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

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March 3, 2021

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

To: The Honorable Karl Rhoads, Chair,
The Honorable Jarrett Keohokalole, Vice Chair, and
Members of the Senate Committee on Judiciary

Date: Wednesday, March 3, 2021

Time: 10:35 a.m.

Place: Conference Room 211, State Capitol

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

Re: S.B. No. 613 SD1 RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

I. OVERVIEW OF PROPOSED LEGISLATION

SB613 SD1 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 SENATE 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.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
And the
Senate Committee on Judiciary
Wednesday, March 3, 2021 at 10:35 a.m.

By

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

SB 613 SD1 – RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Chairs Deal Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and members of the Committees:

Thank you for this opportunity to testify in **strong support** of SB 613 SD1, 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.

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 healthcare professional 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.

SB-613-SD-1

Submitted on: 3/1/2021 11:09:49 AM

Testimony for WAM on 3/3/2021 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Rantz	Testifying for Hawaii State Rural Health Association	Support	No

Comments:

The Hawaii State Rural Health Association supports SB613 SD1 (Relating to Physician Workforce Assessment), which allows additional funds to be used for loan repayment and scholarships for qualifying medical students. This is part of an overall strategy to develop a robust health care workforce and provide high-quality health care close to home.

Testimony of the Hawaii Medical Board

**Before the
Senate Committee on Ways and Means
and
Senate Committee on Judiciary
Wednesday, March 3, 2021
10:35 a.m.
Via Videoconference**

**On the following measure:
S.B. 613, S.D. 1, RELATING TO PHYSICIAN WORKFORCE ASSESSMENT**

WRITTEN TESTIMONY ONLY

Chair Dela Cruz, Chair Rhoads, and Members of the Committees:

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 2 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.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Members, Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair
The Honorable Jarrett Keohokalole, Vice Chair
Members, Senate Committee on Judiciary

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

Date: March 3, 2021

Re: Support for SB613, SD1: Relating to 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 SB613, SD1, relating to Physician Workforce Assessment. The Hawaii 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. Hawaii's current physician shortage was exacerbated by the Covid-19 crisis and is expected to increase over the next several years. Particularly in rural and underserved areas there is a shortage between 710-1,008 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 Hawai'i have the resources to do so.

Thank you for allowing us to provide this testimony in support of SB613, SD1.

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.



**Testimony to the Senate Joint Committee on Ways and Means and Judiciary
Wednesday, March 3, 2021; 10:35 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: SENATE BILL NO. 0613, SENATE DRAFT 1, RELATING TO PHYSICIAN WORKFORCE ASSESSMENT.

Chair Dela Cruz, Chair Rhoads, and Members of the Joint 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. 0613, Senate Draft 1, RELATING TO THE PHYSICIAN WORKFORCE ASSESSMENT.

The bill, as received by your Committee, would allow the State to act rapidly on tangible solutions to the severe physician workforce shortage Hawaii is experiencing by:

- (1) Repealing the requirement that no less than 50% of assessment fees be deposited into the John A. Burns School of Medicine (JABSOM) Special Fund to be used for purposes identified by the Hawaii Medical Education Council;
- (2) Eliminate the monetary expenditure cap from the JABSOM Special Fund; and
- (3) Allow the JABSOM Special Fund to provide loan repayments to physicians who commit to working in medically underserved areas of the State as part of the Health Care Provider Loan and Repayment Program and scholarships for qualifying medical students.

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.

Testimony on Senate Bill No. 0613, Senate Draft 1
Wednesday, March 3, 2021; 10:35 a.m.
Page 2

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 the quality and stock of Hawaii's future healthcare workforce. **Accordingly, the HPCA strongly supports this important measure.**

Accordingly, the HPCA wholeheartedly 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.



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
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SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair

Date: March 3, 2021

From: Hawaii Medical Association

Michael Champion MD, President

Christopher Flanders DO, HMA Legislative Liaison

Elizabeth Ann Ignacio MD, Chair, HMA Legislative Committee

Linda Rosehill JD, Legislative Affairs

Re: SB 613 SD1 Relating to Physician Workforce Assessment

Position: Support

Hawaii continues to struggle to maintain access to quality healthcare under a severe shortage of physicians, and this has worsened during the coronavirus pandemic. More than 400 Hawaii physicians were forced to close their practices, reduced hours or convert to telehealth services in 2020.

Support from the Hawaii State Legislature in partnership with JABSOM as well as HMSA and Queens Medical Center through the State Loan Repayment Program has helped to recruit physicians to Hawaii practice over the last 3 years.

While the state's ability to put monies toward the loan repayment program this year is extremely limited, HMA supports the transfer of residual funds from The Physician Workforce Fund toward this program. It is an important priority for Hawaii physicians to sustain quality healthcare in Hawaii and maintain the delivery of vital services to our underserved areas, particularly in the neighbor islands. This program must be sustained in order to support young physician trainees and improve our Hawaii physician workforce that is critically low.

Thank you for allowing the Hawaii Medical Association to testify on this issue.

HMA OFFICERS

President – Michael Champion, MD President-Elect – Angela Pratt, MD
Immediate Past President – Jerry Van Meter, MD Treasurer – Elizabeth A. Ignacio, MD
Executive Director – Thomas Kosasa, MD



HAWAII MEDICAL ASSOCIATION

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Associated Press. Shortage of Hawaii Doctors Worsens During COVID-19 Pandemic.

<https://www.usnews.com/news/best-states/hawaii/articles/2021-01-06/shortage-of-hawaii-doctors-worsens-during-covid-19-pandemic>

Hiraishi K. "Hawai'i Doctor Shortage Worsens Under Pandemic. " Hawaii Public

Radio. Jan 5, 2021. <https://www.hawaiipublicradio.org/post/hawai-i-doctor-shortage-worsens-under-pandemic>

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President – Michael Champion, MD President-Elect – Angela Pratt, MD
Immediate Past President – Jerry Van Meter, MD Treasurer – Elizabeth A. Ignacio, MD
Executive Director – Thomas Kosasa, MD

Wednesday, March 3, 2021 at 10:35 AM
Via Video Conference

Senate Committee on Ways and Means

To: Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair



Senate Committee on Judiciary

To: Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair

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

**Re: Testimony in Support of SB 613, SD1
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 SB 613, SD1 which removes the requirement that no less than fifty percent of the physician workforce assessment fees be used for purposes identified by the Hawai'i medical education council, repeals the spending cap, and authorizes the John A. Burns school of medicine (JABSOM) to use the fund to provide loan repayment to physicians participating in JABSOM's healthcare provider loan repayment program and for scholarships to qualifying medical students attending JABSOM.

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 over 1,000 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 important 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 healthcare professional 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 the opportunity to testify.

SB-613-SD-1

Submitted on: 3/1/2021 6:02:34 PM

Testimony for WAM on 3/3/2021 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Max Castanera	Individual	Support	No

Comments:

Aloha mai kakou,

My name is Max Pono Castanera, and I am a fourth-year medical student at JABSOM, and **I strongly support the passing of SB 613.**

My family is from the island of Moloka'i where there are approximately *five* full-time physicians practicing medicine for a population of around 8,000. It is my dream to live/practice on Moloka'i and provide care for this community. Many students chose to specialize because it will allow them to make more money to pay off the tremendous amount of debt acquired from four years of medical school (plus four additional years of undergrad). Specialists, although necessary, are not able to practice on outer islands because the resources are more limited and they won't have enough patients to be able to sustain a practice. What the neighbor islands need is primary care physicians (PCPs). PCPs make 50% or less on average than specialists do. In order to incentivize students to pursue their dreams of becoming PCPs and practicing in rural areas, JABSOM can give scholarships and offer loan repayments to students that make that commitment.

The passage of this bill will help JABSOM to better incentivize medical students to practice in rural areas, where our healthcare shortages are the greatest by freeing up money to be allocated towards this goal. Mahalo for your time and consideration.