



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection & Commerce  
Tuesday, March 21, 2023  
2:00 p.m.**

**On the following measure:  
S.B. 674, S.D. 1, H.D. 1, RELATING TO THE INTERSTATE MEDICAL LICENSURE  
COMPACT**

Chair Nakashima and Members of the Committee:

My name is Esther Brown, and I am the Complaints and Enforcement Officer of the Regulated Industries Complaints Office (RICO), which is an agency within the Department of Commerce and Consumer Affairs (Department). RICO **offers comments** on provisions of the measure that may impact RICO's enforcement authority, practice or daily operations.

The bill authorizes the Governor to enter into the pre-existing Interstate Medical Licensure Compact (Compact) on behalf of the State of Hawaii. The Compact allows the licensing boards of member states to review and make determinations on applications for an "expedited license" from qualifying physicians. The physicians deemed eligible for an "expedited license" by the board of a member state may then complete the Compact's registration process which includes payment of applicable fees. See SB 674, S.D. 1, H.D.1 ("H.D.1"), Section 5, which begins on page 8, line 10.

RICO enforces the licensing laws of certain professional and trade industries in the state by investigating and prosecuting misbehaving licensees who fall within the purview of the Hawaii Medical Board (Board). RICO's prosecutorial effort results in disciplinary recommendations that are presented to the Board for final action. The Board, therefore, sets industry policy and standards which are then applied to regulate the industry through the issuance, denial or discipline of licenses that grant physicians a privilege to practice in our state. As the Board's investigator and prosecutor, therefore, RICO defers to and supports fully the Board's position on the measure's policy, administration and implementation.

1. Clarity. Save for a few miscellaneous issues identified at the end of this testimony, the language of the measure appears to be clear in its standards and expectations.

2. Notice by a licensee to the regulator. A key to prompt and effective enforcement is the ability to find and correctly identify licensees who may have committed acts of professional misconduct in our state. Notification to the regulator is even more important when a licensee is not domiciled in the state and has the ability to travel between different jurisdictions to practice medicine on a multi-state privilege. A regulatory body, therefore, must know about and be able to contact persons in or outside of the state who are or intend to practice medicine here. The measure meets this important consideration by requiring physicians interested in an "expedited license" to make application to the Board, as well as complete the Compact's registration process. See H.D.1, at page 8, lines 15 – 16, and page 10, lines 1 – 5.

3. Fees. Sufficient resources are necessary to enforce a regulatory scheme, and the current regulatory scheme for physicians in Hawaii is funded almost exclusively through license fees that are paid initially and at renewal. The measure supports good enforcement by authorizing the imposition of license fees per sections (c) and (d), which begin on page 10, at line 1.

4. Definite period. To protect consumers, licenses are valid for a definite period of time only so that, at renewal, licensees can provide the regulatory authority with updated identification and contact information at a minimum. At renewal, licensees make

affirmative assurances too of continued good behavior including self-disclosing misdeeds. The process also assures that physicians who are practicing in Hawaii are competent and current still through having completed continuing education courses. In addition, the renewal process results in prompt referrals by the Board, to RICO, of situations that may involve potential misconduct by a licensee. This measure meets this important consumer protection factor by limiting the expedited license to a definite period of time after which it will automatically expire unless affirmatively renewed. See H.D.1, paragraph (e) on page 10, lines 13 – 16, and section 7 of the measure which begins on page 11, line 10.

5. Respecting the privacy rights of practitioners under investigation and patient medical records. Unlike other healthcare interstate compact bills that have been introduced this Session, this measure is unique in that it does appear to compel industry regulators to possibly ignore Hawaii law on the privacy of licensees under investigation for fitness to practice, or the confidentiality of patient treatment records.

Consistent with the current practice that is in place here in Hawaii, the measure requires the Board to only disclose public actions or complaints to the governing body per section (b) on page 13, lines 5 – 8; the measure makes discretionary the reporting of certain non-public matters per page 13, section (d), lines 12 – 14; and the measure gives local regulators the option to choose to enter into joint investigations with other states and whether to share investigative information with them, per section 9 of the measure on page 14 at line 9 ( . . . a member board “may” participate . . . ), and page 14, line 14 ( . . . boards “may” share . . . ). Read together, these provisions within the measure seem respectful of the significant privacy interest that physicians in Hawaii have when they are under investigation for fitness to have or maintain a license, and the confidentiality of patient treatment records.

6. Miscellaneous Issue – financing of governing body. Though we do not fully understand the implication of these, we note for the Committee that:

a.) The governing body under the Compact has the ability to “levy on and collect an annual assessment from each member state” to cover operations and activities, see page 23, section (a), line 13; and

b.) With a State's permission, the governing body can also pledge the credit of any member state, see page 24, section (c), lines 4 - 6.

7. Miscellaneous Issue – ambiguity re indemnification of Hawaii's regulatory employees. The measure protects the governing body and its hired or retained agents and employees through immunity, limitation of liability, defend/indemnify and "held harmless" provisions that run from page 25, line 6, to page 27, line 15, but on its face does not seem to cover the regulatory entities in Hawaii should a Hawaii employee attempt to comply with mandatory provisions or rules or bylaws of the Compact that could now, or in the future, conflict with provisions of state law.

Thank you for the opportunity to testify on this bill.

**Testimony of the Hawaii Medical Board**

**Before the  
House Committee on Consumer Protection and Commerce  
Tuesday, March 21, 2022  
2:00 p.m.  
Conference Room 329 and Videoconference**

**On the following measure:  
S.B. 674, S.D. 1, H.D. 1, RELATING TO THE INTERSTATE MEDICAL LICENSURE  
COMPACT**

Chair Nakashima and Members of the Committee:

My name is Ahlani Quiogue, and I am the Executive Officer of the Hawaii Medical (Board). The Board supports and offers comments on this bill.

The purposes of this bill are to: (1) adopt the Interstate Medical Licensure Compact (Compact); (2) permit the Department of Commerce and Consumer Affairs (DCCA) to adopt rules to implement and administer the Compact; (3) authorizes DCCA to conduct criminal history record checks on applications for licensure under the Compact; and (4) appropriate funds.

The Board supports the Compact as it will increase access to health care – particularly for patients in underserved or rural areas. The Compact will increase the ability for physicians to practice across participating jurisdictions, but also ensure that the Board is still able to meet its legal responsibility to issue licenses to qualified, safe, and competent physicians only.

It is important to note that this Compact will also allow the Board to continue to impose fees, thereby allowing it and the Regulated Industries Complaints Office to maintain its current operations and additional requirements of this measure as provided in section 6. Further, the Compact allows the Board to maintain its current renewal requirements as outlined in section 7 of this bill.

Further, and as confirmed by the Federation of State Medical Boards and Interstate Medical Licensure Commission (Commission), the addition of the language found on page 25, lines 6 to 17, regarding the immunity language, is not a material deviation from the Compact language enacted by other participating jurisdictions, and will not jeopardized the Board's participation in the Compact.

The Board does recognize the huge undertaking of this measure and, thus, in consultation with the Professional and Vocational Licensing Division (Division), respectfully requests the following to ensure proper implementation:

1. General fund appropriation to allow the Division:
  - (a) To establish, recruit, and hire an office assistant V (OA-V) to process Compact-related license applications expeditiously. The sum of \$67,876 or so much thereof may be necessary to fund this position.
  - (b) To establish, recruit, and hire a regulatory boards and commissions administrative assistant I (RBCAA I) position. The sum of \$99,896 or so much thereof may be necessary to fund this position.
  - (c) To establish, recruit, and hire a secretary II position. The sum of \$73,406 or so much thereof may be necessary to fund this position.
  - (d) To make the appropriate updates to its internal database. In consultation with the Division and its vendor, the required updates may take upwards of 500 support hours. The updates would require the creation of an API to allow the Board to share information with the Commission; create new license types specific to Compact licensure; and the development of the appropriate requirements if the Board is designated as the State of Principal License, and not just the issuing state of licensure. These hours would be added onto the already extensive daily work of the Division's developer, program analyst, and others outside of the division. Note that these updates would require additional support and maintenance outside of the budget request being made through Department of Commerce and Consumer Affairs' request. The sum of \$75,000 or so much thereof may be necessary to fund this request.
2. Minimally, a delayed implementation date of at least two (2) years to ensure that:
  - (a) In line with the request above, the Division would need the appropriate time to establish, recruit, and hire an OA-V, RBCAA-I, and secretary II.

- (b) The appropriate updates are made to the Division's database.
- (c) The Board receives the proper authorization from the FBI to obtain fingerprint based criminal history record information. This will also ensure that its current staff receive the proper training, certifications, and approval to pull this information.

Thank you for the opportunity to testify on this bill.



## THE QUEEN'S HEALTH SYSTEM

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To: The Honorable Mark M. Nakashima, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
Members, House Committee on Consumer Protection & Commerce

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

Date: March 21, 2023

Re: Support for SB674, SD1, HD1: Medical Licensure Compact

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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 strongly **supports** SB674, SD1, HD1, relating to the interstate medical licensure compact. This measure would adopt the Interstate Medical Licensure Compact (IMLC) to create a process that complements the existing licensing and regulatory authority of state medical boards and provides a process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license while ensuring the safety of Hawai'i patients. We support earlier amendments to this measure and respectfully urge the Committee to include funding to ensure the Department of Commerce and Consumer Affairs will have the appropriate resources to operationalize and oversee Hawaii's membership in the compact.

The intent of the IMLC is one shared by Queen's—increased access to quality health care. The compact makes it possible to extend the reach of physicians, improve access to medical specialists and leverage the use of medical technologies, such as telemedicine. While making it easier for physicians to obtain licenses to practice in multiple states, the compact also has the added benefit of potentially enhancing the ability of partner states to share investigative and disciplinary information.

Recognizing that physicians will increasingly practice in multiple states as a result of increased use of telemedicine, medical boards in 2013 began actively discussing the idea of creating the IMLC in order to streamline traditional medical-license application processes. Introduced in 2014 with assistance from the Federation of State Medical Boards, the IMLC is a legal agreement between participating states to streamline the licensing process for providers that wish to practice across state lines. Currently more than half of the United States, the District of Columbia, and Guam belong to the IMLC.

*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.*



The COVID-19 pandemic in particular has demonstrated the importance of flexibility, preparedness, and the supply of medical professionals during a health crisis. Staffing shortages have become one of the major issues for healthcare systems globally and locally as the COVID-19 pandemic continues to evolve. Having the ability to more easily and safely work across state lines to employ necessary and lifesaving help during times of a pandemic is an important safeguard for Hawai'i to have in place - this is even more imperative for our neighbor island communities where existing medical personnel shortages pose greater challenges.

Looking beyond the public health emergency, one important way lawmakers and health care regulators can permanently facilitate access to care is by allowing providers and patients to connect with each other regardless of their physical location. States are moving quickly to give healthcare providers the freedom to practice across state lines, opening the door to broader and more flexible telehealth networks and improved access to care.

Upon licensure via the IMLC, a physician will be under the jurisdiction of the medical board in the state where the patient is located. Thus, the Hawai'i Medical Board preserves its authority since physicians will still have to be vetted and licensed to practice in Hawai'i in accordance with Hawai'i's standards. The IMLC also strengthens public protection by enhancing the ability of states to share investigative and disciplinary information. The IMLC provides that any disciplinary action that is taken by a member state's medical licensing board against a physician licensed through the compact is deemed unprofessional conduct that may be subject to discipline by other member boards, in addition to any violation of the medical practice act or laws in that state.

Queen's greatly appreciates the Committee hearing this measure and respectfully requests your support of SB674, SD1, HD1.



To: The Honorable Mark M. Nakashima, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
Committee on Consumer Protection & Commerce

From: Paula Arcena, External Affairs Vice President  
Mike Nguyen, Public Policy Manager

Hearing: Tuesday, March 21, 2023, 2:00 PM, Conference Room 329

RE: **SB674 SD1 HD1 Relating to Interstate Medical Licensure Compact**

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AlohaCare appreciates the opportunity to provide testimony in **support of SB674 SD1 HD1**. This measure will provide the Governor the statutory authority to enter into an Interstate Medical Licensure Compact on behalf of the State of Hawai`i to significantly streamline the licensing process for physicians who want to practice in multiple states while retaining each state's rigorous practice of medicine standards.

Founded in 1994 by Hawai`i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 80,000 Medicaid and dual-eligible health plan members on all islands. Approximately half of our membership are keiki. We are Hawai`i's only health plan exclusively dedicated to serving Medicaid beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality health care for all. We believe that health is about supporting whole-person care.

AlohaCare is committed to improving access to care and strengthening the Medicaid program. As you know, Medicaid enrollment in our State has grown by over 40% from 330,000 enrollees in March 2020 to 460,000 in January 2023. This tremendous growth has put a further strain on our already challenged provider capacity in the State, especially in rural areas. We support this measure as one way to expand physician capacity, relieving some of the burden faced by our existing physician workforce, and improve access to care for the residents of Hawai`i, especially our rural communities.

Mahalo for this opportunity to testify in **support of SB674 SD1 HD1**.



**Testimony to the House Committee on Consumer Protection and Commerce  
Tuesday, March 21, 2023; 2:00 p.m.  
State Capitol; Conference Room 329  
Via Videoconference**

**RE: SENATE BILL NO. 0674, HOUSE DRAFT 1, RELATING TO THE INTERSTATE MEDICAL LICENSURE COMPACT.**

Chair Nakashima, Vice Chair Sayama, 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. 0674, House Draft 1, RELATING TO THE INTERSTATE MEDICAL LICENSURE COMPACT.

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 measure, as received by your Committee, would adopt the Interstate Medical Licensure Compact (Compact) to establish a comprehensive process that complements the existing licensing and regulator authority of state medical boards and provides a streamlined process to allow physicians to become licensed in multiple states, thereby enhancing the portability of a medical license while ensuring patient safety. Specifically, this bill would also:

- (1) Authorize the Department of Commerce and Consumer Affairs to adopt rules;
- (2) Appropriate an unspecified amount of general funds for fiscal years 2023-2024, and 2024-2025;
- (3) Clarify the extent of civil liability on the Interstate Commission's Executive Director and employees; and
- (4) Take effect on December 31, 2050.

**Testimony on Senate Bill No. 0674, House Draft 1**  
**Tuesday, March 21, 2023; 2:00 p.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 shortage became even more evident during the COVID-19 pandemic as health care facilities required staff to work consecutive double- and triple-shifts to meet the ever present demand. The situation became so pronounced that health care workers from other states had to be brought in to keep our health care facilities open.

To facilitate this influx of health workers, DCCA scrambled to permit these workers under Hawaii's professional licensure laws. In particular, the huge number of nurses brought in to Hawaii forced DCCA to shift employees from other Boards to assist the Board of Nursing to permit these nurses to work here. Yet despite these heroic efforts, it took much time and resources for these nurses to have their professional licenses verified through endorsement. So instead of treating patients, these nurses had to wait.

This bill seeks to streamline the process for physicians by adopting a standard that is utilized by multiple states in the United States. Once these qualifications are met in one state, that physician could immediately get to work in another state that adopts that standard should that physician relocate to the participating state. This will further allow our nation's limited physician stock to mobilize where there is the greatest need.

**Accordingly, the HPCA urges your favorable consideration of 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](mailto:eabe@hawaiiipca.net).



Rep. Mark Nakashima, Chair  
Rep. Jackson Sayama, Vice-Chair  
House Committee on Consumer Protection & Commerce  
Hawaii State Capitol, Room 329  
Tuesday, March 21, 2023

Re: SB 674 SD1 HD1, Relating to Interstate Medical Licensure Compact

Chair Nakshima, Vice-Chair Sayama, and members of the Committee:

The Hawaii'i Psychiatric Medical Association (HPMA) is a professional, non-profit corporation serving psychiatrists in Hawaii'i. It is organized for the purpose of supporting professionalism in the practice of psychiatry and promoting top quality mental health care. HPMA fulfills a dual role, serving as a state association which focuses on local issues and as a district branch of the American Psychiatric Association (APA) linking HPMA members with developments in mental health care taking place regionally and nationally. We represent nearly 200 Psychiatrists, 30 of whom are Resident Physicians (Psychiatrists in Training).

HPMA is in support of SB 674 SD1 HD1, Relating to Interstate Medical Licensure Compact. This bill adopts the Interstate Medical Licensure Compact to create a comprehensive process that complements the existing licensing and regulatory authority of state medical boards and provides a streamlined process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license and ensuring the safety of patients.

HPMA supports this concept as a safe way to access psychiatric medical care and prescribers. We understand that there are concerns by the legislature about accessing psychiatry care, especially in rural areas. This interstate medical licensure compact would help alleviate that problem, providing a safe, comprehensive process that allows for physicians to be licensed in multiple states. This, in conjunction with telehealth services, will allow for greater, safer access to medical care for Hawaii's residents.

Thank you for the opportunity to share our support of SB 674 SD1 HD1.

Mahalo,

Jennifer Lyman, MD Resident Physician  
Hawaii Psychiatric Medical Association Legislative Co-Chair

Sarah Gabriel, MD Resident Physician  
Hawaii Psychiatric Medical Association Legislative Co-Chair

Tuesday, March 21, 2023 at 2:00 PM  
Via Video Conference; Conference Room 329

**House Committee on Consumer Protection & Commerce**

To: Representative Mark Nakashima, Chair  
Representative Jackson Sayama, Vice Chair

From: Les Chun, MD  
CEO, Hawai'i Pacific Health Medical Group

Re: **Testimony in Support of SB 674, SD1, HD1  
Relating to the Interstate Medical Licensure Compact**

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My name is Les Chun, MD and I am the CEO of the Hawai'i Pacific Health Medical Group (HPHMG). The HPHMG is a non-profit subsidiary of Hawaii Pacific Health (HPH) and was formed to further our vision and mission: *To be the leader in health care transformation and to create a healthier Hawaii.* HPH 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 674, SD1, HD1 which creates a comprehensive process that complements the existing licensing and regulatory authority of state boards. The bill also establishes a streamlined process allowing physicians to become licensed in multiple states and enhances the portability of a medical license.

Participating in the compact will allow physicians to more easily practice in Hawai'i, or treat patients in Hawai'i through telehealth, while still meeting nationally-established standards for education and training. The compact, which is in effect in 37 states, the District of Columbia, and the Territory of Guam, allows states to license physicians who meet eligibility criteria in a more streamlined fashion. This is especially important as we continue to see a shortage in physicians across the state, especially in rural areas and on the Neighbor Islands.

The compact alone will not solve the issues we have with our healthcare workforce. Affordability, below-cost reimbursements from Medicare and Medicaid, and the realities of retaining physicians in rural communities are still issues that must be addressed in partnership with many other stakeholders and policy-makers. However, entering the compact can help to ease recruitment of physicians, especially for specialty care that may be hard to access otherwise.

Thank you for the opportunity to testify.

Aloha Chair Nakashima and members of the Committee of Consumer Protection and Commerce, I am Judy Akin, a member of the National Organization for Rare Disorders' advocacy task force. I am here to support bill SB674 Interstate Medical License Compact. In 2019, I was diagnosed with IgA Nephropathy, a rare disease that causes Kidney Disease.

IgA Nephropathy is an autoimmune disease where Immunoglobulin A gets confused. Instead of fighting an infection, it attacks the kidneys, causing them to inflame and disrupting the kidneys' filtration system.

At diagnosis, access to information and specialist focusing on IgA Nephropathy here in the islands was not readily available. I have an excellent nephrologist, but his patient load is high, and he only sees a handful of IgA Nephropathy patients; therefore, he focuses on other areas. I was left to independently research and gather information on new treatments and clinical trials. Even when I found a clinical trial, I was not approved to participate as no doctors were available to oversee the treatment. As you can imagine, this left me feeling isolated and frustrated. With the support and passing of the Interstate Medical License Compact, I could have access to specialists and participate in a clinical trial that could potentially change my outcome.

Living in the Hawaiian Islands can be challenging for anyone with a rare disease. It becomes a life of picking and choosing. We are limited in so many ways by distance. This bill will allow patients to make decisions about their healthcare without worrying about their bank accounts. In addition, we can eliminate unnecessary and risky travel to the continent to seek specialists, as we could meet them safely in our homes. The bill will save your constituents money, time, and peace of mind, resulting in a healthier population.



**March 21, 2023 at 2:00 pm**  
**Conference Room 329**

**House Committee on Consumer Protection & Commerce**

**To:** Chair Mark M. Nakashima  
Vice Chair Jackson D. Sayama

**From:** Hilton Raethel  
President and CEO  
Healthcare Association of Hawaii

**Re: Testimony in Support**  
**SB 674 SD 1 HD 1, Relating to the Interstate Medical Licensure Compact**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing more than 30,000 people statewide.

Thank you for the opportunity to provide **support** on this measure, which would authorize the state to enter into the Interstate Medical Licensure Compact. Entering the compact will allow physicians to more easily practice in Hawaii, or treat patients in Hawaii through telehealth, while still meeting nationally-set standards for education and training. The compact, which is in effect in 37 states, the District of Columbia, and the Territory of Guam, allows states to continue to license physicians who meet eligibility criteria in a more streamlined fashion. This is especially important as we continue to see a shortage in physicians across the state, especially in rural areas.

The pandemic stressed an already fragile healthcare workforce shortage in the state—but it also provided opportunities for expanded telehealth and the recruitment of physicians and other clinical professionals to come in at a time of great need. Allowing the state to enter into the compact can help us to address some, if not all, of the physician recruitment and access issues Hawaii patients face, especially in rural and underserved areas. Further, entering into the compact will enable a more efficient, streamlined approach to licensing physicians in the state to begin critical work right away.

Thank you for the opportunity to provide our support for this measure.



March 21, 2023

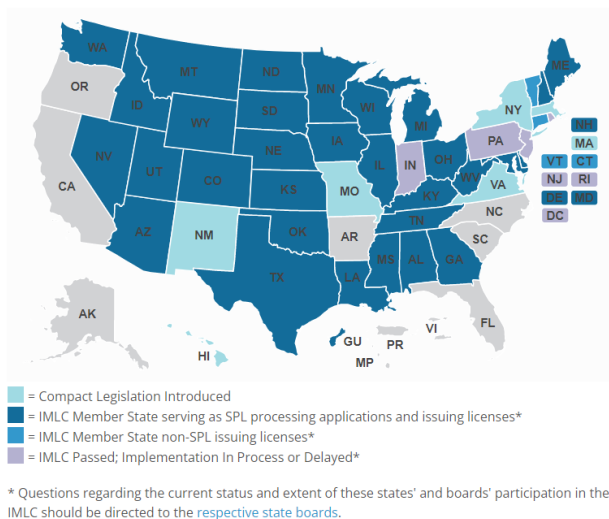
The Honorable Mark M. Nakashima, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
House Committee on Consumer Protection & Commerce

Re: SB674 SD1 HD1 – Relating to Interstate Medical Licensure Compact

Dear Chair Nakashima Vice Chair Sayama, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB674 SD1 HD1, which adopts the Interstate Medical Licensure Compact to create a comprehensive process that compliments the existing licensing and regulatory authority of state medical boards and provides a streamlined process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license and ensuring the safety of patients.

HMSA strongly believes in strengthening access to quality health care services in the state of Hawaii. Participation in the physician compact can help, particularly in rural and underserved communities where the need is greatest. The Interstate Medical Licensure Compact was established in 2017 and currently includes 37 states, the District of Columbia, and the Territory of Guam (see map)<sup>1</sup>. In these jurisdictions, physicians are licensed in 50 different medical and osteopathic boards.



While we recognize that becoming part of an interstate compact is not a silver bullet, it can be one tool in our tool belt to address the needs of our community. Physician licensure by endorsement in Hawaii can typically take anywhere from 45 to 120 days once an application is filed with the Hawaii Medical Board. By contrast, the IMLC says the process of issuing licenses in its member states usually takes only a few days. By providing an opportunity for providers who are already licensed in other states to practice in Hawaii, we can expand and support our current health care workforce while making it easier for

Hawaii residents to access health care in the place they're located at the time when they need it.

<sup>1</sup> <https://www.imlcc.org/>



For Hawaii to join the IMLC, legislation must be introduced to enact a bill authorizing the state to join. NOTE: The language of this bill<sup>2</sup> cannot be altered in any way and must be consistent between each participating state. We support the legislature's intent to address the shortage of physicians in the state while ensuring the safety of our residents.

Thank you for the opportunity to testify in support of SB674 SD1 HD1.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dawn Kurisu', with a long horizontal flourish extending to the right.

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations

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<sup>2</sup> Interstate Medical Licensure Compact bill language. <https://www.imlcc.org/wp-content/uploads/2021/02/IMLC-Compact-Law.pdf>



March 21, 2023

2 p.m.

Conference Room 329

VIA VIDEOCONFERENCE

**To: House Committee on Consumer Protection & Commerce**

**Rep. Mark M. Nakashima, Chair**

**Rep. Jackson D. Sayama, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: SB674 SD1 HD1 — RELATING TO THE INTERSTATE MEDICAL LICENSURE COMPACT

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB674 SD1 HD1](#), which would enter Hawaii into the Interstate Medical Licensure Compact.

If this bill is enacted, the Legislature will take an important step toward addressing Hawaii's doctor shortage, a problem that has existed for years and has become a serious obstacle to healthcare access in our state.

It is well established that Hawaii is suffering from a physician shortage. According to the most recent report from the Hawaii Physician Workforce Assessment Project, the state is currently short by approximately 776 full-time-equivalent physicians.<sup>1</sup> While the greatest area of need is primary care physicians, the lack of specialists — especially in rural areas — is also severe.

Moreover, that shortage does not apply to only doctors. Across the state, and especially in rural areas, Hawaii is facing shortages of experienced health professionals, from primary care providers to nurses, specialists and staff.

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<sup>1</sup> ["Annual Report on Findings from the Hawai'i Physician Workforce Assessment Project: Report to the 2023 Legislature,"](#) University of Hawaii, December 2022, p.1

Fixing the problem requires a multipronged strategy that will address everything from Hawaii's high cost of living to the state's regulatory scheme for healthcare facilities. Perhaps most important is the need to reform licensing regulations for healthcare professionals. One-fourth of all licensed workers in the U.S. work in healthcare.<sup>2</sup> Their licenses can be difficult to obtain, are expensive and carry geographic or "scope of practice" limitations.

As discussed in the Grassroot Institute of Hawaii's new policy brief on medical licensing, "[How changing Hawaii's licensing laws could improve healthcare access.](#)" the state's shortage of healthcare professionals makes its restrictions on healthcare workers who already hold licenses in other U.S. states seem redundant and self-defeating.<sup>3</sup>

As the Federal Trade Commission noted in a report on occupational licensing portability:

There is little justification for the burdensome, costly, and redundant licensing processes that many states impose on qualified, licensed, out-of-state applicants. Such requirements likely inhibit multistate practice and delay or even prevent licensees from working in their occupations upon relocation to a new state. Indeed, for occupations that have not implemented any form of license portability, the harm to competition from suppressed mobility may far outweigh any plausible consumer protection benefit from the failure to provide for license portability.<sup>4</sup>

In other words, though medical licensing is intended to protect the public, there is a point at which the level of regulation reduces the number of people in practice without an appreciable public benefit.

One study of licensing among medical professionals found that "licensing is associated with restricted labor supply, an increased wage of the licensed occupation, rents, increased output prices, and no measurable effect on output quality."<sup>5</sup>

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<sup>2</sup> Ryan Nunn, "[Improving Health Care Through Occupational Licensing Reform.](#)" RealClear Markets, Aug. 28, 2018

<sup>3</sup> Malia Hill, "[How changing Hawaii's licensing laws could improve healthcare access.](#)" Grassroot Institute of Hawaii, February 2023, pp. 5-7.

<sup>4</sup> Karen Goldman, "[Options to Enhance Occupational License Portability.](#)" U.S. Federal Trade Commission, September 2018, p. 25.

<sup>5</sup> Sean Nicholson and Carol Propper, "[Chapter Fourteen — Medical Workforce.](#)" in "Handbook of Health Economics, Vol. 2," Elsevier, B.V., 2012, p. 885, cited also in the previously mentioned [FTC study](#), footnote #9, p3.

This is where we can benefit from the lessons learned during the coronavirus situation. The governor's emergency modification to state licensing laws demonstrated a need to embrace license portability, making it a simple matter for a doctor licensed in another state to practice in Hawaii.

The interstate compact approach outlined in this bill would streamline licensing for physicians, making it easier for doctors from participating states to practice in Hawaii without facing time-consuming, costly and redundant regulatory hurdles.

The state would retain its control over Hawaii licensure requirements, but would simultaneously increase the pool of doctors able to practice in Hawaii and shorten the time it would take for them to begin working here.

At present, the Interstate Medical Licensure Compact [includes](#) 37 states, the District of Columbia and Guam. Five additional states have introduced legislation to join as well. Years of successful implementation testify to the safety and effectiveness of this approach to license reciprocity.

According to the [IMLC](#), its purpose is to serve as "an administrative clearinghouse of licensing and disciplinary information among participating member states and territories. The Commission does not have regulatory control over physicians or the practice of medicine. It neither issues nor revokes licenses. Its only purpose is to facilitate interstate cooperation and the transfer of information between member states and territories."

Joining the IMLC would be an important step toward attracting more doctors to our state, thereby addressing our physician shortage and improving healthcare access for all.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas  
Director of Strategic Campaigns,  
Grassroot Institute of Hawaii

# TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII ASSOCIATION FOR JUSTICE (HAJ) WITH COMMENTS ON SB 674 SD1 HD1

Hearing Date: Tuesday, March 21, 2023

Time: 2:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) providing **COMMENTS** to SB674 SD1 HD1, Relating to the recognition of the Interstate Medical Licensure Compact (the "Compact").

HAJ appreciates amendments made by the previous committee to include negligence as a part of the exemption from liability. Under the new language, immunity from tort liability or civil liability resulting in death, injury to persons, or property damage is provided except in cases of intentional or willful or wanton misconduct or **negligence or gross negligence of that person**. We still maintain concerns with immunity from liability as a broad policy, however, the amendment to exclude negligence from the immunity provision improves the language of the measure.

The exceptions to immunity now apply to **negligent acts** which properly protect our residents. For example, residents will be allowed to seek recourse if an officer or employee rendering aid pursuant to the Compact commits negligent acts while rendering aid, they will be immune under this act – leaving no legal recourse for the individual who was harmed. This immunity would even apply if that same officer or employee, while driving, hits a pedestrian through a failure to exercise due care or negligent maintenance of a vehicle.

The standard of care that should be applied in any given situation is based on the specific circumstance. Negligent acts cannot and should not be overlooked, without recourse for those harmed, especially for our residents. While we maintain that broad immunity from civil liability

is not a good public policy, the narrowing of the scope of immunity is beneficial.

Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.



March 21, 2023

**To: Chair Nakashima, Vice Chair Sayama, and Members of the House Committee on Consumer Protection & Commerce**

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: March 21, 2023; 2:00 p.m., Conference Room 329/Videoconference

**Re: Testimony in support of SB 674 SD1 HD1 – Relating to the interstate medical licensure compact**

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to provide testimony in support of SB 674 SD1. HAHP is a statewide partnership of Hawaii's health plans and affiliated organizations to improve the health of Hawaii's communities together. The vast majority of Hawaii residents receive their health coverage through a health plan associated with one of our organizations.

We appreciate the compact's ability to relieve some of the burden on our existing health care workforce and to increase resources and access for rural communities. HAHP also recognizes that the pandemic highlighted gaps in our health care system. Workforce expansion is important to strengthening Hawaii's health care network. We support the prioritization and inclusion of the interstate physician compact to expand Hawaii's "toolkit" for providing necessary care for our members and our community.

We thank you for the opportunity to provide testimony in support of SB 674 SD1 HD1.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

AlohaCare | HMAA | HMSA | Humana | HWMG | Kaiser Permanente | MDX Hawaii | Ohana Health Plan | UHA Health Insurance | UnitedHealthcare

[hahp.org](http://hahp.org) | 818 Keeaumoku Street, Honolulu, HI 96814 | [info@hahp.org](mailto:info@hahp.org)





## Hawaii Medical Association

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### COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Mark M. Nakashima, Chair

Rep. Jackson D. Sayama, Vice Chair

Date: March 21, 2023

From: Hawaii Medical Association

Bernard Robinson, MD, HMA Public Policy Committee

Re: SB674 SD1 HD1, Relating to the Interstate Medical Licensure Compact

Position: Support

This measure adopts the Interstate Medical Licensure Compact (IMLC) and creates an expedited pathway for currently licensed physicians to become licensed in multiple states.

This compact will promote uniformity in state licensure requirements and strengthen public protection by facilitating sharing of investigative and disciplinary information between state medical boards. The IMLC does not affect a state's Medical Practice Act or override a state's authority to approve or revoke its medical license. I

The HMA appreciates consideration of this measure. Per the IMLC Commission, "States participating in the Compact make an affirmative and informed choice to accept the Compact's terms...". In order to be eligible to join the Compact, the State must accept the IMLC's language as it is written. To ensure Hawaii's eligibility, HMA respectfully requests that the language be amended to be consistent with the IMLC by making the following changes on page 25, lines 16-17 as follows:

"provided that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct ~~or negligence or gross negligence~~ of such person."

HMA supports this legislation as it will help address the State's current physician shortage and improve patient access to care. Reducing the currently time-consuming and often redundant process of applying for a license in multiple states will encourage physicians to practice in Hawaii, both in-person and via telehealth services. This can be particularly impactful for some of our most vulnerable patients facing extreme wait times for nephrology and behavioral health services. Thank you for allowing the Hawaii Medical Association the opportunity to testify on this measure.

#### 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

References and Quick Links:

Marschall S. Smith; The Interstate Medical Licensure Compact Commission: Growth, Success, and the Future. *Journal of Medical Regulation* 1 October 2020; 106 (3): 22–26. doi:<https://doi.org/10.30770/2572-1852-106.3.22MOC>

Provisions of Interstate Medical Licensure Compact. American Medical Association. D-275.955.2015. FSMB Annual Report. Federation of State Medical Boards. Apr 2022

States Information | Interstate Medical Licensure Compact. (2022, October 21). Interstate Medical Licensure Compact. <https://www.imlcc.org/information-for-states/>

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