



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 25, 2021

To: The Honorable Sylvia Luke, Chair,
The Honorable Ty J.K. Cullen, Vice Chair, and
Members of the House Committee on Finance

Date: Thursday, February 25, 2021
Time: 1:00 p.m.
Place: Conference Room 308, State Capitol

From: Anne E. Perreira-Eustaquio, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 313 H.D.2 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

I. OVERVIEW OF PROPOSED LEGISLATION

HB313 HD2 proposes to repeal the monetary cap of the John A. Burns school of medicine special fund and the requirement that no less than fifty per cent of the physician workforce assessment fees be deposited into the special fund. In addition, the bill authorizes the special fund to provide for loan repayment to certain physicians and scholarships to qualifying medical students.

DLIR supports this measure provided it does not conflict with the priorities identified in the Governor's Biennium Budget request.

II. CURRENT LAW

Section 304A-2171, HRS requires that no less than fifty per cent of the physician workforce assessment fees deposited into the John A. Burns school of medicine special fund be used for purposes identified by the Hawaii medical education council and has a set monetary cap for the special fund.

III. COMMENTS ON THE HOUSE BILL

DLIR, through funding for mini grants provided by the legislature to the Hawaii Healthcare Workforce Advisory Board, has witnessed the significance of providing loan repayment for healthcare practitioners. The grants serve as a means of

maintaining and expanding the medical workforce in medically underserved areas of the state.

DLIR supports this measure provided it does not conflict with the priorities identified in the Governor's Biennium Budget request and defers to the Legislature on the funding of the program.

Testimony of the Hawaii Medical Board

**Before the
House Committee on Finance
Thursday, February 25, 2021
1:00 p.m.
Via Videoconference**

**On the following measure:
H.B. 313, H.D. 2, RELATING TO PHYSICIAN WORKFORCE ASSESSMENT**

WRITTEN TESTIMONY ONLY

Chair Luke and Members of the Committee:

My name is Ahlani Quiogue, and I am the Executive Officer of the Hawaii Medical Board (Board). The Board appreciates the intent of and limits its comments to section 3 of this bill.

The purposes of this bill are to: (1) repeal the requirement that no less than 50% of the physician workforce assessment fees deposited into the John A. Burns School of Medicine special fund be used for purposes identified by the Hawaii Medical Education Council; (2) repeal the monetary cap of expenditures from the John A. Burns School of Medicine special fund; and (3) authorize the John A. Burns School of Medicine special fund to provide loan repayment to certain physicians and scholarships to qualifying medical students.

The Board appreciates the intent of this bill, which would authorize the John A. Burns School of Medicine to use the monies collected through the physician workforce assessment to provide loan repayment to certain physicians and scholarships to qualifying medical students. The Board recognizes that this would provide an incentive for future physicians to practice in Hawaii.

Thank you for the opportunity to testify on this bill.

Thursday, February 25, 2021 at 1:00 PM
Via Video Conference

House Committee on Finance

To: Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair

From: Michael Robinson
Vice President, Government Relations & Community Affairs

**Re: Testimony in Support of HB 313, HD2
Relating to Physician Workforce Assessment**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

HPH writes in support of HB 313, HD2 which repeals the spending caps of the workforce assessment fees and authorizes the John A. Burns school of medicine (JABSOM) to utilize the funds to provide loan repayment to physicians who commit to working in medically underserved areas of the State as part of the federally-matched health care provider loan repayment program JABSOM administers as well as provide scholarships to qualifying JABSOM students who commit to practicing in Hawai'i.

State-matched loan repayment relief to new providers as well as scholarships for medical students who agree to practice in the areas of highest need have great promise. In many cases, the increasingly high cost of education for medical students and their families impacts their future career decisions. High educational debt discourages physicians from entering primary care fields and/or choosing to practice on the neighbor islands or in rural areas of O'ahu where the need is greatest.

Hawai'i faces a critical need for recruitment and retention of physicians to serve rural and medically underserved areas of the State. The shortage of physicians is as high as 1,008. Expanding the use of funding received through the existing physician workforce assessment project will allow JABSOM to optimally match the federal grant monies received for the physician loan repayment program it administers.

Thank you for the opportunity to testify.



**Testimony to the House Committee on Finance
Thursday, February 25, 2021; 1:00 p.m.
State Capitol, Conference Room 308
Via Videoconference**

RE: HOUSE BILL NO. 313, HOUSE DRAFT 2, RELATING TO PHYSICIAN WORKFORCE ASSESSMENT.

Chair Luke, Vice Chair Cullen, 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** House Bill No. 0313, House Draft 2, RELATING TO PHYSICIAN WORKFORCE ASSESSMENT.

The bill, as received by your Committee, would:

- (1) Eliminate a requirement that not less than 50% of assessment fees deposited into the John A. Burns School of Medicine (JABSOM) Special Fund be used for purposes identified by the Hawaii Medical Education Council;
- (2) Eliminate the monetary cap on expenditures from the JABSOM Special Fund; and
- (3) Allow the JABSOM Special Fund to provide:
 - (A) Loan repayment to physicians who commit to working in medically underserved areas of the State as part of the Hawaii Rural Health Care Provider Loan Repayment Program; and
 - (B) Scholarships for qualifying medical students.

As amended, the bill would take effect on July 1, 2020, to facilitate further discussion.

Testimony on House Bill No. 0313, House Draft 2
Thursday, February 25, 2021; 1:00 p.m.
Page 2

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.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Sylvia Luke, Chair
The Honorable Ty J. K. Cullen, Vice Chair
Members, House Committee on Finance

From: Colette Masunaga, Director, Government Relations & External Affairs, The Queen's Health Systems

Date: February 25, 2021

Re: Support for HB313, HD2: Relating to the Physician Workforce Assessment

The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 1,500 affiliated physicians and providers statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's supports HB313, HD2, relating to the Physician Workforce Assessment. The Hawai'i Physician Workforce Assessment Program supports research of the supply and demand of physicians in Hawaii, as well as interventions to recruit physicians and increase career satisfaction of practicing physicians.

We support efforts to develop our current and future physician workforce given the projected shortage of physicians in our state. In FY 2019 we spent \$16.4 million in education and training to support current and future health care professionals in the community. Currently, Hawaii has a shortage, particularly in rural and underserved areas between 700-1,000 physicians. This Program allows the John A. Burns School of Medicine (JABSOM) to continue efforts to invest in the physician workforce; helping with education, recruitment, training, and further support programs to ensure that those physicians who wish to stay and practice in Hawaii have the resources to do so.

Thank you for allowing us to provide this testimony in support of HB313, HD2.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Thursday, February 25, 2021 at 1:00 p.m.

By

Jerris Hedges, MD, Dean
Kelley Withy, MD, Professor, Department of Complementary and Integrative Medicine
Hawaii/Pacific Basin Area Health Education Center (AHEC) Director
John A. Burns School of Medicine
University of Hawai'i at Mānoa

HB 313 HD2 – RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Chair Luke, Vice Chair Cullen, and members of the Committee:

Thank you for this opportunity to testify in **strong support** of HB 313 HD2, which repeals the spending caps of the workforce assessment fees and authorizes the John A. Burns school of medicine (JABSOM) to utilize the funds to provide loan repayment to physicians who commit to working in medically underserved areas of the State as part of the federally-matched health care provider loan repayment program JABSOM administers as well as provide scholarships to qualifying JABSOM students who commit to practicing in Hawai'i.

We request a minor amendment so that the name of the program is reflected as the "Hawai'i State Loan Repayment Program" on page 3, line 6 and page 4, line 10, and not the Hawai'i Rural Health Care Provider Loan Repayment Program.

Hawai'i faces a critical need for recruitment and retention of physicians to serve rural and medically underserved areas of the State. The shortage of physicians is as high as 1,008 and is compounded by the fact that Hawai'i has the fifth oldest physician workforce of all the states and more than half of the State's physicians will be over age sixty-five within ten years. The physician workforce assessment project has assisted with malpractice reform, provided thousands of hours of continuing education, coordinates the loan repayment program for physicians working in areas of need, advertises all open practitioner positions in Hawai'i to medical graduates, prepares local students for medical school, provides education regarding the physician shortage, and a host of other physician workforce services for all of Hawai'i.

State-matched loan repayment relief to new providers as well as scholarships for medical students who agree to practice in the areas of highest need have great promise. In many cases, the increasingly high cost of education for medical students and their families impacts their future career decisions. High educational debt discourages physicians from entering primary care fields and/or choosing to practice on the neighbor islands or in rural areas of O'ahu where the need is greatest.

Removing the spending caps for this key fund and expanding the use of funding received through the existing physician workforce assessment project will allow JABSOM to optimally match the federal grant monies received for the physician loan repayment program it administers. Similarly, supplemental scholarship support will reduce educational debt on the front-end for Hawai'i students at JABSOM. Through this two-pronged approach, Hawai'i can act rapidly to build upon tangible solutions to the state's physician workforce shortage.

Thank you for this opportunity to testify.



ALOHACARE

To: The Honorable Representative Sylvia Luke, Chair, Committee on Finance
The Honorable Representative Ty J.K. Cullen, Vice-Chair, Committee on Finance

Date: February 25, 2021 at 1:00 PM

From: Peggy Mierzwa, Sr. Public Policy Analyst, AlohaCare

RE: **HB313 HD2, Relating to Physician Workforce Assessment**

AlohaCare appreciates the opportunity to provide testimony in **support** of **HB313 HD2**, which would help to address the physician workforce shortage in Hawaii especially in rural and underserved areas. This measure repeals the monetary cap of the John A. Burns School of Medicine special fund, removes the requirement that no less than 50% of the physician workforce assessment fees deposited into the special fund, and authorizes the special fund to provide loan repayments to certain physicians and scholarships to qualifying medical students.

Founded in 1994, AlohaCare is a community-rooted, non-profit health plan serving 73,000 Medicaid and dual-eligible health plan members on all islands. We are the only non-profit Hawai'i health plan exclusively serving Medicaid patients. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating access to quality health care for all. We believe that health is about supporting whole-person care, including access to housing and food security, to build a stronger, healthier Hawaii.

Hawaii has struggled with a shortage of physicians for decades. It is a result of an aging physician population, fewer people becoming physicians, high debt for schooling, and relatively low pay with a high cost of living. This shortage means that in certain areas, residents are unable to obtain timely and appropriate health care. We appreciate that addressing this shortage is not a one solution approach. The Legislature has several measures before them this year ranging from scope of practice to telehealth bills intended to increase patient's access to care with qualified providers.

This measure further supports The Physician Workforce Assessment program enacted by legislation in 2010. In 2012, UH JABSOM Area Health Education Center created a state loan repayment center funded by HMSA, Queens, and AlohaCare, and has grown to many more fundersⁱ. The program has successfully brought more healthcare workers to underserved areas across the state. This measure expands the ability of the program to bring more physicians to areas of need with loan repayments, when they commit to practicing in rural and medically underserved areas. These individuals may otherwise seek employment, out of state, in higher paying markets to repay their debt.

Today, many of the recipients of the loan repayment program practice in our community health centers and are vital to ensuring access to quality healthcare to underserved areas. HB313 SD2 helps to increase our healthcare workforce, which increases access to high quality healthcare to our rural and underserved communities.

We are grateful to the Committee for considering this measure. Thank you for the opportunity to testify on HB313 HD2.

ⁱ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4536740/>

HB 313, HD2 – RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Chair Luke, Vice Chair Cullen and members of the committee:

The Friends of the Medical School (FOMS) is a nonprofit organization created to enhance the physician in training experiences, engage their families and contribute to efforts to increase the opportunities for John A. Burns School of Medicine (JABSOM) graduates to practice in Hawaii.

As President of the FOMS, Graduate of JABSOM and a Hawaii Primary Care Physician for over 30 years I thank you for this opportunity to testify in **strong support** of HB 313, HD2, which repeals the spending caps of the workforce assessment fees and authorizes the John A. Burns school of medicine (JABSOM) to utilize the funds to provide loan repayment to physicians who commit to working in medically underserved areas of the State as part of the federally-matched health care provider loan repayment program JABSOM administers as well as provide scholarships to qualifying JABSOM students who commit to practicing in Hawai'i.

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Thank you for this opportunity to testify.

Lucy F. Wong MD
President Friends of the Medical School
JABSOM Graduate 1984