



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education and
Senate Committee on Commerce, Consumer Protection, and Health
Tuesday, February 11, 2020 at 2:50 p.m.

By
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SB 2472 – RELATING TO TUITION WAIVERS FOR PHYSICIANS IN RURAL AREAS

Chairs Kim and Baker, Vice Chairs Kidani and Chang, and members of the committees:

Thank you for this opportunity to provide comments on SB 2472 which requires and appropriates funds for the University of Hawai'i John A. Burns School of Medicine (JABSOM) to establish a program that awards tuition waivers and other subsidies to up to ten students per year to cover their entire term of study at JABSOM. We support the intent of SB 2472 and appreciate the legislature's efforts in seeking solutions to address the health care professional shortage in Hawai'i.

We agree that new general funds be appropriated annually to support such a tuition waiver program. However, we wish to emphasize that the funding for the tuition waiver program not impact the tuition dollars JABSOM will receive. A portion of the medical school tuition dollars returned to JABSOM from UH Mānoa is used to fund scholarships. A decrease in this funding would compromise the needs-based scholarships for medical students that JABSOM awards. According to the 2018 Association of American Medical Colleges Financial Aid Summary report, 90.4% of enrolled JABSOM students received some form of financial aid.

Additionally, if the funding for the tuition waiver program results in a decrease in JABSOM's operational budget, our ability to move forward with implementation of expansion of medical education and training on neighbor islands such as Maui may be compromised. The tuition waiver funds appropriated should cover the full cost of in-state tuition, together with administrative costs to administer the tuition waiver program. The per student funding should increase as tuition increases.

SB 2472 specifies that the recipients of tuition waivers are required to commit to at least ten (10) years of service payback after completing residency. This requirement is unusual. In other states, one year of service is required for every year of financial support. Federal programs (for the military, public health service, and Indian health service) also use a formula of one year of service for every year of support. The

requirement of a ten year service payback may be a disincentive to student use of this program. Aligning the service payback requirement to that of other states, as well as federal tuition support programs would create consistency with these other programs and contribute to the matriculation of qualified in-state students in JABSOM.

The definition of “rural area” as a community of fewer than ten thousand residents appears to mandate practice in a setting which may be too small a population to support a practice. For example, Wahiawa (96786, population 44,719) in Central O’ahu is not rural, but only has two (2) employed physicians (and two (2) APRNs) in its new FQHC that serves a larger geographic area beyond Wahiawa. We suggest tripling the population density for eligibility as the reality of opening and sustaining a practice in an area with only 10,000 residents may be cost prohibitive to an individual practitioner even with a supporting health system.

JABSOM requests the flexibility to determine the criteria for identifying the tuition waiver recipients based on historical experience, including site of origin/training and the tracking of trainees, to determine those most likely to return and practice in rural settings. Ideally the support should be directed to those students most likely to benefit from the program and most likely to practice in rural areas.

Thank you for this opportunity to testify.



**Testimony to the Senate Joint Committee on Higher Education, and Commerce,
Consumer Protection, and Health
Tuesday, February 11, 2020; 2:50 p.m.
State Capitol, Conference Room 229**

RE: SENATE BILL NO. 2472, RELATING TO TUITION WAIVERS FOR PHYSICIANS IN RURAL AREAS.

Chair Kim, Chair Baker, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2472, RELATING TO TUITION WAIVERS FOR PHYSICIANS IN RURAL AREAS.

The bill, as received by your Committee, would:

- (1) Require the University of Hawaii John A. Burns School of Medicine (JABSOM) to establish a program that awards tuition waivers and other subsidies to up to ten students per year to cover the entire term of study at JABSOM;
- (2) Require the tuition waiver recipient to sign a contract committing to practice medicine in rural areas of the State for at least ten consecutive years after completing the recipient's residency;
- (3) Provide that "rural area" means an area, as defined by zip code, with fewer than ten thousand residents;
- (4) Establish procedures to verify compliance with the foregoing;
- (5) Authorize JABSOM to file a lien against the recipient for noncompliance; and
- (6) Appropriate an unspecified amount of general funds, to be expended by JABSOM, for fiscal year 2020-2021, to establish the tuition program.

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By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

This bill would provide additional State resources to enhance the quality and stock of Hawaii's future healthcare workforce. **Accordingly, the HPCA strongly supports this important measure.**

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



February 10, 2020

The Honorable Donna Mercado Kim, Chair
The Honorable Michelle N. Kidani, Vice Chair
Senate Committee on Higher Education

The Honorable Rosalyn H. Baker, Chair
The Honorable Stanley Chang, Vice Chair
Senate Committee on Commerce, Consumer Protection, and Health

Re: SB 2472 – Relating to Tuition Waivers for Physicians in Rural Areas

Dear Chair Kim, Chair Baker, Vice Chair Kidani, Vice Chair Chang, and Members of both Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 2472, which requires and appropriates funds for the University of Hawaii John A. Burns school of medicine to establish a program that awards tuition waivers and other subsidies to up to ten students per year to cover their entire term of study at the University of Hawaii John A. Burns school of medicine.

HMSA strives to improve the health of Hawaii and has invested in multi-dimensional initiatives in provider recruitment and retention, supporting local provider education and sustainability, changing delivery models to expand provider reach, and value-based care models emphasizing quality and team-based care. HMSA has invested millions of dollars in the last three years, mostly focused on the neighbor islands, for provider recruitment, retention, training, and infrastructure.

We support this measure as we believe it is in line with our mission to encourage provider recruitment and retention, invest in educating future health care providers, and get much needed care to the medically underserved rural areas of Hawaii.

Thank you for the opportunity to testify on this measure.

Sincerely,

Pono Chong
Vice President, Government Relations