
A BILL FOR AN ACT

RELATING TO PHYSICIAN SHORTAGE.

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

1 SECTION 1. The legislature finds that the current
2 physician shortage in Hawaii is a matter of statewide concern.
3 The shortage is exacerbated by older physicians retiring and
4 younger physicians leaving the State for higher pay. The
5 legislature further finds that in 2019, there were approximately
6 2,800 active physicians in Hawaii, a decrease of over one
7 hundred physicians over the past year. The number of physicians
8 in the State is the lowest since 2015 and the latest report from
9 the Hawaii Physician Workforce Assessment Project by the
10 University of Hawaii John A. Burns school of medicine indicates
11 the State needs at least 3,481 physicians to care for the aging
12 population.

13 The legislature also finds that many physicians educated at
14 the University of Hawaii John A. Burns school of medicine often
15 remain in Hawaii to practice. However, the legislature finds
16 that the graduation rate of the State's medical school cannot
17 adequately satisfy the increasing health care needs of the



1 State. In 2019, the school of medicine had seventy-three
2 graduates. The medical school plans to increase its entering
3 class size to only seventy-six matriculating students by 2020.

4 The legislature is concerned that the small class size at
5 the John A. Burns school of medicine means that high-quality
6 potential medical school applicants are being turned away. In
7 the *Honolulu Star-Advertiser*, December 20, 2019, edition, a
8 contributor to the newspaper's Letters to the Editor section
9 recounted the experience of a local boy who apparently had the
10 qualifications for acceptance to the medical school but was
11 denied because the school did not have enough slots. The
12 rejected applicant went to the continental United States for
13 medical school and currently is an emergency room doctor at
14 Stanford Hospital.

15 The legislature further finds that encouraging Hawaii
16 residents who are educated at out-of-state medical schools to
17 return to Hawaii and practice medicine would significantly
18 address the current and projected future physician shortage in
19 the State.

20 One such method would be to establish a sponsorship program
21 for Hawaii applicants to attend and graduate from a high-quality



1 but lower-cost school of medicine. Payments made by the State
2 to these individuals would enable more students to graduate from
3 medical school and would involve a commitment to practice
4 medicine in Hawaii after graduation. Partnering with such
5 medical schools is one option Hawaii could explore in its
6 efforts to reduce the physician shortage in the State.

7 The purpose of this Act is to require the department of
8 health to establish, develop, and implement a program to sponsor
9 medical students who attend a high-quality but lower-cost school
10 of medicine outside Hawaii in exchange for a ten-year service
11 commitment to practice medicine in Hawaii after graduation.

12 SECTION 2. Chapter 321, Hawaii Revised Statutes, is
13 amended by adding a new part to be appropriately designated and
14 to read as follows:

15 "PART . MEDICAL STUDENT SPONSORSHIP PROGRAM

16 §321-A Definitions. As used in this part:

17 "Department" means the department of health.

18 "Program" means the medical student sponsorship program.

19 "Program participant" means an individual who has been
20 selected by the department to participate in the program
21 pursuant to section 321-B.



1 **§321-B Medical students; sponsorship program; established.**

2 (a) The program is established within the department. The
3 purpose of the program shall be to help address the physician
4 shortage in the State by sponsoring medical students at high-
5 quality but lower-cost schools of medicine who make the service
6 commitment under subsection (c).

7 (b) The program shall be administered by the department.

8 In administering the program, the department shall:

- 9 (1) Develop guidelines to implement and administer the
10 program;
- 11 (2) Establish criteria for the selection by the department
12 of applicants eligible to participate in the program;
13 including but not limited to residency, educational
14 background, academic, and character requirements;
- 15 (3) Define and determine compliance with the service
16 commitments of the program;
- 17 (4) Collect and manage reimbursements from program
18 participants who do not meet their service commitments
19 under the program;



1 (5) Publicize the program, particularly to maximize
2 participation by individuals who live in areas of the
3 state where there is a shortage of physicians; and

4 (6) Enter into agreements and memoranda of understanding,
5 with the authorization of the governor, with high-
6 quality but lower-cost schools of medicine and any
7 other public or private entity deemed necessary by the
8 department to carry out the purposes of this part.

9 (c) The program shall sponsor program participants who
10 attend and graduate from a high-quality but lower-cost school of
11 medicine and agree to serve for ten consecutive years as a
12 physician in the State after graduation from that school of
13 medicine.

14 (d) To the extent funds are available, the program shall
15 cover the costs for program participants to complete their
16 medical education at a high-quality but lower-cost school of
17 medicine, including tuition, fees, books, room and board, travel
18 expenses, and a reasonable subsistence allowance.

19 (e) Program participants shall be determined by the
20 department; provided that the department may give priority to



1 program participants who make a service commitment to practice
2 in an area of the State with a physician shortage.

3 (f) If a program participant fails to satisfy the program
4 participant's service commitment under subsection (c), the
5 program participant shall be liable for the repayment to the
6 State of all funds expended on behalf of the program
7 participant. In addition, the department may seek reimbursement
8 for any funds expended under the program on behalf of the
9 program participant.

10 (g) In accordance with chapter 103D, the department may
11 enter into written contracts with collection agencies to collect
12 delinquent reimbursements of sponsorship payments. All payments
13 collected, exclusive of a collection agency's commissions, shall
14 revert and be credited to the general fund. A collection agency
15 that enters into a written contract with the department to
16 collect delinquent reimbursements of sponsorship payments
17 pursuant to this section may collect a commission from the
18 debtor in accordance with the terms of, and up to the amounts
19 authorized in, the written contract.

20 **§321-C Annual report.** The director of health shall submit
21 an annual report to the governor and legislature no later than



1 twenty days prior to the convening of each regular session
2 beginning with the regular session of 2021. The report shall
3 include:

- 4 (1) The status of the development and implementation of
5 the program, including a timeline for full
6 implementation of the program;
- 7 (2) The number of current program participants and
8 projected number of future program participants;
- 9 (3) The funding requirements and means of financing for
10 the program;
- 11 (4) Any financial or legal impediments of the program and
12 any proposed solutions;
- 13 (5) Any proposed legislation; and
- 14 (6) Any other relevant information regarding the program.

15 **§321-D Rules.** The department of health shall adopt rules
16 pursuant to chapter 91 to implement this part."

17 SECTION 3. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so
19 much thereof as may be necessary for fiscal year 2020-2021 to
20 implement the medical student sponsorship program established by
21 this Act.



1 The sum appropriated shall be expended by the department of
2 health for the purposes of this Act.

3 SECTION 4. In codifying the new sections added by section
4 2 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

7 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Medical Students; Sponsorship Program; Establishment;
Appropriation

Description:

Addresses the State's physician shortage by establishing a Medical Student Sponsorship Program within DOH for medical students who successfully graduate from a high-quality but lower-cost school of medicine and make a ten-year service commitment to practice medicine in Hawaii. Appropriates funds. Effective 7/1/2050. (HD1)

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