

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY DIRECTOR

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA

February 22, 2023

To: The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair and  
Members of the Senate Committee on Ways and Means

Date: Wednesday, February 22, 2023  
Time: 9:30 a.m.  
Place: Conference Room 211, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. 164 SD1 RELATING TO LOAN REPAYMENT FOR HEALTH CARE  
PROFESSIONALS**

**I. OVERVIEW OF PROPOSED LEGISLATION**

DLIR **supports** this measure provided it does not conflict with the priorities identified in the Governor's Executive Budget request. SB164SD1 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.

**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 supports this bill as an effective strategy to address shortages in the healthcare workforce in medically underserved areas, provided sufficient funds are appropriated and its passage does not replace or adversely affect priorities identified in the Governor's Executive Budget request.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Ways and Means  
Wednesday, February 22, 2023 at 9:30 a.m.

By

Lee Buenconsejo-Lum, MD, Acting 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, Provost

University of Hawai'i at Mānoa

### SB 164 SD1 – RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Thank you for the opportunity to present testimony today. The John A. Burns School of Medicine (JABSOM) **strongly supports SB 164 SD1**, provided that its passage does not impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget. This measure seeks funding for the Hawai'i State Loan Repayment Program administered by JABSOM in the amount of \$1,000,000 for fiscal years 2023-2024 and 2024-2025. We request that the measure take effect on July 1, 2023.

Since September 2012, the Hawai'i State Loan Repayment program has been operating successfully, and has supported 76 recipients in exchange for work commitments in underserved geographic practice areas in Hawai'i. Of the loan repayment participants, 80% have remained in Hawai'i to practice, and more than half have remained at the site where they performed their service. As of this date, there are 23 active providers in the Hawai'i State Loan Repayment program with another 9 providers applying for JABSOM'S Innovative Loan Repayment Program, which is also administered by JABSOM and uses non-federal monies to match State funds to support other local healthcare providers who do not meet the federal guidelines but who still work in an area of need.

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 Branch of the United States Department of Health and Human Services. Currently, health care professionals who have

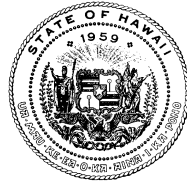
benefited from the loan repayment program serve on all islands and in the communities of Waimea, Kīhei, Wai‘anae, Hilo, and Wailuku; at health clinics in Kalihi-Pālana and Kōkua Kalihi Valley; and in public institutional settings at the federal detention center in Honolulu, the Hālawā correctional facility 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 Oahu 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.



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

**Testimony in SUPPORT of SB164 HD1  
RELATING TO LOAN REPAYMENT FOR HEALTHCARE PROFESSIONALS.**

SEN. JOY DONOVAN M. DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: February 22, 2023

Room Number: 211

1 **Fiscal Implications:** Proposed \$1M general fund appropriation as required match for federal  
2 funds.

3 **Department Testimony:** The Department of Health (DOH) supports the State Loan Repayment  
4 Program, which has demonstrated success at influencing a majority of participants – healthcare  
5 providers of various specialties, not just physicians – to remain in Hawaii, practicing almost  
6 exclusively in underserved areas.

7 The department is currently the fiscal intermediary for general funds, and encourages the  
8 Legislature to ensure that 100% of appropriations reach this program. DOH looks forward to  
9 continued partnership with the University of Hawaii John A. Burns School of Medicine across a  
10 continuum of health care workforce initiatives.

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

12



**Testimony to the Senate Committee on Ways and Means  
Wednesday, February 22, 2023; 9:30 a.m.  
State Capitol, Conference Room 211  
Via Videoconference**

**RE: SENATE BILL NO. 0164, SENATE DRAFT 1, RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the 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. 0164, 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 \$1,000,000 in general funds for fiscal year 2023-2024, and \$1,000,000 for fiscal year 2024-2025, for the Hawaii State Loan Repayment Program so long as these funds are matched on a dollar-for-dollar basis by funds from a private or another public source. The funds would be expended by the John A. Burns School Medicine of the University of Hawaii at Manoa, and would take effect on July 1, 2023.

The bill would take effect on December 31, 2050, for discussion purposes.

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.

**Testimony on Senate Bill No. 0164, Senate Draft 1**  
**Wednesday, February 22, 2023; 9:30 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@hawaiiipca.net](mailto:eabe@hawaiiipca.net).



**February 22, 2023 at 9:30 am**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Donovan M. Dela Cruz  
Vice Chair Gilbert S.C. Keith-Agaran

From: Paige Heckathorn Choy  
Associate Vice President, Government Affairs  
Healthcare Association of Hawaii

Re: **Support**  
**SB 164 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 healthcare 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 more than 30,000 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.

Wednesday, February 22, 2023 at 9:30 AM  
Via Video Conference; Conference Room 211

**Senate Committee on Ways and Means**

To: Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

From: Michael Robinson  
Vice President, Government Relations & Community Affairs

**Re: Testimony in Support of SB 164, SD1  
Relating to Loan Repayment For Health Care Professionals**

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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.

HPH writes in SUPPORT of SB 164, 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 800 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 supported 76 healthcare providers since the program began in 2012. To date, nearly 2/3 of those providers continue to work in medically underserved communities.

Thank you for the opportunity to testify.





**Written Testimony Presented Before the  
Senate Committee on Ways and Means  
Wednesday, February 22, 2023 at 9:30 A.M.  
Conference Room 211 and via Videoconference  
by  
Laura Reichhardt, APRN, AGPCNP-BC  
Director, Hawai'i State Center for Nursing  
University of Hawai'i at Mānoa**

**TESTIMONY IN SUPPORT on S.B. 164, S.D. 1**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means, thank you for the opportunity to testify **in support of S.B. 164, S.D. 1**, loan repayment for health care professionals.

In Hawai'i, health care professionals are in high demand yet in low supply, particularly on the neighbor islands and in rural and underserved areas of our state. This includes all of Hawai'i and Kaua'i Counties as well as most of Maui County. O'ahu, though population dense, has areas that are medically underserved.

The Hawai'i State Center for Nursing acknowledges that supporting healthcare professionals including nurses, by reducing their personal expenses through loan repayment, is one way to recruit and retain these valued professionals in and across our state. This program has proven success year after year in supporting healthcare professionals in starting and continuing service in rural areas and underserved areas in our state. The Hawai'i State Center for Nursing **provides testimony in support of this measure both for the intent of the measure and for full funding of this initiative.**

*The mission of the Hawai'i State Center for Nursing is that through collaborative partnerships, the Center provides accurate nursing workforce data for planning, disseminates nursing knowledge to support excellence in practice and leadership development, promotes a diverse workforce, and advocates for sound health policy to serve the changing health care needs of the people of Hawai'i.*



## THE QUEEN'S HEALTH SYSTEM

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To: The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
Members, Senate Committee on Ways and Means

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

Date: February 22, 2023

Re: Testimony in Support of SB164 SD1: Relating to Loan Repayment for Health Care Professionals

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The Queen's Health System (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 10,000 affiliated physicians, caregivers, and dedicated medical staff 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 SB164 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 2020 Queen's contributed approximately \$17 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 SB164 SD1.

*The mission of The Queen's Health System 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.*



## Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814  
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COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Date: February 21, 2023  
From: Hawaii Medical Association  
Beth England MD, Co-Chair, HMA Public Policy Committee  
Re: SB164 HD1; RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS.  
Position: Support

Currently, Hawaii has a statewide physician shortage of 776 Full Time Equivalents (FTEs), as reported in the UH System Annual Report on Findings from the Hawai'i Physician Workforce Assessment Project. This deficit is 44 FTEs larger than one year ago. 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 practice in Hawaii. 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 as high as 40%. HMA also supports the expansion of this program to include incentives for psychologists and social workers.

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.

### REFERENCES

Withy K et al . UH System Annual Report to the 2023 Legislature on Findings from the Hawai'i Physician Workforce Assessment Project. [https://www.hawaii.edu/govrel/docs/reports/2023/act18-sslh2009\\_2023\\_physician-workforce\\_annual-report\\_508.pdf](https://www.hawaii.edu/govrel/docs/reports/2023/act18-sslh2009_2023_physician-workforce_annual-report_508.pdf)

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-doctorsworsens-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-underpandemic>

### 2023 Hawaii Medical Association Officers

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

### 2023 Hawaii Medical Association Public Policy Coordination Team

Elizabeth Ann Ignacio, MD, Chair • Beth England, MD, Co-Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

**SB-164-SD-1**

Submitted on: 2/20/2023 11:59:24 AM

Testimony for WAM on 2/22/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Anne Scharnhorst	Individual	Support	Written Testimony Only

Comments:

**Written Testimony Presented Before the**

**Senate Committee on Ways and Means**

**Wednesday, February 22, 2023 at 9:30 A.M.**

**Conference Room 211 and via Videoconference**

**by**

**Anne Scharnhorst, DNP, RN, CNE**

**TESTIMONY IN SUPPORT on S.B. 164, S.D. 1**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means, thank you for the opportunity to testify **in support of S.B. 164, S.D. 1**, loan repayment for health care professionals.

In Hawai‘i, health care professionals are in high demand yet in low supply, particularly on the neighbor islands and in rural and underserved areas of our state. This includes all of Hawai‘i and Kaua‘i Counties as well as most of Maui County. O‘ahu, though population dense, has areas that are medically underserved.

**Anne Scharnhorst** acknowledges that supporting healthcare professionals including nurses, by reducing their personal expenses through loan repayment, is one way to recruit and retain these valued professionals in and across our state. This program has proven success year after year in supporting healthcare professionals in starting and continuing service in rural areas and underserved areas in our state. **Anne Scharnhorst provides testimony in support of this measure both for the intent of the measure and for full funding of this initiative.**



**SB-164-SD-1**

Submitted on: 2/21/2023 8:09:26 AM

Testimony for WAM on 2/22/2023 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
stephanie marshall	Individual	Support	Written Testimony Only

Comments:

As a registered nurse for over 45 years, I fully support the loan repayment bill. Hawaii has a critical shortage of all members of the health care team. We must provide incentives to recruit and retain our healthcare workforce. This has been successful in the past and must be continued. Please support this bill. Thank you for your time and attention.

Very respectfully, Stephanie Marshall RN, MS, FAAN