



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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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  
Lee Buenconsejo-Lum, MD, FAAFP  
Associate Dean for Academic Affairs & DIO, UH JABSOM  
John A. Burns School of Medicine  
And  
Michael Bruno, PhD  
Provost  
University of Hawai'i at Mānoa

### SB 2657 SD2 – RELATING TO MEDICAL EDUCATION AND TRAINING

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 2657 SD2**. This measure reestablishes the Hawai'i Medical Education special fund, and seeks funding to expand graduate medical education (residency and specialty fellowship training) to the neighbor islands as well as with the Veterans Affairs (VA). We request funding in the amount of \$6,700,000 and further request that the measure take effect on July 1, 2022, provided that its passage does not replace, or impact priorities as indicated in our BOR Approved Budget.

Many Hawai'i residents are unable to obtain timely and appropriate health care due to shortages of physicians and other health care providers in the State. These shortages threaten individual health and cumulatively adversely affect the State's health care costs. The State's neighbor islands, which have been designated by the federal government as medically underserved areas, have been disproportionately adversely affected by shortages of physicians in all areas of practice.

Over the last decade, JABSOM has engaged in multiple strategies to increase the number of physicians in Hawai'i (and the neighbor islands), including the following:

- Enrolling more students,
- Providing more full-support scholarships for students with educational need,
- Rotating medical students to the neighbor islands for preclinical (up to 12 weeks) rotations,
- Developing longitudinal third-year clinical rotation sites where a small number of students are in the same location (often on a neighbor island) for 5 months,

- Developing a small number of sites for 4-week fourth-year clinical rotations (often on neighbor islands),
- Developing limited residency or fellowship rotations on neighbor islands, and
- Administering the state's loan repayment program that places recipients in underserved communities in exchange for help reducing educational debt.

Based on the most recent data from the Hawai'i physician workforce assessment project, the State has a shortage of 537 full-time equivalent physicians. However, when island geography and unmet specialty-specific needs by county are examined, the estimated unmet need for full-time physicians increases to 732. Primary care, internal medicine, and some specialty physician shortages represent Hawai'i's greatest areas of need. Without these physicians, the people of Hawai'i do not have access to the health care they need. JABSOM has shown that eighty percent of graduates who complete their medical school and residency training in the State remain in Hawai'i to practice.

JABSOM serves as the Sponsoring Institution for the bulk of the civilian residency programs in Hawai'i, ensuring high-quality and accredited resident education programs or Graduate Medical Education (GME). The Hawai'i Island Family Medicine Residency program, sponsored by the Hilo Medical Center, plays a very important role in addressing the rural family physician shortage, but additional resources are needed to expand training, in numerous high-need specialties throughout Hawai'i. JABSOM faculty provide educational program leadership and clinical supervision of about 230 residents and subspecialty fellow trainees in nineteen specialty programs annually. In Hawai'i, GME costs are largely borne by the University of Hawai'i and its affiliated health systems. Some federal dollars have been used by the health systems to cover a portion of the GME training costs. Even pre-COVID, all health systems that support GME have been fiscally constrained and unable to make significant investments in additional GME training positions, especially on the neighbor islands which are most acutely impacted by physician workforce shortages.

In addition, the GME programs sponsored by JABSOM are considered lower priority for new CMS GME positions based on current Federal definitions and regulations. Thus, to expand residency training, especially on the neighbor islands where it is most needed and in several specialty areas, JABSOM needs annual state investment to cover resident and administrative support personnel positions as well as partial salary support for practicing physicians to supervise and evaluate the trainees.

The Hawai'i Medical Education Council (HMEC) is tasked with monitoring the state's graduate medical education (GME) programs, physician residency and fellowship training, and their ability to meet the health care workforce requirements. According to HMEC's 2022 report to the legislature<sup>1</sup>, GME programs, especially those in primary care, geriatrics, psychiatry (adults and children) and addiction serve a high proportion of

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<sup>1</sup> [https://www.hawaii.edu/govrel/docs/reports/2022/hrs304a-1704\\_2022\\_hawaii-medical-education-council\\_annual-report\\_508.pdf](https://www.hawaii.edu/govrel/docs/reports/2022/hrs304a-1704_2022_hawaii-medical-education-council_annual-report_508.pdf)

the state's most vulnerable populations. Yet, there has been a reduction in the overall civilian GME positions offered in Hawai'i from 241 in 2009 to 230 in 2021. Nationally, Hawai'i is in the bottom quintile of GME positions per population. Decreased federal and state funding has had a significant impact on the number of available training positions.

Ongoing funding of both undergraduate medical education (medical school) and GME is vital in addressing the physician shortage in Hawai'i. Reestablishing the Hawai'i Medical Education special fund will allow optimal use of state funding to support GME and assure close monitoring by the university and legislature of the specific application of state funds for GME programs, especially those focused on enhancing neighbor island workforce needs.

There is a strong existing collaboration between JABSOM and the VA Pacific Islands Healthcare System, which if expanded can complement the JABSOM strategies to increase the number of physicians in Hawai'i. The VA currently invests in Hawai'i-based residency positions under the oversight of JABSOM using VA-controlled funding to employ physician teachers and support residency training. Residents and Fellows in Family Medicine, Internal Medicine, Psychiatry, and Geriatrics currently conduct a portion of their training in the VA system. With additional physician teachers, increased federal GME support through the VA GME funding programs will enable JABSOM to expand the number of residency rotations and create new training opportunities in gynecology and several internal medicine subspecialties.

With the state's investment, JABSOM will be able to leverage existing partnerships on the neighbor islands as well as with the VA to educate and train more physicians who will care for Hawai'i's residents, during and following their GME training.

Thank you for this opportunity to testify.



**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. 2657, SENATE DRAFT 2, RELATING TO MEDICAL EDUCATION AND TRAINING.**

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 **SUPPORTS** Senate Bill No. 2657, Senate Draft 2, RELATING TO MEDICAL EDUCATION AND TRAINING.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines 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:

- (1) Reestablish the Hawaii Medical Education Council Special Fund to enable the John A. Burns School of Medicine (JABSOM) to provide funding for medical education and training;
- (2) Appropriate an unspecified amount of general funds for fiscal year 2022-2023 to expand medical education and training in Hawaii, with an emphasis on supporting residency training on the neighbor islands and in medically underserved populations throughout the State; and
- (3) Appropriate an unspecified amount of general funds for fiscal year 2022-2023 to create further medical residency and training opportunities through a partnership between JABSOM and the Veterans Administration.

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, neurology, hematology/oncology, and gastroenterology.

This bill would provide the resources to develop 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.

To demonstrate our commitment to this cause, I'm pleased to report the efforts made by one of our members toward expanding the residency opportunities of health care professionals in the State of Hawaii. (See, "Waianae Coast Comprehensive Health Center Receives HRSA Grant Funding to Establish a Family Medicine Residency in 2022", dated February 1, 2022, attached.)

**The HPCA urges your favorable consideration of this measure.**

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@hawaiiipca.net.

attachment



**WAIANAЕ COAST  
COMPREHENSIVE  
HEALTH CENTER**  
www.wcchc.com

**FOR IMMEDIATE RELEASE  
February 1, 2022**

**Contact:** Joanne Keala Patterson  
Director of Public Affairs  
Cell: 808-295-3612/Office: 808-697-3457  
Email: [jpatterson@wcchc.com](mailto:jpatterson@wcchc.com)

### **Waianae Coast Comprehensive Health Center Receives HRSA Grant Funding to Establish a Family Medicine Residency in 2022**

**Wai‘anae, Hawaii** — Since Waianae Coast Comprehensive Health Center’s (WCCHC) inception 50 years ago, the health center has aimed to service its community with compassionate, culturally competent, and comprehensive medical care. WCCHC ‘s commitment to providing care beyond just the physical body has led to the development of programs offering our patients access to primary, preventive, and enabling services. Another pillar of WCCHC is the health center’s commitment to education.

WCCHC has developed and currently offers community-based and health professional training experience through multiple ventures - our A.T. Still University School of Osteopathic Medicine physician training program, New York University Dental Residency Program, Na Lei Kukui nationally-certified Nurse Practitioner Integrated Residency Program, our American Psychological Association-accredited Psychology Internship Program and NIMAA, the nationally recognized Medical Assistant training program. These programs have led to increased healthcare access to primary care, pediatric dentistry, and mental health for the Waianae Coast community

To continue this commitment to service through education, WCCHC is proud to announce the formation of a **Community Health Center-based Family Medicine Residency program at WCCHC**, established through the “Teaching Health Center Planning and Development” grant sponsored by the Federal Health Resources and Services Administration. It is anticipated that by 2030, Hawaii will need an additional 318 primary care providers to service our state and more specifically, the communities serviced by community health centers. This shortage is largely due to the aging of the physician ranks, adverse economic factors to practicing in Hawaii and to the lack of continuing education that is provided in the areas that need those providers the most. With the present paradigm, we will never be able to rectify this dearth.

The Family Medicine Residency program is WCCHC’s response to help meeting that need and building a sustainable future for our healthcare community. This future does not start in medical school and is best characterized by WCCHC Chief Medical Officer, Dr. Stephen Bradley, “It is our duty to be intimately involved in fostering the continuum of education from secondary school all the way through medical residency so that the community can heal itself with its medical providers giving back to the community that raised them, and in a culturally appropriate manner.” Together with our state partnerships, WCCHC hopes that this residency program will allow our local medical students more opportunities to stay in Hawaii for their residency training and aid in the longevity of provider-patient relationships that shape communities for generations.

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

**House Committee on Health, Human Services & Homelessness**

To: Representative Ryan Yamane, Chair  
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

**Re: SB 2657, SD2 – Testimony In Support  
Relating to Medical Education and Training**

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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 2657, SD2 which reestablishes the Hawaii Medical Education special fund, and appropriates funds to allow the John A. Burns School of Medicine (JABSOM) to create more residency positions and training opportunities on the neighbor islands and through the Veterans Affairs (VA).

Based on the most recent data from the Hawaii physician workforce assessment, the State has a shortage of almost 750 full-time physicians. Primary care, internal medicine, and some specialty physician shortages represent Hawaii's greatest area of need. Without these physicians, the people of Hawaii do not have access to the health care they need. The need for physicians is especially acute on the neighbor islands. JABSOM has shown that eighty per cent of graduates who complete their medical school and residency training, also known as their graduate medical education, in the State remain in Hawaii to practice.

Ongoing funding of medical education is vital in addressing the physician shortage in Hawaii. There are considerable public outcomes achieved by expanding capacity for

training medical students especially on the neighbor island with the goal of having these students ultimately remain in Hawaii to practice. Reestablishing the Hawaii Medical Education special fund which may be utilized as a means of funding graduate medical education and training is a key component to supporting an expansion of graduate medical education positions and opportunities.

In Hawai'i, graduate medical education costs are largely borne by the University of Hawaii and its affiliated health systems. Some federal dollars have been used by the health systems to cover a portion of the GME training costs. Pre-COVID, the health systems were constrained and unable to make significant investments in more GME training, especially on the neighbor islands that are most acutely impacted by physician workforce shortages. In addition, Hawai'i is considered a lower priority for new CMS GME positions based on current Federal definitions and regulations. Thus, to expand residency training, especially on the neighbor islands where it is most needed, JABSOM needs annual state investment to cover resident and administrative support personnel positions as well as some salary support to allow practicing physicians sufficient time to supervise and evaluate the trainees. The state's investment is also crucial in enabling JABSOM to expand residency training with the VA.

With the state's investment, JABSOM together with the health systems will be able to educate and train more physicians who will care for Hawai'i's residents.

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 & TECHNOLOGY**

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 2657 SD2 Medical Residencies and Training; John A. Burns School of Medicine; University of Hawaii; 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>. By county, the physician shortages are most critical on the neighbor islands (see chart below):

Physician Shortage by County 2021

	Honolulu County	Maui County	Hawai'i County	Kauai County	Statewide
Shortage	344	158	187	43	732
Percent	15%	40%	40%	26%	22%

HMA supports this bill that would appropriate funds to create more residencies and training opportunities on the neighbor islands. 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. This measure will 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

**HMA OFFICERS**

President – Angela Pratt, MD President-Elect – Elizabeth Ann Ignacio, MD  
Immediate Past President – Michael Champion, MD Treasurer – Nadine Tenn Salle, MD  
Secretary – Thomas Kosasa, MD Executive Director – Marc Alexander



## **HAWAII MEDICAL ASSOCIATION**

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[www.hawaiimedicalassociation.org](http://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-hawaii-doctors-worsens-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-worsens-under-pandemic>

## **HMA OFFICERS**

President – Angela Pratt, MD President-Elect – Elizabeth Ann Ignacio, MD  
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**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 2657 SD 2, Relating to Medical Education and Training**

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 a substantial investment in establishing additional training opportunities for physicians in the state, especially in underserved areas. We know that training healthcare professionals in rural areas not only increases immediate access to physician care, but also increases the chances that a physician will remain in that community and in our state, which makes this funding critical to addressing our physician shortage.

The pandemic exacerbated existing workforce shortages in the state for physicians, nurses, and other allied healthcare professions that are critical to providing high-quality care for all residents in Hawaii. We support this critical investment in our physician workforce and would urge the legislature to continue their focus and support of all healthcare professions and building a robust healthcare workforce pipeline to ensure access now and into the future.



## THE QUEEN'S HEALTH SYSTEMS

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

Date: March 22, 2022

Re: Support for SB 2657 SD2: Relating to Medical Education and Training

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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 strong support of SB 2657 SD2, which reestablishes the Hawai'i medical education council special fund to enable the John A. Burns School of Medicine (JABSOM) in consultation with the Hawai'i Medical Education Council to provide funding for medical education and training in Hawai'i, with an emphasis on supporting residency training in medically underserved areas and the Veterans Administration. Queen's wholeheartedly supports the intent of this measure to help fund additional medical training for health care professionals seeking to train in and serve our neighbor island and veteran communities.

We support efforts to further develop our healthcare workforce given the projected workforce shortage facing 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.

Thank you for allowing us to provide this testimony in support of SB 2657 SD2.

*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.*

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

To: 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

Time: 10:30 a.m., March 22, 2022

Re: SB 2657, SD2, RELATING TO MEDICAL EDUCATION AND TRAINING

Position: SUPPORT

On behalf of the Hawaii Psychiatric Medical Association (HPMA) we are writing in support of SB 2657, SD2, Relating to Medical Education and Training. This bill appropriates funds to create more residencies and training opportunities on the neighbor islands for medical students at the University of Hawaii John A. Burns School of Medicine.

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 physician and psychiatric workforce shortage.

The imperative for quality primary care physicians and psychiatrists is significant; SB 2657 SD2 is an important step toward addressing this need.

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

**SB-2657-SD-2**

Submitted on: 3/19/2022 3:58:05 PM

Testimony for HHH on 3/22/2022 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
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 SB2657 SD2 which allows for more training and residency opportunities on the Neighbor Islands. I am an OB/Gyn on Maui. I have mentored both JABSOM medical students and headed the OB/Gyn residency program when it was at Maui Memorial Medical Center. I have seen from both students and residents, when they are exposed to training programs/opportunities on Maui, they do consider practicing on Maui. In fact, there have been four (4) OB/Gyns that came through this type of opportunity pathway and settled on Maui.

Please support SB2657 SD2 and thank you for your kind attention to my testimony.

Sincerely,

Colleen F Inouye MD MMM MS-PopH FACHE FAAPL FACOG

**SB-2657-SD-2**

Submitted on: 3/19/2022 12:14:19 PM

Testimony for HHH on 3/22/2022 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jennifer Azuma Chrupalyk	Individual	Support	Written Testimony Only

Comments:

Mahalo

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

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

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

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

**WRITTEN ONLY**  
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. 2657, S.D. 2

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

RELATING TO MEDICAL EDUCATION AND TRAINING

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

Senate Bill (S.B.) No. 2657, S.D. 2, reestablishes the Hawai'i Medical Education Special Fund (HMESF) to provide funding for medical education and training in Hawai'i; appropriates an unspecified amount of general funds for FY 23 for the creation of additional medical residencies and training opportunities in medically underserved areas; and appropriates an unspecified amount of general funds in FY 23 for the University of Hawai'i at Mānoa (UHM), John A. Burns School of Medicine (JABSOM), for the expansion of medical residencies and training opportunities in partnership with the Veterans Administration.

B&F notes that the FY 23 Executive Supplemental Budget includes a budget request to add 20.00 full-time equivalent positions and \$2,040,000 in general funds for UHM, JABSOM, to create more medical residencies and training opportunities on the neighbor islands.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 2657, S.D. 2, it is difficult to determine whether the HMESF would be self-sustaining.

B&F also notes that, with respect to the general fund appropriations 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:

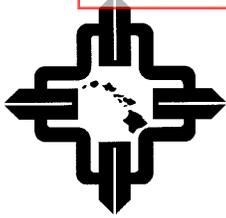
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support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



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

*"Quality Healthcare For All"*

**COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS**  
**COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY**

March 22, 2022  
10:30 am  
Hawaii State Capitol  
Room 329 and Via Videoconference

**Testimony in Support of S.B. 2657, SD2  
RELATING TO MEDICAL EDUCATION AND TRAINING**

Reestablishes the Hawaii medical education council special fund to enable the John A. Burns School of Medicine, in consultation with the Hawaii Medical Education Council, to provide funding for medical education and training in Hawaii, with an emphasis on supporting residency training in medically underserved areas. Appropriates moneys to create more residencies and training opportunities in medically underserved areas for medical students at the University of Hawaii John A. Burns School of Medicine. Appropriates funds to the John A. Burns School of Medicine to create further medical residency and training opportunities through a partnership between the John A. Burns School of Medicine and the United States Department of Veterans Affairs. Effective 1/1/2050. (SD2)

Linda Rosen, M.D., M.P.H.  
President & Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to provide testimony in **support** of SB 2657, SD2. The physician shortage in Hawaii has been a long-standing issue, greatly compounded by the impact of the Covid-19 pandemic. Since 2014, HHSC's Hilo Medical Center has sponsored the Hawaii Island Family Medicine Residency program that provides mentorship and training for young residents to become the best possible family medicine physicians. The need for more residency training, as proposed through the John A. Burns school of medicine and in collaboration with the Department of Veterans Affairs, is anticipated to result in increasing the number of physicians willing to serve in the medically underserved areas of the neighbor islands. This measure is a positive state investment in the health and well-being of those Hawaii communities.

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

