Re: **Support for HB 1758, HD1, Relating to Health**

My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (QHS). I would like to express my **support** for HB 1758, HD1, Relating to Health.

Queen's recognizes the importance of alleviating the shortage of primary care physicians in rural Oahu and neighbor island communities in Hawaii. Access to a primary care physician is important to reduce morbidity and mortality as well as to decrease health care costs. Primary care physicians provide to crucial preventative care services, such as early detection and management of chronic diseases, which reduce hospital admissions and emergency room visits.

Thank you for your time and attention to this important issue.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

LATE

Testimony Presented Before the
House Committee on Higher Education
Tuesday, February 16, 2016 at 2:01 p.m.

by

Robert Bley-Vroman, Chancellor

and

Jerris Hedges, MD, Dean

and

Allen Hixon, MD, Chair, Family Medicine & Community Health

John A Burn Schools of Medicine

University of Hawai'i at Mānoa

HB 1758 HD1 – RELATING TO HEALTH

Chair Choy, Vice Chair Ichiyama and members of the Committee, thank you for this opportunity to testify in strong support of HB 1758 HD1, provided that its passage does not replace or adversely impact priorities as indicated in our BOR Approved Budget. This measure would appropriate funds to support medical residency programs to help alleviate the shortage of primary care physicians in rural O'ahu and our neighbor island communities.

The public face of our medical school is its MD students—and we certainly are proud of the fact that close to 90% of them in every class are kama'āina who do Hawai'i proud, e.g. routinely scoring above the national average on U.S. medical licensing exams.

But University of Hawai'i at Mānoa John A. Burns School of Medicine (JABSOM) also offers another type of training critical to our state that are less well known. Every year, JABSOM supervises the work of some 230 physicians at major medical centers in Hawai'i, doctors who are working toward licensure and board certification in about 20 different "Graduate Medical Education" specialties and subspecialties. They include:

- Internal Medicine (including Geriatrics and Cardiovascular Disease)
- Surgery (including Surgical Critical Care)
- Family Medicine (including Sports Medicine)
- Psychiatry (including Geriatric, Child & Adolescent, and Addictions)
- Obstetrics and Gynecology (Including Maternal Fetal Medicine and Family Planning)
- Pediatrics (including Neonatal-Perinatal)
- Pathology
- Orthopaedic Surgery
- The Transitional Year Residency Program provides a single year of clinical experience in various disciplines such as medicine and surgery before undertaking a specialty residency program.

Even while training, these doctors are working, caring for patients under the supervision of our University of Hawai'i faculty clinicians. The federal government, through the Centers for Medicare and Medicaid services (CMS), provides about 70% of the total salary for each the JABSOM "MD resident" positions. Hawai'i's teaching hospitals have paid the 30% shortfall for these resident positions from their operating budgets.

The rapidly changing healthcare financial environment, however, is limiting the capacity of teaching hospitals/clinics to fund GME training. Many states facing primary care shortages have begun to supplement the available federal GME funding. This important piece is missing in Hawai'i. We ask the Legislature to create an annual GME appropriation, which would allow JABSOM to expand the post-MD training of new doctors.

This investment would pay off significantly by increasing access to health care in our state. As you know, workforce studies indicate that Hawai'i is nearly 700 physicians short (across all disciplines) when compared to national norms. This number has been steadily rising over the years and is predicted to increase.

We know that of all MDs who graduate from JABSOM and also do their post-MD training through JABSOM in Hawai'i, 80% of them will remain in the islands to practice medicine. Expanding GME is the most effective way to attract and retain physicians for Hawai'i.

Additionally, JABSOM's intent is to expand the number of new physician-trainees in the specialties and locations where our doctor shortages are greatest.

Investing in the GME program helps to ensure that Hawai'i grows new doctors who will practice here.

The University of Hawai'i requests that the Legislature appropriate funds in the amount of \$2 million as recommended by the Hawai'i Medical Education Council to maintain the stability of the existing residency programs and support the expansion of the Family Medicine Residency Program and provide the needed faculty, staff and clinical learning environment infrastructure support to sustain this expansion. This appropriation will be an ongoing need to ensure adequate primary care provider training for future generations.

Thank you for this opportunity to testify.



HAWAII' I ACADEMY OF FAMILY PHYSICIANS

LATE

February 14, 2016

Committee on Higher Education
Rep. Isaac Choy, Chair
Rep. Linda Ichiyama

Tuesday, February 16, 2016. 2:01 PM
Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1758, HD1 Testimony in Support

We, the Board of Directors of the Hawaii Academy of Family Physicians representing 316 active family practice physicians in our state, strongly support HB1758HD1. Providing funding to increase UH Family Medicine Residency Faculty and development of family medicine training opportunities in rural communities with an eye to residency expansion is an important step in addressing the primary care shortage in our state. When future doctors are educated at U.H. John A. Burns School of Medicine and are trained in Hawaii residency programs, over 80% stay in the state to practice and 70% of family medicine residency graduates (regardless of where they graduated medical school) stay in the state. This is the highest retention rate in the country and proves the value of “growing our own” physicians to address the physician shortage.

Currently Hawaii has a shortage of over 600 doctors and this is expected to grow to 1400 by 2020. 30.5% of physicians in Hawaii are over age 60. 17.8% are planning to retire in the next couple of years. Solving the problem of the primary care doctor shortage will require a multipronged approach over several years:

1. Increasing enrollment of John A. Burns School of Medicine
2. Educating the private hospital systems of the importance of a strong primary care network and the role they can play in supporting the development of that network
3. Providing funding support at the State and Federal level for hospitals with family medicine residency programs.
4. Providing loan repayment programs so that student debt is not a factor in students avoiding Family Medicine as a specialty.

The Board of Directors of the Hawaii Academy of Family Physicians has 16 practicing physician members, 10 of which are UH Family Medicine Residency graduates. Consistent with the values we

were taught to advocate for primary care as the cornerstone of community health no matter where we received our training, the Board of the HAFP urges you to pass HB 1758HD1.

Respectfully submitted,

Nicole Apoliona, M.D.
Legislative chair

Lauren Okamoto, M.D.
President
Hawaii Academy of Family Practice Board of Directors

LATE

February 14, 2016

Committee on Higher Education
Rep. Isaac Choy, Chair
Rep. Linda Ichiyama, Vice Chair

Tuesday, February 16, 2016. 2:01 PM
Conference Room 309
State Capitol
415 South Beretania Street

House Bill 1758HD1 Testimony in Support

Dear Representatives Choy and Ichiyama,

I am writing in strong support of HB1758HD1. As a U.H. Family Medicine resident my rural medicine rotations were highlights of my training. Working closely with community family physicians in Hilo taught me to integrate all aspects of a patient's story (physical, mental, emotional, social, community, culture) to make diagnoses and choose appropriate treatments. It also gave me a window into a world where a physician's involvement is essential to the functioning of the community. Those lessons have served me well on Maui.

SB3017 seeks funding to begin expanding the UH Family Medicine Residency program to provide more training opportunities in rural areas. These are the areas suffering the most from Hawaii's physician shortage which is currently estimated at over 600 physicians and expected to grow to a shortage of 1400 physicians by 2020. If you are a resident of urban Oahu, you don't know there is a physician shortage. If you moved to Maui, you would be made aware of this issue as soon as you tried to access medical care. I did a survey of primary care providers in June 2014 and outside of our FQHC clinic there was not a single primary care provider accepting new Quest patients on the West side of Maui. For the remainder of Maui there were 2-3 primary care providers accepting some form of Quest but only 1 provider accepting new patients with any Quest and that was at an HHSC primary care clinic.

The current residency training programs besides family medicine are based in Honolulu and to be honest they instill a belief in trainees that "the best" medicine is practiced in Hawaii. Only by getting students and residents out of urban Oahu to experience for themselves the quality and culture of medical practice in rural sites will they realize this is not true and the joys of medical practice can be even greater where the need is more acute.

I strongly support HB1758HD1 as one effort in a multipronged approach necessary to address the crisis of physician shortage in Hawaii.

Respectfully submitted,

Nicole Apoliona, M.D.

ichiyama2-Brandon

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2016 12:34 AM
To: HEDtestimony
Cc: dr_hankins@yahoo.com
Subject: Submitted testimony for HB1758 on Feb 16, 2016 14:01PM

HB1758

Submitted on: 2/16/2016

Testimony for HED on Feb 16, 2016 14:01PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Hankins	Individual	Support	No

Comments: I am in full support of this measure which will help to bolster the ability of the state to train and retain future family physicians to address the growing primary care physician shortage in the state. While a more permanent long-term funding mechanism for Graduate Medical Education is desperately needed in Hawaii, this bill will appropriate funds which will help provide critical support to allow the continued growth of the training program. Steven A. Hankins, MD, MPH, MTS

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

To Whom It May Concern,

We are a group of resident leaders who represent every specialty which has a residency or fellowship program in affiliation with the John A Burns School of Medicine including family medicine, internal medicine, pediatrics, neonatal-perinatal medicine, pathology, obstetrics and gynecology, maternal fetal medicine, geriatrics, sports medicine, general surgery, cardiovascular medicine, orthopedic surgery, surgical critical care, transitional medicine, and psychiatry including addictions, geriatrics and child and adolescent psychiatry.

We are writing to support HB 1758 which requests funding for family medicine resident positions in rural Oahu and neighbor island communities as well as to increase faculty and infrastructure for the family medicine residency program. We would like to clearly state that we believe that this bill is extremely important and imperative as part of an overall plan to improve training as well as recruitment and retention of physicians in Hawaii. **We would, however, like to highlight that this is not sufficient to address our current shortages and we would encourage the legislature to consider either now or in the future funding that is not solely limited to the family medicine program.**

In January 2015 the legislature was provided with a report on findings from the Hawai'i Physician Workforce Assessment Project which stated that:

“A best case scenario for future workforce numbers is that by 2020, Hawaii will have a shortage of 800 physician FTEs. A worst case scenario is a shortage of 1,500 physician FTEs. The physician specialties with the greatest shortages are primary care, particularly on neighbor islands, as well as the following specialties which have shortages of over 30% statewide: Infectious Disease, Colorectal Surgery, Pathology, General Surgery, Pulmonology, Neurology, Neurosurgery, Orthopedic Surgery, Family Medicine, Cardiothoracic Surgery, Rheumatology, Cardiology, Hematology/Oncology, and the Pediatric subspecialties of Endocrinology, Cardiology, Neurology, Hematology/Oncology and Gastroenterology. The specialties with the largest number of additional providers needed are Family Medicine (174 needed), General Surgery (57 needed), Pathology (44 needed), Internal Medicine (39 needed), Orthopedic Surgery (36 needed), Cardiology (32 needed), Anesthesia (31 needed) and Neurology (31 needed).”

Clearly we need more family medicine residents, however, we also need to increase our numbers in subspecialties areas including: general surgery, pathology, internal medicine, orthopedic surgery and cardiology all of which have residency or fellowship programs here in Hawaii. These shortages are statewide but certainly disproportionately affect our neighbor island communities. Evidence has shown that providing training opportunities in underserved areas impacts decisions to eventually practice in those communities. Psychiatry has been able to obtain funding for second year residents to rotate on Kauai for outpatient child training which has definitely impacted decisions to pursue child and adolescent training as well as a desire among trainees to work on neighbor islands. The general surgery program will begin to provide training on the island of Hawaii, which will be funded by Queens Medical Center (QMC). **We feel that the provision of funding for training opportunities for both primary care and specialty care to rural Oahu communities as well as neighbor islands is vital and ask the legislature to consider this.**

Hawaii is not unique in the current state of inadequate funding for graduate medical education.

The system that funds GME will not provide for the shortage of physicians that is predicted across the nation. This was highlighted in the 2014 IOM report, Graduate Medical Education Which Meets the Nation's Health Care Needs. Our current system provides federal funds from the Center for Medicare Services (CMS) that is funneled through hospitals where residents train. The IOM report noted that due to aging US population as well as impact of the Affordable Care Act that we will require more physicians than are currently being trained and more importantly not enough funding is available to train for that need.

Hospitals that participate in residency training cannot bill patients or insurers for the care that residents provide. They can seek partial reimbursement from Medicare for the cost of training on a per resident basis through the Direct Medicare Expense (DME) and Indirect Medicare Expense (IME). DME reimburses direct costs of employing residents (salary, benefits and administrative expenses). IME reimburses hospitals for the inefficiencies in patient care that occurs during training. DME and IME do not cover the full expense of training and generally provide between 45-90% of the actual cost to train a resident outside of faculty costs.

The main issue is that each hospital that trains residents has a cap on the number of residents it can claim for reimbursements. This number was set in 1996 with a one-time adjustment in 2004. The hospitals that are members of Hawaii Residency Programs elected to pool their cap number. Our aggregate cap is 173 resident/fellows and yet we train up to 240 residents/fellows. In Hawaii our CMS direct reimbursement provides about 70% of salary costs. Our teaching hospitals make up the 30% shortfall. In addition, resident positions above this cap are paid for by teaching hospitals, state and federal contracts and private foundations and roughly calculates to around 6 million dollars. Unfortunately our teaching hospitals are feeling the impact of health care reform that has placed a large financial burden on them and is making it difficult to continue to carry the burden of GME alone.

The Hawaii Medical Education Council report to the legislature last January based on the Withy and Sakamoto 2009 study recommended, "to increase over 10 years the number of resident/fellow in UH JABSOM GME programs by 40% from 240 to 336 in both primary care and other specialty and subspecialty training with hope that this would assist in physician FTE shortage that is estimated to be 30%." According to this report we will need to increase trainee numbers in family medicine, internal medicine, general surgery, orthopedic surgery, pathology, cardiovascular medicine, maternal and fetal medicine, addiction psychiatry and child and adolescent psychiatry. We agree with the need to increase the number of graduate medical trainees and yet with the CMS funding cap and already considerable burden of GME funding being placed on teaching hospitals we will need to find other funding mechanisms to pay for these increases.

Resident and fellowship programs in Hawaii have been creative in obtaining funding for training programs. However, this funding is often not stable and year to year there can be significant changes in the number of resident positions and required rotations due to changes in these funding streams. There also tends to be less control over the training environment and some pressure to engage in service over learning. Some of these issues could be eliminated with consistent state funding for graduate medical education.

As resident leaders we have become acutely aware of the systemic problems with how our nation funds GME. In large part this developed due to resident concerns related to

compensation that although fair is not adequate when viewed in the context of our large debt burden and the high cost of living in Hawaii. We began to see that the issue of compensation at both the resident and faculty level impacts recruitment and retention. The issue of financial insecurity is a significant concern for residents in our programs and recent studies and articles have highlighted how this issue impacts well-being that can then impact patient care. We understand the complexities and limitations in terms of funding priorities in this state. We love Hawaii and most of us wish to stay here to practice. Yet we often are unable to recruit the best applicants due compensation limitations, even those who have completed undergraduate medical education here. We also lose excellent physicians who are faced with an enormous debt burden, high cost of living and lower compensation when compared with the mainland. There are few resources available to address our compensation concerns but one approach would be to have the state provide funding for some of the resident positions over the CMS cap.

We believe that in order to recruit and retain physicians that will provide for the necessary physician workforce we as a state need to invest in GME. We ask that you seriously consider approval of this bill and also ask that you begin to consider providing state funds for resident positions beyond the CMS cap.

We are aware that there is also a need to push for changes in GME funding at a federal level but we are hopeful that through legislative action we can begin an innovative process to reinvent how we fund graduate medical education. Perhaps we can be national leaders and provide guidance to other states as we work collaboratively to create sustainable funding mechanisms that will provide excellent training for future physicians who will then provide excellent care to the citizens of our state.

Thank you for your attention to this matter.

Sincerely,

Ana Hilde MD MPH
Chief Resident, General Psychiatry
Co-chair Graduate Medical Education Committee Resident Leadership Forum

Xio Fernandez MD
Pathology
Co-chair Graduate Medical Education Committee Resident Leadership Forum

In support:
Casey Welsh MD, General Surgery
Angela Gough MD, Addiction Psychiatry
Jillian Yoshimoto MD, Child and Adolescent Psychiatry
Mark Lebehn MD, Cardiovascular Disease
Pua Hopson MD, Pediatrics