

STAND. COM. REP. NO.

2854

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2983

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2983 entitled:

"A BILL FOR AN ACT RELATING TO LOAN REPAYMENT FOR HEALTH CARE  
PROFESSIONALS,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate \$500,000 to the Department of Health in coordination with the John A. Burns School of Medicine of the University of Hawaii at Manoa for the health care provider loan repayment program, provided that the funds are matched on a dollar-for-dollar basis by a private or another public source.

Your Committee received testimony in support of this measure from the Department of Health; Department of Labor and Industrial Relations; Office of the Mayor for the County of Hawai'i; United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Medical Service Association; University of Hawai'i System; Hawai'i State Center for Nursing; The Queen's Health Systems; Hawaii-American Nurses Association; Healthcare Association of Hawaii; Hawai'i Pacific Health; Hawai'i Psychological Association; Lāna'i Community Health Center; Hawaii State Rural Health Association; Hilo Medical Center Foundation; and twenty-three individuals.

Your Committee finds that about eighty-six percent of students that complete medical school and residency training in Hawaii, stay to practice within our islands. However, high



student loan payments, along with the higher cost of living and other expenses in Hawaii, result in fewer physicians choosing to practice in our State, especially in its underserved and rural areas. Your Committee recognizes that having loan repayment options tied to commitments to service in underserved areas has reduced the physician shortages there.

Your Committee further finds that a loan repayment program, such as the Hawaii State Loan Repayment Program, administered by the John A. Burns School of Medicine, is also one of the fastest and least expensive methods for recruiting medical professionals. Your Committee notes that the Legislature appropriated \$150,000 to fund the Hawaii State Loan Repayment Program in 2019. According to testimony received by your Committee, over forty percent of the physicians in the Hawaii State Loan Repayment Program are still practicing in underserved areas of the State and over sixty percent are still practicing within our islands. In addition, this program has:

- (1) Encouraged a local hospital to create their own loan repayment program;
- (2) Inspired the creation of a locally funded, non-federal solo and small practice loan repayment program for physicians of for-profit providers in rural areas; and
- (3) Helped create a system for scholarships with a commitment of service in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2983 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

*Rosalyn H. Baker*

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ROSALYN H. BAKER, Chair



