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# A BILL FOR AN ACT

RELATING TO PHYSICIAN SHORTAGE.

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

1           SECTION 1. The legislature finds that the current  
2 physician shortage in Hawaii is a matter of statewide concern.  
3 The shortage is exacerbated by older physicians retiring and  
4 younger physicians leaving the State for higher pay. The  
5 legislature further finds that in 2019, there were approximately  
6 2,800 active physicians in Hawaii, a decrease of over one  
7 hundred physicians over the past year. The number of physicians  
8 in the State is the lowest since 2015 and the latest report from  
9 the Hawaii Physician Workforce Assessment Project by the  
10 University of Hawaii John A. Burns school of medicine indicates  
11 the State needs at least 3,481 physicians to care for the aging  
12 population.

13           The legislature also finds that many physicians educated at  
14 the University of Hawaii John A. Burns school of medicine often  
15 remain in Hawaii to practice. However, the legislature finds  
16 that the graduation rate of the State's medical school cannot  
17 adequately satisfy the increasing health care needs of the



1 State. In 2019, the school of medicine had seventy-three  
2 graduates. The medical school plans to increase its entering  
3 class size to only seventy-six matriculating students by 2020.

4 The legislature is concerned that the small class size at  
5 the John A. Burns school of medicine means that high-quality  
6 potential medical school applicants are being turned away. In  
7 the *Honolulu Star-Advertiser*, December 20, 2019, edition, a  
8 contributor to the newspaper's Letters to the Editor section  
9 recounted the experience of a local boy who apparently had the  
10 qualifications for acceptance to the medical school but was  
11 denied because the school did not have enough slots. The  
12 rejected applicant went to the continental United States for  
13 medical school and currently is an emergency room doctor at  
14 Stanford Hospital.

15 The legislature further finds that encouraging Hawaii  
16 residents who are educated at out-of-state medical schools to  
17 return to Hawaii and practice medicine would significantly  
18 address the current and projected future physician shortage in  
19 the State.

20 One such method would be to establish a sponsorship program  
21 for Hawaii applicants to attend and graduate from a high-quality



1 but lower-cost school of medicine. Payments made by the State  
2 to these individuals would enable more students to graduate from  
3 medical school and would involve a commitment to practice  
4 medicine in Hawaii after graduation. Partnering with such  
5 medical schools is one option Hawaii could explore in its  
6 efforts to reduce the physician shortage in the State.

7 The purpose of this Act is to require the department of  
8 health to establish, develop, and implement a program to sponsor  
9 medical students who attend a high-quality but lower-cost school  
10 of medicine outside Hawaii in exchange for a ten-year service  
11 commitment to practice medicine in Hawaii after graduation.

12 SECTION 2. Chapter 321, Hawaii Revised Statutes, is  
13 amended by adding a new part to be appropriately designated and  
14 to read as follows:

15 "PART . MEDICAL STUDENT SPONSORSHIP PROGRAM

16 §321-A Definitions. As used in this part:

17 "Commission" means the medical student sponsorship  
18 selection commission.

19 "Department" means the department of health.

20 "Program" means the medical student sponsorship program.



1 "Program participant" means an individual who has been  
2 selected by the department to participate in the program  
3 pursuant to section 321-B.

4 **§321-B Medical students; sponsorship program; established.**

5 (a) The medical student sponsorship program is established  
6 within the department. The purpose of the program shall be to  
7 help address the physician shortage in the State by sponsoring  
8 medical students at high-quality but lower-cost schools of  
9 medicine who make the service commitment under subsection (c).

10 (b) The program shall be administered by the department.

11 In administering the program, the department shall:

12 (1) Develop guidelines to implement and administer the  
13 program;

14 (2) Establish criteria for the selection by the commission  
15 of applicants eligible to participate in the program;  
16 including but not limited to residency, educational  
17 background, academic, and character requirements;

18 (3) Define and determine compliance with the service  
19 commitments of the program;



- 1           (4) Collect and manage reimbursements from program  
2           participants who do not meet their service commitments  
3           under the program;
- 4           (5) Publicize the program, particularly to maximize  
5           participation by individuals who live in areas of the  
6           state where there is a shortage of physicians; and
- 7           (6) Enter into agreements and memoranda of understanding,  
8           with the authorization of the governor, with high-  
9           quality but lower-cost schools of medicine and any  
10          other public or private entity deemed necessary by the  
11          department to carry out the purposes of this part.
- 12          (c) The program shall sponsor program participants who  
13          attend and graduate from a high-quality but lower-cost school of  
14          medicine and agree to serve for ten consecutive years as a  
15          physician in the State after graduation from that school of  
16          medicine.
- 17          (d) To the extent funds are available, the program shall  
18          cover the costs for program participants to complete their  
19          medical education at a high-quality but lower-cost school of  
20          medicine, including tuition, fees, books, room and board, travel  
21          expenses, and a reasonable subsistence allowance.



1 (e) Program participants shall be determined by the  
2 commission; provided that the commission may give priority to  
3 program participants who make a service commitment to practice  
4 in an area of the State with a physician shortage.

5 (f) If a program participant fails to satisfy the program  
6 participant's service commitment under subsection (c), the  
7 program participant shall be liable for the repayment to the  
8 State of all funds expended on behalf of the program  
9 participant. In addition, the department may seek reimbursement  
10 for any funds expended under the program on behalf of the  
11 program participant.

12 (g) In accordance with chapter 103D, the department may  
13 enter into written contracts with collection agencies to collect  
14 delinquent reimbursements of sponsorship payments. All payments  
15 collected, exclusive of a collection agency's commissions, shall  
16 revert and be credited to the general fund. A collection agency  
17 that enters into a written contract with the department to  
18 collect delinquent reimbursements of sponsorship payments  
19 pursuant to this section may collect a fee or a portion of the  
20 amount collected from the debtor in accordance with the terms  
21 of, and up to the amounts authorized in, the written contract.



1           **§321-C Medical student sponsorship selection commission;**  
2 **established.** (a) The medical student sponsorship selection  
3 commission is established within the department. The commission  
4 shall select program participants according to the criteria  
5 established by the department pursuant to section 321-B(b) (2).

6           (b) The commission shall consist of the following members:

7           (1) The director of health, or a designee, who shall serve  
8 as the chairperson of the commission; and

9           (2) One individual from each county who shall be selected  
10 by the director of health and who shall be  
11 knowledgeable in medicine or the health care service  
12 needs of the individual's county.

13           (c) The members shall serve without compensation but shall  
14 be reimbursed for necessary and reasonable expenses incurred in  
15 the performance of their duties, including travel expenses.

16           **§321-D Annual report.** The director of health shall submit  
17 an annual report to the governor and legislature no later than  
18 twenty days prior to the convening of each regular session  
19 beginning with the regular session of 2021. The report shall  
20 include:



- 1 (1) The status of the development and implementation of
- 2 the program, including a timeline for full
- 3 implementation of the program;
- 4 (2) The number of current program participants and
- 5 projected number of future program participants;
- 6 (3) The funding requirements and means of financing for
- 7 the program;
- 8 (4) Any financial or legal impediments of the program and
- 9 any proposed solutions;
- 10 (5) Any proposed legislation; and
- 11 (6) Any other relevant information regarding the program.

12 **§321-E Rules.** The department of health shall adopt rules  
 13 pursuant to chapter 91 to implement this part."

14 SECTION 3. There is appropriated out of the general  
 15 revenues of the State of Hawaii the sum of \$ or so  
 16 much thereof as may be necessary for fiscal year 2020-2021 to  
 17 implement the medical student sponsorship program established by  
 18 this Act.

19 The sum appropriated shall be expended by the department of  
 20 health for the purposes of this Act.





1 SECTION 4. In codifying the new sections added by section  
2 2 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Medical Students; Sponsorship Program; Establishment;  
Appropriation

**Description:**

Addresses the State's physician shortage by establishing a Medical Student Sponsorship Program within DOH for medical students who successfully graduate from a high-quality but lower-cost school of medicine and make a ten-year service commitment to practice medicine in Hawaii. Appropriates funds. Effective 7/1/2050. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

