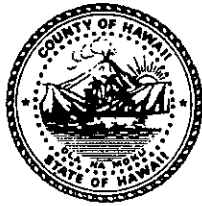


William P. Kenoi
Mayor



William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553
KONA: 74-5044 Ane Keohokalole Hwy., Bldg. C • Kailua-Kona, Hawai'i 96740
(808) 323-4444 • Fax (808) 323-4440

April 7, 2011

The Honorable Marcus R. Oshiro, Chair,
House Committee on Finance
Hawai'i State Capitol, Room 308
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Senate Bill 596 Senate Draft 2 House Draft 1, Relating to Hawai'i Health Corps
Testimony of William P. Kenoi, Mayor, County of Hawai'i, in Support

Dear Chair Oshiro and Committee Members:

Hawai'i County strongly supports Senate Bill 596 Senate Draft 2, House Draft 1, which would appropriate funds to implement and sustain the rural interdisciplinary residency program in Hilo.

The University of Hawai'i John A. Burns School of Medicine has been developing this program, which is the first residency program established on a neighbor island. The County of Hawai'i is experiencing severe shortages of physicians, and this rural residency program is a proven strategy for attracting physicians to the communities where their skills are needed most.

When physicians train in rural areas, they are more likely to consider rural areas of our islands as a place to establish their practices. At the same time, they are delivering care to medically needy and underserved rural populations.

Thank you for your consideration.

Aloha,

A handwritten signature in black ink, appearing to read "W P Kenoi", followed by a long horizontal flourish.

William P. Kenoi
MAYOR

Written Testimony Presented Before the
House Committees on Health and Higher Education
April 7, 2011, 11:15 a.m.
by
Gail P. Tiwanak RN, MBA
Director
Hawaii State Center for Nursing

SB 596 SD2 HD1 RELATING TO HAWAII HEALTH CORPS

Written Testimony Presented Before the
House Committee on Finance
April 7, 2011, a.m.
by
Gail Tiwanak, ED
Hawaii State Center for Nursing

SB 596 SD2 , HD1 RELATING TO HAWAII HEALTH CORPS

Chair Oshiro, Vice Chair Lee and members of the House Committee on Finance, thank you for this opportunity to provide testimony in support of this bill, SB 596, SD2, HD1, which establishes the Hawaii health corps("HHC") program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county having a shortage of physicians, physician assistants, and nurse practitioners ("NPs"), with priority given to in rural areas. Hawaii State Center for Nursing supports the provision for loan repayments and for appropriations to support accreditation efforts and support and expand residency programs, the HSCFN supports this measure as it addresses:

- 1) UH Manoa Nursing be included as a co-leader with University of Hawaii John A. Burns school of medicine ("JABSOM") in the establishment of the HHC program;
- 2) Define "residency";
- 3) Address NPs educational costs; and
- 4) Include NPs in the provision of a yearly incentive stipend.

We appreciate your continuing support of nursing and healthcare in Hawai'i. Thank you for the opportunity to testify.



UNIVERSITY
of HAWAI'I
MĀNOA

John A. Burns School of Medicine
Office of the Dean

Written Testimony Presented Before the
House Committee on Finance

By

Jerris R. Hedges, MD, MS, MMM
Dean and Professor

John A. Burns School of Medicine
University of Hawai'i at Mānoa

SB 596 SD2 — RELATING TO HAWAII HEALTH CORPS

Chair Oshiro, Vice Chair Lee, and members of the House Committees on Finance.
Thank you for this opportunity to provide testimony in support of this
Bill, SB 596 SD2.

We previously supplied testimony requesting that the loan program, if established,
consider both physician and nurse practitioner recruitments within the program. We thank
you for including these amendments in SB596 SD2.

We realize that there are significant budget challenges facing the legislature. Therefore in
today's testimony we would like to focus on that aspect of the bill that supports the Hilo
residency.

For many years now there has been a ongoing effort to establish training of family
physicians in the neighbor islands. With the support of the community, public and
provide supports, we have established a teaching clinic at Hilo and we are recruiting
physician teachers to the site. In order to succeed in this project, we will need to
complete the recruitment of the residency program director and apply for the residency
accreditation. If successful, we will need in the budget of the Hilo Medical Center,
sufficient funds to hire the 4 residents and provide secretarial and physician leadership
support. The financial support of residency training in the United States is done primarily
through federal funding from the Centers for Medicare and Medicaid (CMS) that is
provided to hospitals that document the residency related costs on their CMS cost report.
This means that HMC will need to "front" the salaries of the residents as we build the
program over 3 years with only partial reimbursement from CMS.

Therefore, we are asking for budget support directly to Hilo Medical Center (line item in
their budget and cost report) that amounts to \$200,000 in FY 2012, and \$510,000 in FY
2013. This will go directly to salary support of the program director, program secretary
and the resident salaries. Part of this may be recoverable from CMS in 2014 and then
available to be used to help partially fund the residency in an ongoing fashion.

651 Ilalo Street
Medical Education Building
Honolulu, Hawai'i 96813

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We also recommend continued funding to JABSOM of \$ 100,000 in each year to assign faculty from the medical school to the oversight of the development of the program in Hilo.

As stated in our previous testimony, we support the loan program proposed in SB 596 SD2 and if some smaller portion of this program can be funded, it would help in our recruitment efforts statewide. However, if we must prioritize what is funded from this bill, we want the committee to know that the Hilo Residency is at a critical stage in its development. We have come a long way and must now complete the process with the actual implementation of the residency at the Hilo Medical Center. Failure to fund the positions now would arrest our progress and could result in the project stalling and then failing.

Therefore we respectfully request that at a minimum, this programmatic funding be provided for in S8596 SD2.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Everyday"

**House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair**

Thursday, April 7, 2011
2:30 p.m.
Conference Room 308
Hawaii State Capitol

Testimony Supporting Senate Bill 596, SD2, HD1 Relating to Health

Appropriates funds to increase access by medically underserved resident populations to culturally appropriate primary health care services by supporting the development of the rural health workforce for the Hilo Medical Center, by implementing and sustaining the rural interdisciplinary residency program. Effective July 1, 2050.

Alice M. Hall
Interim President and Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporation Board of Directors, thank you for the opportunity to present testimony in strong support of SB 596, SD2, HD1, that establishes the Hawaii Health Corps program.

Recruitment and retaining essential health care providers, particularly in Hawaii's rural and underserved areas is an on-going challenge that HHSC fully recognizes in operating the state's community-hospital system. HHSC recognizes the need for creative and collaborative initiatives to address the serious health care issues our island communities face in Hawaii and consequently, strongly supports programs directed to alleviating the serious provider shortage in the state and its impact on access to quality health care for all, including residents, visitors, and tourists.

This measure provides an important loan repayment component that will make practicing in rural areas of the state more attractive and feasible for newly graduate physicians and other essential health professionals.

In light that the Big Island Rural Interdisciplinary Residency Program is a good start in response to both the physician and nursing shortage issues, HHSC fully supports this measure that will ensure continued access to health care for our Neighbor Island

communities. Your continued support reflects a solid commitment by the state to further develop this much needed comprehensive and inter-disciplinary program.

Thank you for the opportunity to testify before this committee. We would respectively urge the Committee's support of SB 596, SD 2, HD1.

"Health care that is safe, health care that works, and health care that leaves no one behind"

House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

April 7, 2011 at 2:30 p.m.
Hawaii State Capitol
Conference Room 308

SB 596 SD 2 HD 1 RELATING TO HAWAII HEALTH CORPS.

Appropriates funds to increase access by medically underserved resident populations to culturally appropriate primary health care services by supporting the development of the rural health workforce for the Hilo Medical Center, by implementing and sustaining the rural interdisciplinary residency program. Effective July 1, 2050.

Howard N. Ainsley
East Hawaii Regional CEO
Hawaii Health Systems Corporation (HHSC)

Thank you for the opportunity to provide testimony in support of SB 596 SD2. The East Hawaii Region of Hawaii Health Systems Corporation supports this bill as it has tremendous potential to improve access to quality healthcare for Big Island residents and other rural communities throughout the state.

As the CEO of the sponsoring hospital for the Hilo Residency Program, I also support this bill in its current form, which details a streamlined funding request to aid the Program in achieving accreditation—a crucial aspect in establishing the program, and ultimately to begin hiring the program's first medical residents.

This bill to fund the Hilo program is a commitment to provide access to healthcare on the Big Island, and provides a model for programs to be established on the neighbor islands in the future. The East Hawaii community has overwhelmingly supported this program for the past 5 years. Funding the project for the next two years is crucial and it will require state funds.

Since April 1, 2009, when the Hawaii Island Family Health Center was established to house the Hilo residency program, much progress has been made to prepare the program for accreditation. As a collaborative effort with the John A. Burns School of Medicine, the clinic is flourishing and continues to serve as the primary source of healthcare for many families. Hilo Medical Center is fully committed to the program's success and looks forward to the day this program reaches fruition.

I urge you to support this "shovel-ready" program by supporting SB 596 SD 2 to fund the Hilo residency program. Thank you.