DAVID Y. IGE GOVERNOR OF HAWAII



ELIZABETH A. CHAR, MD DIRECTOR OF HEALTH

STATE OF HAWAII DEPARTMENT OF HEALTH P. O. Box 3378 Honolulu, HI 96801-3378 doh.testimony@doh.hawaii.gov WRITTEN

TESTIMONY

# Testimony in SUPPORT of SB2597 SD1 RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS.

REP. RYAN I. YAMANE, CHAIR HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Hearing Date: March 22, 2022

Room Number: Video & 329

1 Fiscal Implications: Recommended general fund appropriation of \$500,000.

2 Department Testimony: The Department of Health (DOH) supports the Hawaii State Loan

3 Repayment Program given its track record of success. Adequate resources to assure the

4 program's continuity is in the best interest of Hawaii's communities.

5 **Offered Amendments:** N/A.



# **UNIVERSITY OF HAWAI'I SYSTEM**

Legislative Testimony

Testimony Presented Before the House Committee on Health, Human Services, & Homelessness And House Committee on Higher Education & Technology Tuesday, March 22, 2022 at 10:30 a.m. By Jerris Hedges, MD, Dean and Kelley Withy, MD, Professor, Department of Family Medicine and Community Health, Hawai'i/Pacific Basin Area Health Education Center (AHEC) Director John A. Burns School of Medicine And Michael Bruno, PhD Provost University of Hawai'i at Mānoa

SB 2597 SD1 – RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

Chairs Yamane and Takayama, Vice Chairs Tam and Clark, and members of the committees:

Thank you for the opportunity to present testimony today. The John A. Burns school of medicine (JABSOM) **supports SB 2597 SD1** which seeks funding for the Hawai'i State Loan Repayment Program administered by JABSOM in the amount of \$500,000, provided that its passage does not replace, or impact priorities as indicated in our BOR Approved Budget. We request that the measure take effect on July 1, 2022. Since September 2012, the Hawai'i State Loan Repayment program which is administered by JABSOM has been operating successfully, and has supported 64 recipients in exchange for work commitments in underserved geographic practice areas in Hawai'i. Of the loan repayment participants, 83% have remained in Hawai'i to practice, and 70% have remained at the site where they performed their service. Currently, there are 25 active providers in the program with another 7 waiting for funding.

The Hawai'i State Loan Repayment program leverages public funds and private donations to access matching federal funds through the State Loan Repayment Program of the National Health Service Corps of the United States Department of Health and Human Services. Currently, health care professionals who have benefited from the loan repayment program serve on all islands and in the communities of Waimea, Kihei, Wai'anae, Hilo, and Wailuku; at health clinics in Kalihi-Pālama and Kokua Kalihi Valley; and in public institutional settings at the federal detention center in Honolulu, the Halawa correctional facility and the Maui County correctional center. Health care professionals who are eligible to participate in the program include physicians, nurse practitioners, psychologists, social workers, and many others.

Many Hawai'i residents are unable to obtain timely and appropriate health care due to shortages of primary and behavioral health care professionals in the State. These shortages not only threaten individual health, but also cumulatively affect the State's health care costs. Areas of Hawai'i that have been designated by the federal government as medically underserved have been most significantly affected by shortages of primary and behavioral health care professionals, such as physicians, nurse practitioners, physician assistants, and psychologists. Social workers, marriage and family therapists, and nurses are also urgently needed in these areas.

In many cases, the increasingly high cost of education for health care professionals binds graduates to a career path designed to repay often exorbitant student loans. These career paths most frequently lead to professional practice in highly specialized practice in urban areas rather than in general practice on the neighbor islands or in underserved areas of O'ahu where the need is greatest. Furthermore, those states with robust primary health care systems have lower costs and improved patient outcomes. Recognizing this correlation, many states have made the policy decision to dedicate public funds to loan repayment programs to help develop a strong primary health care workforce for underserved areas.

An investment of State matching funds would enable JABSOM to draw as much federal money as possible and allow the program to provide loan repayment to more health care professionals in our ongoing efforts to alleviate the health care professional shortages in Hawai'i.

Thank you for this opportunity to testify.

JOSH GREEN LIEUTENANT GOVERNOR



JOANN A. VIDINHAR DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS www.labor.hawaii.gov

# March 22, 2022

To: The Honorable Ryan I. Yamane, Chair, The Honorable Adrian K. Tam, Vice Chair, and Members of the House Committee on Health, Human Services & Homelessness

> The Honorable Gregg Takayama, Chair, The Honorable Linda Clark, Vice Chair, and Members of the House Committee on Higher Education & Technology

- Date: Tuesday, March 22, 2022
- Time: 10:30 a.m.
- Place: Conference Room 329, State Capitol
- From: Anne Perreira-Eustaquio, Director Department of Labor and Industrial Relations (DLIR)

# Re: S.B. No. 2597 S.D. 1 RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

# I. OVERVIEW OF PROPOSED LEGISLATION

SB2597 SD1 proposes to appropriate funds subject to a matching funds requirement for Health Care Provider Loan Repayment Program administered through the John A. Burns School of Medicine of the University of Hawaii at Manoa.

DLIR <u>supports</u> this measure provided it does not conflict with the priorities identified in the Governor's Executive Budget requests.

# II. CURRENT LAW

N/A.

# III. COMMENTS ON THE SENATE BILL

Reducing the tremendous burden of student debt will encourage more health professionals to continue working in underserved areas and thereby help reduce the pressing need for healthcare workers in those areas.

For this reason, the Department <u>supports</u> this bill as an effective strategy to address shortages in the healthcare workforce in underserved areas, provided sufficient funds are appropriated and its passage does not replace or adversely affect priorities identified in the Governor's Executive Budget requests.



# Testimony to the House Joint Committee on Health, Human Services, and Homelessness and Higher Education Tuesday, March 22, 2022; 10:30 a.m. State Capitol, Conference Room 329 Via Videoconference

# RE: SENATE BILL NO. 2597, SENATE DRAFT 1, RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS.

Chair Yamane, Chair Takayama, and Members of the Joint Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA <u>SUPPORTS</u> Senate Bill No. 2597, Senate Draft 1, RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would appropriate an unspecified amount of general funds for fiscal year 2022-2023 for the Hawaii State Loan Repayment Program so long as no funds be released unless matched on a dollar-for-dollar basis by funds from a private or another public source.

This bill would take effect on January 1, 2050.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, hematology/oncology, and gastroenterology.

# Testimony on Senate Bill No. 2597, Senate Draft 1 Tuesday, March 22, 2022; 10:30 a.m. Page 2

This bill would provide the resources to continue a financial incentive that enhances the quality and stock of Hawaii's future healthcare workforce. Accordingly we commend this effort and wish to participate in any and all discussions concerning workforce development.

# For this reason, the HPCA supports this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.



Tuesday, March 22, 2022 at 10:30 AM Via Video Conference

# House Committee on Health, Human Services & Homelessness

Representative Ryan Yamane, Chair To: Representative Adrian Tam, Vice Chair

# House Committee on Higher Education & Technology

- To: Representative Gregg Takayama, Chair Representative Linda Clark, Vice Chair
- From: Michael Robinson Vice President, Government Relations & Community Affairs

#### SB 2597, SD1 – Testimony In Support Re: **Relating to Loan Repayment For Health Care Professionals**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers - Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

I am writing in SUPPORT of SB 2597, SD1 which appropriates funds for the Hawaii State Loan Repayment program administered by the John A. Burns School of Medicine (JABSOM).

The continuation of the Hawaii State Loan Repayment program that supports payments of educational debt for primary care and behavioral health physicians, nurse practitioners, physician assistants, psychologists, social workers, licensed professional counselors, marriage and family therapists and certified nurse midwives who work for non-profit organizations in Health Professions Shortage Areas of Hawaii plays a vital role in addressing the shortage of healthcare professionals in the state. Hawaii has a shortage of almost 750 doctors, and almost all other types of primary care and behavioral healthcare workers. Without these healthcare providers, the people of Hawaii do not have access to the healthcare they need. The shortage is most acute for those on the neighbor islands and those with the least resources. One of the fastest and least expensive methods for recruiting providers is through loan repayment.

JABSOM has successfully administered the program which has helped 64 healthcare providers since the program began in 2012. To date, nearly 2/3 of those providers continue to work in underserved communities.

Thank you for the opportunity to testify.



HAWAII MEDICAL ASSOCIATION 1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814 Phone (808) 536-7702 Fax (808) 528-2376 www.hawaiimedicalassociation.org

HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, HOMELESSNESS Representative Ryan I. Yamane, Chair Representative Adrian K. Tam, Vice Chair

HOUSE COMMITTEE ON HIGHER EDUCATION & TECHONOLOGY Representative Gregg Takayama, Chair Representative Linda Clark, Vice Chair

Date: March 22, 2022 From: Hawaii Medical Association Elizabeth Ann Ignacio MD, Chair, HMA Legislative Committee

# Re: SB 2597 SD 1 Hawaii State Loan Repayment Program; Health Care Professionals; John A. Burns School of Medicine; Appropriation Position: Support

Currently Hawaii has 3,293 physicians providing care in our state, and there is a statewide shortage of 732 Full Time Equivalents (FTEs), as reported in the 2022 UH Annual Report on Findings from the Hawai'i Physician Workforce Assessment Project <sup>1</sup>. Since 2012, support from the Hawaii State Legislature in partnership with JABSOM, HMSA and Queens Medical Center through the State Loan Repayment Program has helped to recruit physicians to Hawaii practice. HMA is grateful for the continued support of this financial assistance program, particularly for needed recruitment to counties like Hawaii and Maui, where provider shortages are the worst at 40%.

It remains an important priority for Hawaii physicians to sustain quality healthcare in Hawaii and maintain the delivery of vital services to our underserved areas, particularly on the neighbor islands. The Loan Repayment Program must be sustained to support young physician trainees and improve our Hawaii physician workforce that remains critically low.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

continued



HAWAII MEDICAL ASSOCIATION 1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814 Phone (808) 536-7702 Fax (808) 528-2376 www.hawaiimedicalassociation.org

#### REFERENCES

Withy K et al . UH System Annual Report to the 2022 Legislature on Findings from the Hawai'i Physician Workforce Assessment Project.

Associated Press. Shortage of Hawaii Doctors Worsens During COVID-19 Pandemic. https://www.usnews.com/news/best-states/hawaii/articles/2021-01-06/shortage-of-hawaiidoctorsworsens-during-covid-19-pandemic

Hiraishi K. "Hawai'i Doctor Shortage Worsens Under Pandemic. "Hawaii Public Radio. Jan 5, 2021. https://www.hawaiipublicradio.org/post/hawai-i-doctor-shortage-worsensunderpandemic

**HMA OFFICERS** 





# March 22, 2022 at 10:30 am Via Videoconference

# House Committee on Health, Human Services, and Homelessness

To: Chair Ryan I. Yamane Vice Chair Adrian K. Tam

# House Committee on Higher Education and Technology

- To: Chair Gregg Takayama Vice Chair Linda Clark
- From: Paige Heckathorn Choy Associate Vice President, Government Affairs Healthcare Association of Hawaii

# Re: Testimony in Support SB 2597 SD 1, Relating to Loan Repayment for Health Care Professionals

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

We would like to thank the committee for the opportunity to **support** this measure, which would provide funding for loan repayment at the John A. Burns School of Medicine (JABSOM) to support various healthcare professionals who practice in underserved areas. Investing in our healthcare workforce is critical because of the shortage of professionals in several categories in Hawaii, including physicians and other critical allied professionals. This funding will help to alleviate that shortage by creating opportunities directly in the state to train our healthcare workforce. By training professionals in-state, we are more likely to keep them and their skills here, serving patients in Hawaii.

We are supportive of the legislature's efforts to direct funding towards effective and important programs that will help to ensure that residents have access to needed care.

Thank you for your time and consideration of our testimony in support of this measure and funding.



To: The Honorable Ryan I. Yamane, Chair The Honorable Adrian K. Tam, Vice Chair Members, House Committee on Health, Human Services, & Homelessness

The Honorable Gregg Takayama, Chair The Honorable Linda Clark, Vice Chair Member, House Committee on Higher Education & Technology

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: March 22, 2022

Re: Support for SB 2597, SD1: Relating to Loan Repayment for Health Care Professionals

The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 1,500 affiliated physicians and providers statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide testimony in support of SB 2597, SD1, which appropriates funds for the Hawaii state loan repayment program administered through the John A. Burns School of Medicine; provided that the funds are matched on a dollar-for-dollar basis by a private or another public source.

We support efforts to develop our healthcare workforce given the projected shortage in our state. The 2022 Hawai'i Physician Workforce Assessment estimated the current shortage for physicians to be over 700. Queen's supports our local medical students and graduates who would like to live and work in Hawai'i through internship and residency programs. In FY 2019 Queen's contributed approximately \$16.4 million in education and training to support current and future health care professionals in the community. The burden of student loans and Hawai'i's high cost of living can act as barrier to attracting and retaining healthcare professionals. This loan repayment program has a record of success in keeping quality health care professionals in our state and we wholeheartedly support funding this program moving forward.

Thank you for allowing us to provide this testimony in support of SB 2597, SD1.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

## <u>SB-2597-SD-1</u> Submitted on: 3/19/2022 3:50:47 PM Testimony for HHH on 3/22/2022 10:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Colleen Inouye	Individual	Support	Written Testimony Only

Comments:

Dear Representative Yamane, Chair, and Representative Tam, Vice-Chair, and the members of the Committee on Health, Human Services, and Homelessness, and Representative Takayama, Chair, and Representative Clark, Vice-Chair, and the members of the Committee on Higher Education and Technology,

Thank you for allowing me to submit testimony in support of SB2597 SD1 which relates to loan repayment for health care professionals. We all know that there are not enough health care professionals to take care of our communities in Hawaii, especially on Maui where I am an OB/Gyn. As a mentor to pre-medical students and their parents, I often hear the comment that the parents are not encouraging their children to become physicians due to the high costs. When I tell them there are programs such as loan repayment, you can see the relief in both the parents and students' faces. Please do not stop this program. It is vital to decrease the economic and financial inequities that occur with many students and families.

Please support SB2597 SD1 and thank you for your kind consideration of my testimony.

Sincerely,

Colleen F Inouye MD MMM MS-PopH FACHE FAAPL FACOG

# **TESTIMONY ON BEHALF OF HAWAII PSYCHIATRIC MEDICAL ASSOCIATION**

То:	Chairs Ryan Yamane and Gregg Takayama, Vice-Chairs Adrian Tam and Linda Clark, and Members of the Committees.
	Committee on Health, Human Services, Homelessness, and the Committee on Higher Education & Technology
From:	Dr. Denis Mee-Lee, Legislative Committee Chair, Hawaii Psychiatric Medical Association
	Hawaii Psychiatric Medical Association
Time:	10:30 a.m., March 22, 2022
Re:	SB 2597, SD1, RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS
Position:	SUPPORT

Dear Chair Yamane, Chair Takayama and Members of the Committees:

The Hawaii Psychiatric Medical Association (HPMA) appreciates this opportunity to testify in support of SB 2597, SD1, relating to Loan Repayment for Health Care Professionals, which appropriates funds for the Hawaii state loan repayment program administered through the John A. Burns school of medicine, subject to a matching funds requirement.

HPMA represents between 100 and 200 Physicians, who, after four years of medical school, receive a minimum of four additional years of specialty training in Psychiatric hospitals, clinics and the community.

HPMA supports the legislature's efforts to address a significant shortage of primary care physicians, psychiatrists and other health care professionals in the State; this shortage affects our patients, their families and, by extension, the health care system of Hawaii.

The ongoing COVID-19 public health emergency has highlighted the imperative for robust investments to address the nation's critical psychiatric workforce shortage.

The imperative for quality primary care physicians and psychiatrists is significant; SB 2597, SD1 addresses this need.

Thank you for allowing HPMA the opportunity to testify on this important measure.

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes

DAVID Y. IGE GOVERNOR



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND OFFICE OF THE PUBLIC DEFENDER

## <u>WRITTEN ONLY</u>

TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE HOUSE COMMITTEES ON HEALTH, HUMAN SERVICES, & HOMELESSNESS AND HIGHER EDUCATION & TECHNOLOGY ON SENATE BILL NO. 2597, S.D. 1

# March 22, 2022 10:30 a.m. Room 329 and Videoconference

# RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2597, S.D. 1, appropriates an unspecified amount in general

funds in FY 23 to the Department of Health for the Hawai'i State Loan Repayment

Program administered through the John A. Burns School of Medicine. The appropriated

funds would be subject to a dollar-for-dollar match from a private or another public

source.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

 Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and  Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



**Government Relations** 

# Testimony of Jonathan Ching Government Relations Director

Before: House Committee on Health, Human Services, & Homelessness The Honorable Ryan I. Yamane, Chair The Honorable Adrian K. Tam, Vice Chair

House Committee on Higher Education & Technology The Honorable Gregg Takayama, Chair The Honorable Linda Clark, Vice Chair

March 22, 2022 10:30 a.m. Conference Room 329 and via Videoconference

# Re: SB 2597, SD1, Relating to Loan Repayment for Health Care Professionals

Chair Yamane, Chair Takayama, and committee members, thank you for this opportunity to provide testimony on SB 2597, SD1, which appropriate funds to the department of health to fund the Hawaii state loan repayment program administered through the John A. Burns school of medicine of the University of Hawaii at Manoa to provide loan repayment for certain healthcare providers who agree to work in a federally-designated health professional shortage area.

## Kaiser Permanente Hawai'i SUPPORTS SB 2597, SD1.

Kaiser Permanente Hawai'i is Hawai'i's largest integrated health system that provides care and coverage for approximately 265,000 members. Each day, more than 4,400 dedicated employees and more than 650 Hawai'i Permanente Medical Group physicians and providers come to work at Kaiser Permanente Hawai'i to care for our members at our 20 medical facilities, including Moanalua Medical Center, providing high-quality care for our members and delivering on our commitment to improve the health of the 1.4 million people living in the communities we serve.

Our rural areas continue to be the most underserved populations in Hawaii. Therefore, we **recommend inclusion of areas served by rural health clinics as part of underserved geographic areas**. Hawai'i has a shortage of about 1,000 doctors, and almost all other types of primary care and behavioral healthcare workers. In 2020, approximately 110 physicians were found to have retired, 120 decreased their work hours, and 140 physicians left the state, further contributing to the physician shortage. Without these doctors and other healthcare providers, the people of Hawai'i do not have access to the healthcare they need. The shortage is most acute for those on neighbor islands and underserved areas served by rural health centers. The funding from



this loan repayment program, will create opportunities directly in the state to recruit and retain our physician workforce.

We ask the committee to PASS SB 2597, SD1. Mahalo for the opportunity to testify on this important measure.