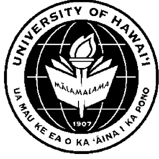

UNIVERSITY OF HAWAIʻI SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Health
February 3, 2016 at 8:30 a.m.
by
Robert Bley-Vroman, Chancellor
and
Jerris Hedges, MD, Dean
John A. Burns School of Medicine (JABSOM)
and
Allen Hixon, MD, Chair
Family Medicine & Community Health, JABSOM
University of Hawaiʻi at Mānoa

HB 1758 – RELATING TO HEALTH

Chair Belatti, Vice Chair Creagan and members of the House Committee on Health, thank you for this opportunity to testify in support of HB 1758, provided that its passage does not replace or adversely impact priorities as indicated in our BOR Approved Budget. This measure would appropriate funds to support medical residency programs to help alleviate the shortage of primary care physicians in rural Oʻahu and our neighbor island communities.

The public face of our medical school is its MD students—and we certainly are proud of the fact that close to 90% of them in every class are kamaʻāina who do Hawaiʻi proud, e.g. routinely scoring above the national average on U.S. medical licensing exams.

But JABSOM also offers another type of training critical to our state that are less well known. Every year, JABSOM supervises the work of some 230 physicians at major medical centers in Hawaiʻi, doctors who are working toward licensure and board certification in about 20 different "Graduate Medical Education" specialties and subspecialties. They include:

- Internal Medicine (including Geriatrics and Cardiovascular Disease)
- Surgery (including Surgical Critical Care)
- Family Medicine (including Sports Medicine)
- Psychiatry (including Geriatric, Child & Adolescent, and Addictions)
- Obstetrics and Gynecology (Including Maternal Fetal Medicine and Family Planning)
- Pediatrics (including Neonatal-Perinatal)
- Pathology
- Orthopaedic Surgery
- The Transitional Year Residency Program provides a single year of clinical experience in various disciplines such as medicine and surgery before undertaking a specialty residency program.

Even while training, these doctors are working, caring for patients under the supervision of our UH faculty clinicians. The federal government, through the Centers for Medicare and Medicaid services (CMS), provides about 70% of the total salary for each the JABSOM "MD resident" positions. Hawai'i's teaching hospitals have paid the 30% shortfall for these resident positions from their operating budgets.

The rapidly changing healthcare financial environment, however, is limiting the capacity of teaching hospitals/clinics to fund GME training. Many states facing primary care shortages have begun to supplement the available federal GME funding. This important piece is missing in Hawai'i. We ask the Legislature to create an annual GME appropriation, which would allow JABSOM to expand the post-MD training of new doctors.

This investment would pay off significantly by increasing access to health care in our state. As you know, workforce studies indicate that Hawai'i is nearly 900 physicians short (across all disciplines) when compared to national norms. This number has been steadily rising over the years and is predicted to increase.

We know that of all MDs who graduate from JABSOM and also do their post-MD training through JABSOM in Hawai'i, 80% of them will remain in the islands to practice medicine. Expanding GME is the most effective way to attract and retain physicians for Hawai'i.

Additionally, JABSOM's intent is to expand the number of new physician-trainees in the specialties and locations where our doctor shortages are greatest.

Investing in the GME program helps to ensure that Hawai'i grows new doctors who will practice here.

JABSOM recommends that the Legislature appropriate funds to maintain the stability of the existing residency programs and support the expansion of the Family Medicine Residency Program and provide the needed faculty, staff and clinical learning environment infrastructure support to sustain this expansion. This appropriation will be an ongoing need to ensure adequate primary care provider training for future generations.

Thank you for this opportunity to testify.

HPCA

HAWAI'I PRIMARY CARE ASSO(

House Committee on Health
The Hon. Della Au Belatti, Chair
The Hon. Richard P. Creagan, Vice Chair

Testimony in Support of House Bill 1758

Relating to Health

Submitted by Dustin Stevens, Public Affairs and Policy Director

February 3, 2016, 8:30 am, Room 329

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 1758, seeking to bolster the medical residency programs at the John A. Burns School of Medicine to help alleviate the shortage of primary care physicians in the state.

The state of Hawaii has a physician workforce that is one of the oldest in the nation, causing an increasing shortage in the state of primary care providers. As this is an area of increasing need for Hawaii, the HPCA supports House Bill 1758 and thanks you for the opportunity to testify.

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HAWAI'I PACIFIC HEALTH
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www.hawaiipacifichealth.org

February 03, 2016 at 8:30am
Conference Room 329

House Committee On Health

To: Representative Della Au Belatti, Chair
Representative Richard Creagan, Vice Chair

From: Michael Robinson, Vice President of Government Relations and Community Affairs

Re: Testimony in Support, HB 1758 Relating to Health

My name is Michael Robinson, and I am the Vice President of Government Relations and Community Affairs for Hawaii Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

HPH is writing in **strong support** of HB 1758 which would provide funding for the graduate medical education (GME) program of the John A. Burns School of Medicine (JABSOM). This measure would help to alleviate the shortage of primary care physicians in Hawaii and in particular in rural Oahu and on the neighbor islands.

Hawaii already faces a shortage of physicians, especially primary care physicians. Workforce studies indicate that we are nearly 700 physicians short when compared to national norms. This number has been steadily rising over the years and is predicted to increase. However, it has been shown that 80% of doctors who receive their medical degree and their GME training in Hawaii stay in Hawaii to practice.

Through its GME program, together with Hawaii's teaching hospitals, including Kapiolani Medical Center for Women and Children and Pali Momi Medical Center, JABSOM puts 240 doctors to work every year as physician trainees. As they train, these residents care for patients under the supervision of JABSOM's clinical staff. Funding the GME program would enable JABSOM to train more doctors, which ensures that Hawaii grows new doctors who will train and remain in practice in the state.

Thank you for the opportunity to testify.

THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Representative Della Au Belatti, Chair,
The Honorable Representative Richard P. Creagan, Vice Chair
Members, House Committee on Health

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems
Date: February 2, 2016
Hrg: House Committee on Health; Wednesday, February 3, 2016 at 8:30 am in Room 329

Re: **Support for HB 1758, Relating to Health**

My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (QHS). I would like to express my **support** for HB 1758, Relating to Health.

Queen's recognizes the importance of alleviating the shortage of primary care physicians in rural Oahu and neighbor island communities in Hawaii. Access to a primary care physician is important to reduce morbidity and mortality as well as to decrease health care costs. Primary care physicians provide to crucial preventative care services, such as early detection and management of chronic diseases, which reduce hospital admissions and emergency room visits.

Thank you for your time and attention to this important issue.

1301 Punchbowl Street • Honolulu, Hawaii 96813 • Phone (808) 691-5900

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, January 31, 2016 3:59 PM
To:	HLTtestimony
Cc:	joyamarshall0416@gmail.com
Subject:	*Submitted testimony for HB1758 on Feb 3, 2016 08:30AM*

HB1758
Submitted on: 1/31/2016
Testimony for HLT on Feb 3, 2016 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Marshall	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 29, 2016 11:58 PM
To: HLTtestimony
Cc: rontthi@gmail.com
Subject: *Submitted testimony for HB1758 on Feb 3, 2016 08:30AM*

HB1758
Submitted on: 1/29/2016
Testimony for HLT on Feb 3, 2016 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Taniguchi, Pharm.D.	Individual	Support	No

Comments:

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We are a group of resident leaders who represent every specialty which has a residency or fellowship program in affiliation with the John A Burns School of Medicine including family medicine, internal medicine, pediatrics, neonatal-perinatal medicine, pathology, obstetrics and gynecology, maternal fetal medicine, geriatrics, sports medicine, general surgery, cardiovascular medicine, orthopedic surgery, surgical critical care, transitional medicine, and psychiatry including addictions, geriatrics and child and adolescent psychiatry.

We are writing to support HB 1758 which requests funding for family medicine resident positions in rural Oahu and neighbor island communities as well as to increase faculty and infrastructure for the family medicine residency program. We would like to clearly state that we believe that this bill is extremely important and imperative as part of an overall plan to improve training as well as recruitment and retention of physicians in Hawaii. We would, however, like to highlight that this is not sufficient to address our current shortages and we would encourage the legislature to consider either now or in the future funding that is not solely limited to the family medicine program.

In January 2015 the legislature was provided with a report on findings from the Hawai'i Physician Workforce Assessment Project which stated that:

"A best case scenario for future workforce numbers is that by 2020, Hawaii will have a shortage of 800 physician FTEs. A worst case scenario is a shortage of 1,500 physician FTEs. The physician specialties with the greatest shortages are primary care, particularly on neighbor islands, as well as the following specialties which have shortages of over 30% statewide: Infectious Disease, Colorectal Surgery, Pathology, General Surgery, Pulmonology, Neurology, Neurosurgery, Orthopedic Surgery, Family Medicine, Cardiothoracic Surgery, Rheumatology, Cardiology, Hematology/Oncology, and the Pediatric subspecialties of Endocrinology, Cardiology, Neurology, Hematology/Oncology and Gastroenterology. The specialties with the largest number of additional providers needed are Family Medicine (174 needed), General Surgery (57 needed), Pathology (44 needed), Internal Medicine (39 needed), Orthopedic Surgery (36 needed), Cardiology (32 needed), Anesthesia (31 needed) and Neurology (31 needed)."

Clearly we need more family medicine residents, however, we also need to increase our numbers in subspecialties areas including: general surgery, pathology, internal medicine, orthopedic surgery and cardiology all of which have residency or fellowship programs here in Hawaii. These shortages are statewide but certainly disproportionately affect our neighbor island communities. Evidence has shown that providing training opportunities in underserved areas impacts decisions to eventually practice in those communities. Psychiatry has been able to obtain funding for second year residents to rotate on Kauai for outpatient child training which has definitely impacted decisions to pursue child and adolescent training as well as a desire among trainees to work on neighbor islands. The general surgery program will begin to provide training on the island of Hawaii, which will be funded by Queens Medical Center (QMC). We feel that the provision of funding for training opportunities for both primary care and specialty care to rural Oahu communities as well as neighbor islands is vital and ask the legislature to consider this.

Hawaii is not unique in the current state of inadequate funding for graduate medical education. The system that funds GME will not provide for the shortage of physicians that is predicted across the nation. This was highlighted in the 2014 IOM report, Graduate Medical Education

Which Meets the Nation's Health Care Needs. Our current system provides federal funds from the Center for Medicare Services (CMS) that is funneled through hospitals where residents train. The IOM report noted that due to aging US population as well as impact of the Affordable Care Act that we will require more physicians than are currently being trained and more importantly not enough funding is available to train for that need.

Hospitals that participate in residency training cannot bill patients or insures for the care that residents provide. They can seek partial reimbursement from Medicare for the cost of training on a per resident basis through the Direct Medicare Expanse (DME) and Indirect Medicare Expense (IME). DME reimburses direct costs of employing residents (salary, benefits and administrative expenses). IME reimburses hospitals for the inefficiencies in patient care that occurs during training. DME and IME do not cover the full expense of training and generally provide between 45-90% of the actually cost to train a resident outside of faculty costs.

The main issue is that each hospital that trains residents has a cap on the number of residents it can claim for reimbursements. This number was set in 1996 with a one-time adjustment in 2004. The hospitals that are members of Hawaii Residency Programs elected to pool their cap number. Our aggregate cap in 173 resident/fellows and yet we train up to 240 residents/fellows. In Hawaii our CMS direct reimbursement provides about 70% of salary costs. Our teaching hospitals make up the 30% shortfall. In addition, resident positions above this cap are paid for by teaching hospitals, state and federal contracts and private foundations and roughly calculates to around 6 million dollars. Unfortunately our teaching hospitals are feeling the impact of health care reform that has placed a large financial burden on them and is making it difficult to continue to carry the burden of GME alone.

The Hawaii Medical Education Council report to the legislature last January based on the Withy and Sakamoto 2009 study recommended, "to increase over 10 years the number of resident/fellow in UH JABSOM GME programs by 40% from 240 to 336 in both primary care and other specialty and subspecialty training with hope that this would assist in physician FTE shortage that is estimated to be 30%." According to this report we will need to increase trainee numbers in family medicine, internal medicine, general surgery, orthopedic surgery, pathology, cardiovascular medicine, maternal and fetal medicine, addiction psychiatry and child and adolescent psychiatry. We agree with the need to increase the number of graduate medical trainees and yet with the CMS funding cap and already considerable burden of GME funding being placed on teaching hospitals we will need to find other funding mechanisms to pay for these increases.

Resident and fellowship programs in Hawaii have been creative in obtaining funding for training programs. However, this funding is often not stable and year to year there can be significant changes in the number of resident positions and required rotations due to changes in these funding streams. There also tends to be less control over the training environment and some pressure to engage in service over learning. Some of these issues could be eliminated with consistent state funding for graduate medication education.

As resident leaders we have become acutely aware of the systemic problems with how our nation funds GME. In large part this developed due to resident concerns related to compensation that although fair is not adequate when viewed in the context of our large debt burden and the high cost of living in Hawaii. We began to see that the issue of compensation at

both the resident and faculty level impacts recruitment and retention. The issue of financial insecurity is a significant concern for residents in our programs and recent studies and articles have highlighted how this issue impacts well-being that can then impact patient care. We understand the complexities and limitations in terms of funding priorities in this state. We love Hawaii and most of us wish to stay here to practice. Yet we often are unable to recruit the best applicants due compensation limitations, even those who have completed undergraduate medical education here. We also lose excellent physicians who are faced with an enormous debt burden, high cost of living and lower compensation when compared with the mainland. There are few resources available to address our compensation concerns but one approach would be to have the state provide funding for some of the resident positions over the CMS cap.

We believe that in order to recruit and retain physicians that will provide for the necessary physician workforce we as a state need to invest in GME. We ask that you seriously consider approval of this bill and also ask that you begin to consider providing state funds for resident positions beyond the CMS cap.

We are aware that there is also a need to push for changes in GME funding at a federal level but we are hopeful that though legislative action we can begin an innovative process to reinvent how we fund graduate medical education. Perhaps we can be national leaders and provide guidance to other states as we work collaboratively to create sustainable funding mechanisms that will provide excellent training for future physicians who will then provide excellent care to the citizens of our state.

Thank you for your attention to this matter.

Sincerely,

Ana Hilde MD MPH
Chief Resident and Co-Chair GMEC Resident Leadership Forum
General Psychiatry

Xio Fernandez MD
Co-Chair GMEC Resident Leadership Forum
Pathology

Submitting Testimony on behalf of the Graduate Medical Education Committee Resident Leadership Forum:
Mark Lebehn MD Cardiovascular Disease
Nani Morgan MD Internal Medicine
Howard Zee MD Transitional Year
Pamela Sebastian MD Geriatric Medicine
Dave Ravi MD Geriatric Psychiatry
Angela Gough MD Addiction Psychiatry
Jillian Yoshimoto MD Child and Adolescent Psychiatry
Charlie Wang MD Obstetrics/Gynecology
Puanani Hopson MD Pediatrics
Casey Welsh MD General Surgery
Nicholas Foegar MD Orthopedic Surgery
Kenneth Ortiz MD Family Medicine