



GOV. MSG. NO 820

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 15, 2009

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith SB43 SD2 HD2 CD1, without my approval, and with the statement of objections relating to the measure.

SB43 SD2 HD2 CD1

A BILL FOR AN ACT  
RELATING TO PHYSICIAN WORKFORCE  
ASSESSMENT.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".  
LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 15, 2009

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 43

Honorable Members  
Twenty-Fifth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 43, entitled "A Bill for an Act Relating to Physician Workforce Assessment."

The purpose of this bill is to establish a John A. Burns School of Medicine special fund, funded by a \$60 fee assessed when physicians and surgeons renew their licenses, to support physician workforce assessment and planning.

Although the purpose of this bill has merit, it fails to address the larger issues that are causing a shortage of doctors from practicing in Hawaii, such as low insurance reimbursement rates, high medical malpractice insurance costs, increased taxes on physicians and surgeons, and the increasing expense of operating a medical practice within our State.

The Hawaii Medical Association, representing the State's doctors, cautioned that this bill could establish a dangerous precedent of using license fees to address an assortment of health-related issues and studies. Fees should be dedicated to the regulation of the medical profession.

Further, this bill is objectionable because in order for a physician or surgeon to renew their license, they would be required to provide personal and professional information, such as their medical specialty, location of practice, their hospital privileges, and the size and scope of their practice, which have no relationship to the qualifications that are required to maintain a license.

STATEMENT OF OBJECTIONS  
SENATE BILL NO. 43  
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If a physician fails to provide the required physician workforce assessment information required, the license would be denied. Although the bill requires the University of Hawaii to obtain express consent from a physician before releasing information specific to that individual, the bill does not provide for instances in which a physician may object to providing personal and profession information based on privacy or confidentiality concerns. It would be inappropriate to deny licensure based on an unwillingness to provide information that has no relationship to the qualifications of the applicant seeking to continue his or her medical practice in Hawaii.

The bill is also objectionable because the special fund established by the provisions of this legislation fails to meet the requirements of Hawaii Revised Statutes Sections 37-52.3 and 37-53.4 regarding both the means of financing and the financial self-sufficiency of the fund.

Finally, I would point out that in 2003, I signed Act 181 that established a Hawaii Medical Education Council within the University of Hawaii to undertake a review of physician workforce needs as envisioned in this bill. That work was not done. If this is a priority, then the John A. Burns School of Medicine should proceed using the statutory authority it already has. Duplicate legislation is unnecessary.

For the foregoing reasons, I am returning Senate Bill No. 43 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read 'L. Lingle', is written over the printed name.

LINDA LINGLE  
Governor of Hawaii

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## A BILL FOR AN ACT

RELATING TO PHYSICIAN WORKFORCE ASSESSMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that the state's  
2       population growth and rapidly aging population will  
3       significantly increase the demand for physician services.  
4       Hawaii's physician workforce is also aging. Federal statistics  
5       show that over a third of the State's physicians are fifty-five  
6       years of age or older and can be expected to leave the workforce  
7       at a time when demand is escalating. Furthermore, physician  
8       shortages will likely reduce access to care, particularly for  
9       neighbor island residents, the elderly, and the indigent  
10      statewide. Physician workforce shortages will also  
11      significantly raise the already high cost of medical care. In  
12      2006, the federal government projected an across-the-board  
13      national physician shortage by the year 2020. Medical  
14      specialties whose physicians serve a large proportion of the  
15      elderly, such as ophthalmology and cardiology, may experience  
16      shortages ranging from thirty to fifty per cent. Many states



1 have published internal studies that similarly forecast  
2 physician shortages.

3 The legislature finds it prudent to assess Hawaii's  
4 physician workforce on a continual basis. On-going assessments  
5 based on reliable physician workforce data will support  
6 proactive measures to prevent or ameliorate the impact of  
7 physician shortages in Hawaii.

8 The purpose of this Act is to implement statewide physician  
9 workforce assessment and planning.

10 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13 "§304A- John A. Burns school of medicine special fund.

14 (a) There is established the John A. Burns school of medicine  
15 special fund, to be administered and expended by the University  
16 of Hawaii.

17 (b) The following shall be deposited into the special  
18 fund:

19 (1) Appropriations by the legislature;

20 (2) Physician workforce assessment fees established  
21 pursuant to section 453- ;



1       (3) Grants, donations, gifts, or other income received for  
2           the purposes of the special fund; and

3       (4) Interest earned or accrued on moneys in the special  
4           fund.

5       (c) Moneys in the special fund shall be used to support  
6       the John A. Burns school of medicine's activities related to  
7       physician workforce assessment and planning within Hawaii;  
8       provided that expenditures from the special fund shall be  
9       limited to no more than \$150,000 annually. This shall include  
10       but not be limited to maintaining accurate physician workforce  
11       assessment information and providing or updating personal and  
12       professional information, that shall be maintained in a secure  
13       database. The John A. Burns school of medicine may disclose  
14       information specific to any physician only with the express  
15       written consent of that physician."

16       SECTION 3. Chapter 453, Hawaii Revised Statutes, is  
17       amended by adding a new section to be appropriately designated  
18       and to read as follows:

19       "§453- Physician workforce assessment fee; license;  
20       physician workforce information. When a license is renewed,  
21       each physician or surgeon and each osteopathic physician or  
22       surgeon shall be assessed a fee of \$60 that shall be transferred



1 and deposited into the John A. Burns school of medicine special  
2 fund established under section 304A- to support ongoing  
3 assessment and planning of the physician workforce in Hawaii.  
4 Payment of the physician workforce assessment fee shall be  
5 required for license renewal."

6 SECTION 4. The director of commerce and consumer affairs  
7 shall disburse on a quarterly basis from the compliance  
8 resolution fund, established pursuant to section 26-9(o), Hawaii  
9 Revised Statutes, to the credit of the John A. Burns school of  
10 medicine special fund established pursuant to section 304A- ,  
11 Hawaii Revised Statutes, all moneys collected from the fee  
12 assessed pursuant to section 453- , Hawaii Revised Statutes.

13 SECTION 5. The John A. Burns school of medicine shall  
14 submit a report of findings and recommendations detailing its  
15 assessment of the physician workforce to the legislature, the  
16 state health planning and development agency, and the Hawaii  
17 medical board no later than twenty days prior to the convening  
18 of the regular session of 2011 and each odd-numbered year  
19 thereafter. The report to the Hawaii medical board shall also  
20 include information on the expenditure of fees collected  
21 pursuant to section 453- , Hawaii Revised Statutes, to produce  
22 a physician workforce plan for Hawaii.



1       SECTION 6. There is appropriated out of the compliance  
2 resolution fund the sum of \$5,000 or so much thereof as may be  
3 necessary for fiscal year 2009-2010 to be deposited into the  
4 John A. Burns school of medicine special fund established  
5 pursuant to section 304A- , Hawaii Revised Statutes.

6       The sum shall be reimbursed from the John A. Burns school  
7 of medicine special fund to the compliance resolution fund by  
8 July 1, 2010.

9       SECTION 7. There is appropriated out of the John A. Burns  
10 school of medicine special fund the sum of \$150,000 or so much  
11 thereof as may be necessary for fiscal year 2009-2010 and the  
12 same sum or so much thereof as may be necessary for fiscal year  
13 2010-2011 for expenditure as authorized under section  
14 304A- (c), Hawaii Revised Statutes.

15       The sums appropriated shall be expended by the John A.  
16 Burns school of medicine for the purposes of this Act.

17       SECTION 8. New statutory material is underscored.

18       SECTION 9. This Act shall take effect on July 1, 2009;  
19 provided that sections 3 and 4 shall be repealed on June 30,  
20 2012.

