

LATE

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ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU

Director

Department of Business, Economic Development, and Tourism

before the

HOUSE COMMITTEE ON HEALTH

Tuesday, March 17, 2009

8:30 A.M.

State Capitol, Conference Room 329

in consideration of

SB 169, SD 2

RELATING TO HAWAII HEALTH CORPS.

Chair Yamane, Vice Chair Nishimoto, and Members of the House Committee on Health.

DBEDT acknowledges the intent of this measure. However, given the State's financial situation, the Department recommends the elimination of provisions related to stipends and the appropriation contained in this bill.

Act 242, Session Laws of Hawaii 2008, requested that DBEDT convene a working group to develop a plan to establish a program known as the Hawaii Health Corps. The program would be designed to recruit and retain health care professionals in rural and underserved areas in the State.

As described in the January 2009 Report to the Legislature on the Health Professional Loan Repayment Program Hawaii Health Corps Program), establishing a program with or without the benefit of a general fund appropriation is the essential first step in addressing the shortage of health care professionals in the underserved areas of our State.

In light of the State's fiscal situation, the Department recommends the following amendments to this measure:

- **Stipend Awards** [see Page 26, Line 11]. The stipend provision included in this draft requires that a minimum of thirty stipends of \$30,000 each be awarded in each of the first, second, and third years of the program. While DBEDT appreciates the idea of a stipend, especially when combined with

any other incentives offered to a participant under the recruitment and retention program, we recognize that the current economic situation does not justify these stipends and we ask that this provision be deleted.

- **General Fund Appropriation** [see Page 27, Line 13]. While DBEDT supports the intent of developing a health professional workforce, general funds are not available for this measure. Thus, Section 5 should be deleted.

Thank you for the opportunity to provide testimony on this proposal.

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WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
SENATE BILL NO. 169, S.D. 2

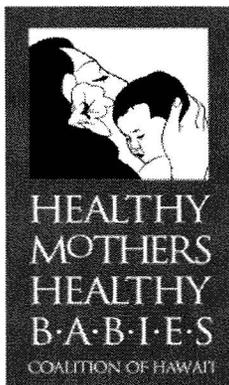
March 17, 2009

RELATING TO HAWAII HEALTH CORPS

Senate Bill No. 169, S.D. 2, establishes the Hawaii Health Corps program, loan repayment program, and recruitment program to address the shortage of professional health care services in various areas within the State. The bill also establishes the Hawaii Health Corps special fund to receive funds from legislative appropriations, stipend repayments, earned interest, and funds from other sources which would be expended by the Department of Business, Economic Development and Tourism. The special fund would be used to provide stipends to attract and retain qualifying physicians and dentists to serve in shortage areas.

As a matter of general policy, this department does not support the creation of any special fund that does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the Hawaii Health Corps special fund meets any of these criteria.

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March 16, 2009

TO: Rep. Ryan I. Yamane, Chair, Rep. Scott Y. Nishimoto, Vice Chair and Members of the Committee On Health
FROM: Jackie Berry, Executive Director
RE: **SB 169, SD2 Relating to Hawaii Health Corps**
Hearing: Tuesday, March 17, 2009

Honorable Chairperson Yamane, Vice Chairperson Nishimoto and Members of the Committee on Health

HMHB is a statewide coalition of public and private agencies and individuals committed to the improvement of maternal and infant health status in Hawaii through education, coordination and advocacy. **HMHB is testifying today in support of SB 169, SD2, establishing the Hawaii health corps to address physician shortages in rural areas of the State; establish a loan repayment program and an incentive plan for recruitment of health care professionals to serve shortage areas.**

One of the central components to ensuring access to health care is having qualified health professionals to provide the services. As we all know, there are areas of the State of Hawaii that have very serious shortages. The data on access to prenatal care indicates that a major reason for late and inconsistent prenatal care is access to physicians, particularly on the island of Hawaii and in the rural areas of Oahu. Getting appropriate and timely prenatal care is a major indicator affecting birth outcomes.

We urge you support of this bill.

Mahalo for your consideration of this bill and our testimony.

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HMSA

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An Independent Licensee of the Blue Cross and Blue Shield Association

March 17, 2009

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair

House Committee on Health

Re: SB 169 SD2 – Relating to Hawaii Health Corps

Dear Chair Yamane, Vice Chair Nishimoto and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 169 SD2.

All organizations and entities engaged in health care are working to ensure that the members of our community are able to access appropriate health care when they need it. Working towards this HMSA has supported the University of Hawaii's rural residency program, worked with the Hawaii/Pacific Basin Area Health Education Center to provide travel support funding for up to 25 medical students to perform primary care clinical rotations on neighbor islands, and introduced its Online Care program to improve access across the state.

The initiatives contained in SB 169 SD2 will be a welcome addition to and compliment those already in place across the state. HMSA supports this comprehensive strategy to recruit and retain physicians in the more rural areas of the state.

Sincerely,

A handwritten signature in black ink, appearing to read "JD".

Jennifer Diesman
Assistant Vice President
Government Relations

LATE



To: House Committee on Health
Rep. Ryan I. Yamane, Chair
Rep. Scott Y. Nishimoto, Vice-Chair

Date: March 17, 2009 - Conference Room 329 – 8:30 am

Re: SB 169, SD2: RELATING TO HAWAII HEALTH CORPS

Chair Yamane and Committee Members:

My name is Barbara Kim Stanton, State Director of AARP Hawaii. AARP is a membership organization of people 50 and older with nearly 160,000 members in Hawaii. We are committed to championing access to affordable, quality health care for all generations, providing the tools needed to save for retirement, and serving as a reliable information source on issues critical to Americans age 50+.

AARP supports the intent of SB169, SD2. Its purpose is to establish the Hawaii Health Corps program to address physician shortages in rural areas of the State; establishes a loan repayment program, and an incentive plan for the recruitment of health care professionals to serve shortage areas.

This measure would help to address the growing problem of physician shortages in the state, especially in rural areas and on the neighbor islands. While many areas are already experiencing shortages, we believe it will only worsen with the health care needs of Hawaii's aging population. AARP notes that the number of people age 65 and older in the state is projected to grow by about 86% in the next two decades.

We support this bill as a workforce development measure to address the shortages of professional health care workers in underserved areas in the state.

Thank you for the opportunity to testify.