STAND. COM. REP. NO. 3104

Honolulu, Hawaii

MAR 2 0 2008

RE:

H.B. No. 2519

H.D. 2 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

## Madam:

Your Committee on Health, to which was referred H.B. No. 2519, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

begs leave to report as follows:

The purpose of this measure is to address the physician and dentist shortage in health professional shortage areas of the State by:

- (1) Establishing the Hawaii Health Corps that shall provide loan repayment and stipend programs for physicians and dentists who agree to work in health professional shortage areas; and
- (2) Expanding the Enterprise Zone Business Tax Credit, providing general excise tax exemptions, and other tax incentives for physicians and dentists who establish or maintain practices in designated enterprise zones.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Kaiser Permanente, Hawaii Primary Care Association, Hawaii Medical Service Association, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Association of Health Plans, and Consumer Lawyers of Hawaii. The Department of Health; the Department of Taxation; the Department of Business, Economic Development, and Tourism; Hawaii Health Systems Corporation; the

Tax Foundation of Hawaii; and the University of Hawaii System submitted comments on this measure. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee finds that the State is facing a critical shortage of physicians and dentists, particularly in rural areas of the State. However, further research needs to be conducted to find solutions that will ensure that appropriate and effective incentives are implemented.

Accordingly, your Committee has amended this measure by deleting its language and inserting language that establishes the Hawaii Health Corps Task Force that is to study the feasibility of a loan repayment program, a stipend program, and tax incentives for physicians and dentists who agree to work in health professional shortage areas of the State and as first responders during civil defense and other public health emergencies.

Your Committee further amended this measure by inserting an appropriation for the Hawaii Health Corps Task Force to conduct a feasibility study that effectuates the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Health,

DAVID Y. IGE, Chair

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## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Health HTH

Bill / Resolution No.:* Committee Refe			erral: Date:		
HB 2519 HD2	HTH, WAM		M	3/19/08	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	l) Nay	Excused
IGE, David Y. (C)		<b>V</b>			
FUKUNAGA, Carol (VC)		<i>V</i>			
BAKER, Rosalyn H.		V			
MENOR, Ron					V
WHALEN, Paul		, <i>V</i>			
TOTAL		4			1
Recommendation:  Adopted Not Adopted					
Chair's or Designee's Signature:					
and Tuhunce					
Distribution: / Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					

<sup>\*</sup>Only one measure per Record of Votes