



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Ways and Means  
March 1, 2023 at 10:10 a.m.

By

Lee Buenconsejo-Lum, MD, FAAFP, Interim Dean  
John A. Burns School of Medicine  
University of Hawai'i at Mānoa And  
Michael Bruno, PhD  
Provost  
University of Hawai'i at Manoa

#### SB 62 SD1 – RELATING TO MEDICAL EDUCATION AND TRAINING

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Thank you for the opportunity to present testimony today. The John A. Burns School of Medicine (JABSOM) **supports SB 62 SD1** which reestablishes the Hawai'i Medical Education special fund to provide funding for medical education and training in Hawai'i. The measure also appropriates moneys to JABSOM to expand medical residency and training in Hawai'i with an emphasis on supporting residency training on the neighbor islands and in medically underserved communities, as well as funding to expand medical training in partnership with the United States Department of Veterans Affairs.

We respectfully suggest a minor technical amendment in Sections 3 and 4 to clarify the appropriation as money cannot be expended from the Hawai'i Medical Education Special Fund unless an appropriation is made from the fund. Amending language appears in red font and is attached to this testimony.

Many Hawai'i residents are unable to obtain timely and appropriate health care due to shortages of physicians and other health care providers in the State. These shortages threaten individual health. The State's neighbor islands, which have been designated by the federal government as medically underserved areas, have been disproportionately adversely affected by shortages of physicians in all areas of practice.

Based on the most recent data from the Hawai'i physician workforce assessment project, the State has a shortage of nearly 800 full-time equivalent physicians. Primary care, internal medicine, and some specialty physician shortages represent Hawai'i's disciplines of greatest need. Without these physicians, the people of Hawai'i do not have access to the health care they need. JABSOM has shown that eighty percent of graduates who complete their medical school and residency training in the State remain in Hawai'i to practice. Medical residents who perform their training on the neighbor islands are more likely to open practices and remain on the neighbor islands.

Expanding capacity for year-round medical education training will create a pipeline of new physicians who are poised to enter practice on the neighbor islands. Similarly, expanding the training capacity in partnership with the Veterans Affairs would enable JABSOM to offer residency positions to more students.

The Hawai'i Medical Education Council (HMEC) is tasked with monitoring the state's graduate medical education (GME) programs, physician residency and fellowship training, and their ability to meet the health care workforce requirements. According to HMEC's 2022 report to the legislature, GME programs, especially those in primary care, geriatrics, psychiatry (adults and children) and addiction serve a high proportion of the state's most vulnerable populations. Yet, there has been a reduction in the overall civilian GME positions offered in Hawai'i from 241 in 2009 to 230 in 2021. Nationally, Hawai'i is in the bottom quintile of GME positions per population. Decreased federal and state funding has had a significant impact on the number of available training positions.

Ongoing funding of both undergraduate medical education (medical school) and GME is vital in addressing the physician shortage in Hawai'i. Reestablishing the Hawai'i Medical Education special fund will allow optimal use of state funding to support GME and assure close monitoring by the university and legislature of the specific application of state funds for GME programs, especially those focused on enhancing neighbor island workforce needs.

The University of Hawai'i supports this measure, provided that its passage does not replace or impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget.

Thank you for this opportunity to testify.

SB 62  
PROPOSED LANGUAGE

Pages 5 – 7 beginning at Line 11:

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart C, to be appropriately designated and to read as follows:

**"§304A- Hawaii medical education special fund.** There is established in the state treasury a Hawaii medical education special fund, into which shall be deposited all moneys received by the medical education council, including:

- (1) Moneys from the federal Centers for Medicaid and Medicare Services and other federal agencies;
- (2) Appropriations made by the legislature; and
- (3) Grants, contracts, donations, and private contributions.

The fund shall be administered by the John A. Burns school of medicine. Moneys deposited in the fund shall be expended by the John A. Burns school of medicine for the purposes of the graduate medical education and training programs established under this chapter."

SECTION 3. There is appropriated out of the ~~[general revenues of the State of Hawaii]~~ Hawaii medical education special fund the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for ~~[the creation of additional~~

~~medical residencies and training opportunities for medical students in counties with populations of five hundred thousand or less]~~ graduate medical education and training programs established under chapter 304A, Hawaii Revised Statutes.

The sums appropriated shall be expended by the University of Hawaii at Manoa John A. Burns school of medicine for the purposes of this Act.

SECTION 4. There is appropriated out of the ~~[general revenues of the State of Hawaii]~~ Hawaii medical education special fund the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for ~~[the expansion of]~~ student and residency ~~[and]~~ training opportunities in partnership with the United States Department of Veterans Affairs.

The sums appropriated shall be expended by the University of Hawaii at Manoa John A. Burns school of medicine for the purposes of this Act.

SECTION 5. New statutory material is underscored.

SECTION 6 . This Act shall take effect on July 1, 2023.



**WRITTEN TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2023**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 62, S.D. 1, RELATING TO MEDICAL EDUCATION AND TRAINING.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Wednesday, March 1, 2023      **TIME:** 10:10 a.m.

**LOCATION:** State Capitol, Room 211

**TESTIFIER(S):**      **WRITTEN TESTIMONY ONLY.**

(For more information, contact Candace J. Park,  
Deputy Attorney General, at 808-586-0618)

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purposes of this bill are to (1) establish the Hawaii Medical Education Special Fund to enable the John A. Burns School of Medicine (JABSOM), in consultation with the Hawaii Medical Education Council, to provide funding for medical education and training in Hawai'i; (2) appropriate moneys to JABSOM to expand medical residency and training in Hawai'i; and (3) appropriate moneys to JABSOM to create further medical residency and training opportunities through a partnership between JABSOM and the United States Department of Veterans Affairs.

Article VII, section 5, of the Hawai'i State Constitution provides in part: "No public money shall be expended except pursuant to appropriations made by law." Money may not be expended from the Hawaii Medical Education Special Fund unless an appropriation is made out of the fund. However, the bill does not contain an appropriation out of the fund.

We recommend amending the bill by adding a new section 3, to read as follows:

"There is appropriated out of the Hawaii medical educational special fund the sum of \$                      or so much thereof as may be necessary for fiscal year 2023-2024 for graduate medical education and training programs established under chapter 304A, HRS.

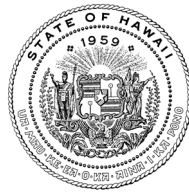
The sum appropriated shall be expended by the University of Hawaii at Manoa John A. Burns school of medicine for the purposes of this Act."

If the Committee decides to pass this bill, the Department respectfully requests the Committee to amend the bill as described above.

Also, section 6 of article X of the Hawai'i State Constitution gives the Board of Regents of the University of Hawai'i "exclusive jurisdiction over the internal structure, management, and operation of the university." Section 6 further provides: "[t]his section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." If the Committee decides to pass this bill, we recommend an amendment that adds a statement identifying this bill as a law of statewide concern.

Thank you for the opportunity to provide these comments.

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 62, S.D. 1

**March 1, 2023  
10:10 a.m.  
Room 211 and Videoconference**

RELATING TO MEDICAL EDUCATION AND TRAINING

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 62, S.D. 1, adds a new section to Chapter 304A, HRS, to establish the Hawai'i Medical Education Special Fund (HMESF) to be administered by the University of Hawai'i, John A. Burns School of Medicine, for the purposes of providing graduate medical education and training programs. The HMESF would collect all monies received by the Hawai'i Medical Education Council, including funds from the federal centers for Medicaid and Medicare services and other federal agencies; appropriations by the Legislature; and grants, contracts, donations, and private contributions. This bill also appropriates an unspecified amount of general funds for FY 24 and FY 25 for the creation of additional medical residencies and training opportunities in counties with populations of 500,000 or less; and appropriates an unspecified amount of general funds for FY 24 and FY 25 for the expansion of medical residencies and training opportunities in partnership with the United States Department of Veteran Affairs (VA).

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 62, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, B&F does not support the deposit of federal funds into any special fund as federal funds should be kept separate for compliance and reporting purposes. Further, the purpose of the federal grant may not be totally aligned with statutory uses of the special fund.

Lastly, B&F notes that the proposed FB 2023-25 Executive Budget adds 4.00 permanent positions and \$2,660,000 in general funds for FY 24 and FY 25 to continue the efforts of Act 262, SLH 2022, which appropriated funding in FY 23 to increase medical residencies and training in underserved areas and expand medical residency opportunities through a partnership with the VA.

Thank you for your consideration of our comments.



Wednesday, March 1, 2023 at 10:10 AM  
Via Video Conference; Conference Room 211

**Senate Committee on Ways and Means**

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

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

Re: **SB 62, SD1 – Testimony In Support  
Relating to Medical Education and Training**

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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.

I am writing in SUPPORT of SB 62, SD1 which reestablishes the Hawaii Medical Education Special Fund to provide funding for medical education and training in Hawaii. The measure also appropriates moneys to JABSOM to expand medical residency and training in Hawai'i with an emphasis on supporting residency training on the neighbor islands and in medically underserved communities, as well as funding to expand medical training in partnership with the United States Department of Veterans Affairs.

The Hawaii Medical Education Council (HMEC) is tasked with overseeing the state's graduate medical education programs and the programs' ability to meet the health care workforce requirements. Additionally, HMEC must ensure adequate funding of health care training programs, in particular graduate medical education. According to HMEC's 2022 report to the legislature, graduate medical education programs, especially those in primary care, geriatrics, psychiatry (adults and children) and addiction serve a high proportion of the most vulnerable populations. Yet, there has been a reduction in the overall graduate medical education positions in Hawaii from 241 in 2009 to 230 in 2021. Nationally, Hawaii is in the bottom quintile of the graduate medical education positions per population. Decreased federal and state funding has had a significant impact on the number of available training positions.

Ongoing funding of medical education is vital in addressing the physician shortage in Hawaii. There are considerable public outcomes achieved by expanding capacity for

training medical students especially on the neighbor island with the goal of having these students ultimately remain in Hawaii to practice. Reestablishing the Hawaii Medical Education special fund which may be utilized as a means of funding graduate medical education and training is a key component to supporting an expansion of graduate medical education positions and opportunities.

Thank you for the opportunity to testify.



**Testimony to the Senate Committee on Ways and Means  
Wednesday, March 1, 2023; 10:10 a.m.  
State Capitol, Conference Room 211  
Via Videoconference**

**RE: SENATE BILL NO. 0062, SENATE DRAFT5 1, RELATING TO MEDICAL EDUCATION AND TRAINING.**

Chair Dela Cruz, Vice Chair Keith-Agaran, 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. 0062, Senate Draft 1, RELATING TO MEDICAL EDUCATION AND TRAINING.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live 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.

This bill, as received by your Committee, would:

- (1) Reestablish the Hawaii Medical Education Special Fund to enable the John A. Burns School of Medicine (JABSOM), in conjunction with the Hawaii Medical Education Council, to provide funding for medical education and training in Hawaii;
- (2) Appropriate funds to expand medical residency and training in Hawaii, with an emphasis on supporting residency training on the neighbor islands and in medical underserved populations throughout the State; and
- (3) Appropriate funds to create further medical residency and training opportunities through a partnership between JABSOM and the United States Department of Veterans Affairs.

**Testimony on Senate Bill No. 0062, Senate Draft 1**  
**Wednesday, March 1, 2023; 10:10 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 the resources to develop the quality and stock of Hawaii's future healthcare workforce. Accordingly we commend this effort and wish to participate in any and all discussions concerning workforce development.

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](mailto:eabe@hawaiiipca.net).

Testimony of  
Jonathan Ching  
Government Relations Director

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

March 1, 2023  
10:10 a.m.  
Conference Room 211 and Via Videoconference

**Re: SB 62, SD1, Relating to Healthcare Preceptors**

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members, thank you for this opportunity to provide testimony on SB 62, SD1, which reestablishes the Hawaii Medical Education Special Fund to provide funding for medical education and training in Hawaii. The measure also appropriates moneys to JABSOM to expand medical residency and training in Hawai'i with an emphasis on supporting residency training on the neighbor islands and in medically underserved communities, as well as funding to expand medical training in partnership with the United States Department of Veterans Affairs.

**Kaiser Permanente Hawai'i SUPPORTS SB 62, SD1.**

Kaiser Permanente Hawai'i is one of the nation's largest not-for-profit health plans, serving 12.6 million members nationwide, and more than 269,000 members in Hawai'i. In Hawai'i, more than 4,200 dedicated employees and more than 650 Hawai'i Permanente Medical Group physicians and advance practice providers work in our integrated health system to provide our members coordinated care and coverage. Kaiser Permanente Hawai'i has more than 20+ medical facilities, including our award-winning Moanalua Medical Center. We continue to provide high-quality coordinated care for our members and deliver on our commitment to improve the health of our members and the 1.4 million people living in the communities we serve.

We support SB 62, SD1 because it will appropriate monies to the John A. Burns School of Medicine to expand medical residency and training in Hawaii, with an emphasis on supporting residency training on the neighbor islands, where healthcare providers are most needed. Hawai'i has a shortage of about 776 doctors, and almost all other types of primary care and behavioral healthcare workers. In 2022, approximately 60 physicians were found to have retired, 212 decreased their work hours, and 84 physicians left the state, further contributing to the physician shortage. Without these doctors and other healthcare providers, the people of Hawai'i do not have access to the healthcare they need. The shortage is most acute for those on neighbor islands and underserved areas served by rural health centers. We believe that by expanding residency

opportunities on the neighbor islands will acquaint graduate physicians with medicine in rural settings.

Mahalo for the opportunity to testify on this important measure.



## THE QUEEN'S HEALTH SYSTEM

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

From: Jace Mikulanec, Director, Government Relations, The Queen's Health System

Date: March 1, 2023

Re: In support of SB62 SD1: Relating to Medical Education and Training

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The Queen's Health System (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 10,000 affiliated physicians, caregivers, and dedicated medical staff 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 appreciates the opportunity to testify in **support** of SB62 SD1, which re-establishes the Hawaii medical education special fund to enable the John A. Burns School of Medicine, in consultation with the Hawaii Medical Education Council, to provide funding for medical education and training in Hawaii, with an emphasis on supporting residency training in medically underserved areas. It also appropriates moneys to create more residencies and training opportunities in medically underserved areas for medical students at the University of Hawaii John A. Burns School of Medicine (JABSOM) and training opportunities through a partnership between the John A. Burns School of Medicine and the United States Department of Veteran Affairs. Queen's wholeheartedly supports efforts to support residency opportunities throughout our state and has worked closely with JABSOM and others to increase these opportunities at our hospital facilities. We especially support the intent of this measure to prioritize residency training in on our neighbor islands and in underserved communities.

We support efforts to further develop our healthcare workforce given the projected workforce shortage facing our state; the 2022 Hawai'i Physician Workforce Assessment estimated the current shortage for physicians to be over 700. Queen's actively supports our local medical students and graduates who would like to remain in Hawai'i through both internships and residency programs. The funds appropriated via this legislation will help strengthen Hawai'i's graduate medical education (GME) opportunities and ensure that more locally trained physicians remain in our state.

Thank you for allowing us to provide this testimony in support of SB62 SD1.

*The mission of The Queen's Health System 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.*



**LATE**

**Hawaii Medical Association**

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814  
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

COMMITTEE ON WAYS AND MEANS  
Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

Date: March 1, 2022  
From: Hawaii Medical Association  
Beth England, MD - Chair, HMA Legislative Committee

**Re: SB 62 SD1 RELATING TO MEDICAL EDUCATION AND TRAINING**  
**Position: Support**

This measure would appropriate money to the John A. Burns School of Medicine for the purpose of supporting and expanding medical education and residency training.

Hawaii has a statewide physician shortage of 776 Full Time Equivalents (FTEs), as reported in the UH System Annual Report on Findings from the Hawai'i Physician Workforce Assessment Project. This deficit is 44 FTEs greater than in last year's report. By county, the physician shortages are most critical on the neighbor islands (see chart below):

**UH AHEC 2022 Physician Shortage by County**

2022	Hawai'i	Honolulu	Kaua'i	Maui	Statewide
Shortage	183	382	45	167	776
Percent	37%	15%	26%	40%	22%

HMA supports appropriation of funding to create additional residency positions and training opportunities. Over 50% of physicians who complete their residency training in Hawaii will stay to practice locally. This number increases further when students also complete medical school in Hawaii. It is vital that Hawaii have an adequate physician workforce to deliver medical care to our entire state, particularly underserved areas on neighbor islands. This measure will help address our critical physician workforce shortage.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.  
References

Withy K et al . [UH System Annual Report to the 2023 Legislature on Findings from the Hawai'i Physician Workforce Assessment Project.](#)

**2023 Hawaii Medical Association Officers**

Angela M. Pratt, MD, President • Elizabeth Ann Ignacio, MD, President Elect • Michael Champion, MD, Immediate Past President  
Nadine Tenn-Salle, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

**2023 Hawaii Medical Association Public Policy Coordination Team**

Elizabeth Ann Ignacio, MD, Chair • Beth England, MD, Co-Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



Moore B. Bringing students home to fix Hawaii's doctor shortage. KHON 2 Jan 5 2023.  
<https://www.khon2.com/local-news/bringing-students-home-to-fix-hawaiis-doctor-shortage/>

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>

Table C6. Physician Retention in State of Residency Training, by .... (n.d.). Retrieved February 13, 2023, from  
<https://www.aamc.org/data-reports/students-residents/interactive-data/report-residents/2019/table-c6-physician-retention-state-residency-training-state>.

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