JOSH GREEN, M.D. GOVERNOR

LUIS P. SALAVERIA DIRECTOR

SABRINA NASIR DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND OFFICE OF THE PUBLIC DEFENDER STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE Ka 'Oihana Mālama Mo'ohelu a Kālā 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

WRITTEN ONLY TESTIMONY BY LUIS P. SALAVERIA DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEES ON HEALTH AND HUMAN SERVICES AND HIGHER EDUCATION ON SENATE BILL NO. 62

February 16, 2023 3:00 p.m. Room 229 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. 62 adds a new section to Chapter 304A, HRS, to establish the Hawai'i Medical Education Special Fund (HMESF) to be administered by the University of Hawai'i, John A. Burns School of Medicine, for the purposes of providing graduate medical education and training programs. The HMESF would collect all monies received by the Hawai'i Medical Education Council, including funds from the federal centers for Medicaid and Medicare services and other federal agencies; appropriations by the Legislature; and grants, contracts, donations, and private contributions. This bill also appropriates an unspecified amount of general funds for FY 24 and FY 25 for the creation of additional medical residencies and training opportunities in counties with populations of 500,000 or less; and appropriates an unspecified amount of general funds for FY 24 and FY 25 for the expansion of medical residencies and training opportunities in partnership with the United States Department of Veteran Affairs (VA).

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. 62, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, B&F does not support the deposit of federal funds into any special fund as federal funds should be kept separate for compliance and reporting purposes. Further, the purpose of the federal grant may not be totally aligned with statutory uses of the special fund.

Lastly, B&F notes that the proposed FB 2023-25 Executive Budget adds 4.00 permanent positions and \$2,660,000 in general funds for FY 24 and FY 25 to continue the efforts of Act 262, SLH 2022, which appropriated funding in FY 23 to increase medical residencies and training in underserved areas and expand medical residency opportunities through a partnership with the VA.

Thank you for your consideration of our comments.

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ON THE FOLLOWING MEASURE:

S.B. NO. 62, RELATING TO MEDICAL EDUCATION AND TRAINING.

BEFORE THE: SENATE COMMITTEES ON HIGHER EDUCATION AND ON HEALTH AND HUMAN SERVICES

DATE:	Thursday, February 16, 2023	TIME:	3:00 p.m.
LOCATION:	State Capitol, Room 229		
TESTIFIER(S): Anne E. Lopez, Attorney Gen Candace J. Park, Deputy Atto	•	eneral

Chairs Kim and San Buenaventura and Members of the Committees:

The Department of the Attorney General provides the following comments.

The purposes of this bill are to (1) establish the Hawaii Medical Education Special Fund to enable the John A. Burns School of Medicine (JABSOM), in consultation with the Hawaii Medical Education Council, to provide funding for medical education and training in Hawaii; (2) appropriate moneys to JABSOM to expand medical residency and training in Hawaii; and (3) appropriate moneys to JABSOM to create further medical residency and training opportunities through a partnership between JABSOM and the United States Department of Veterans Affairs.

Article VII, section 5, of the Hawaii State Constitution provides in part: "No public money shall be expended except pursuant to appropriations made by law." Money may not be expended from the Hawaii Medical Education Special Fund unless an appropriation is made out of the fund. However, the bill does not contain an appropriation out of the fund.

We recommend amending the bill by adding a new section 3, to read as follows:

"There is appropriated out of the Hawaii medical educational special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 for graduate medical education and training programs established under chapter 304A, HRS. The sum appropriated shall be expended by the University of Hawaii at Manoa John A. Burns school of medicine for the purposes of this Act."

If the Committee decides to pass this bill, the Department respectfully requests the Committee to amend the bill as described above.

Thank you for the opportunity to provide these comments.



UNIVERSITY OF HAWAI'I SYSTEM 'ÕNAEHANA KULANUI O HAWAI'I

Legislative Testimony Hōʻike Manaʻo I Mua O Ka ʻAhaʻōlelo

> Testimony Presented Before the Senate Committee on Higher Education Senate Committee on Health and Human Services Thursday, February 16, 2023 at 3:00 p.m. By Lee Buenconsejo-Lum, MD, FAAFP, Acting Dean John A. Burns School of Medicine And Michael Bruno, Provost University of Hawai'i at Mānoa

SB 62 - RELATING TO MEDICAL EDUCATION AND TRAINING.

Chairs Kim and San Buenaventura, Vice Chairs Kidani and Aquino, and Members of the Committees:

Thank you for the opportunity to present testimony today. The John A. Burns school of medicine (JABSOM) **supports SB 62** which reestablishes the Hawai'i Medical Education special fund to provide funding for medical education and training in Hawai'i. The measure also appropriates moneys to JABSOM to expand medical residency and training in Hawai'i with an emphasis on supporting residency training on the neighbor islands and in medically underserved communities, as well as funding to expand medical training in partnership with the United States Department of Veterans Affairs.

We respectfully suggest a minor technical amendment in Sections 3 and 4 to clarify the appropriation as money cannot be expended from the Hawai'i Medical Education Special Fund unless an appropriation is made from the fund. Amending language appears in red font and is attached to this testimony.

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. 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.

Based on the most recent data from the Hawai'i physician workforce assessment project, the State has a shortage of nearly 800 full-time equivalent physicians. Primary care, internal medicine, and some specialty physician shortages represent Hawai'i's disciplines of greatest 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. Medical residents who perform their training on the neighbor islands are more likely to open practices and remain on the neighbor islands. Expanding capacity for year-round medical education training will create a pipeline of new physicians who are poised to enter practice on the neighbor islands. Similarly, expanding the training capacity in partnership with the Veterans Affairs would enable JABSOM to offer residency positions to more students.

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, GME programs, especially those in primary care, geriatrics, psychiatry (adults and children) and addiction serve a high proportion of 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.

The University of Hawai'i supports this measure, provided that its passage does not replace or impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget.

Thank you for this opportunity to testify.

SB 62 PROPOSED LANGUAGE

Pages 5 – 7 beginning at Line 11:

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart C, to be appropriately designated and to read as follows:

"§304A- Hawaii medical education special

<u>fund.</u> There is established in the state treasury a Hawaii medical education special fund, into which shall be deposited all moneys received by the medical education council, including:

(1) Moneys from the federal Centers for Medicaid and Medicare Services and other federal agencies;

(2) Appropriations made by the legislature; and

(3) Grants, contracts, donations, and private contributions.

The fund shall be administered by the John A. Burns school of medicine. Moneys deposited in the fund shall be expended by the John A. Burns school of medicine for the purposes of the graduate medical education and training programs established under this chapter."

SECTION 3. There is appropriated out of the [general revenues of the State of Hawaii]Hawaii medical education special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for [the creation of additional medical residencies and training opportunities for medical students in counties with populations of five hundred thousand or less]graduate medical education and training programs established under chapter 304A, Hawaii Revised Statutes.

The sums appropriated shall be expended by the University of Hawaii at Manoa John A. Burns school of medicine for the purposes of this Act.

SECTION 4. There is appropriated out of the [general revenues of the State of Hawaii] Hawaii medical education special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for [the expansion of] medical student and residency [and_]training opportunities in partnership with the United States Department of Veterans Affairs.

The sums appropriated shall be expended by the University of Hawaii at Manoa John A. Burns school of medicine for the purposes of this Act.

SECTION 5. New statutory material is underscored.

SECTION 6 . This Act shall take effect on July 1, 2023.



PALI MOMI

Thursday, February 16, 2023 at 3:00 PM Via Video Conference

Senate Committee on Higher Education

To: Senator Donna Mercado Kim, Chair Senator Michelle Kidani, Vice Chair

Senate Committee on Health

- To: Senator Joy San Buenaventura, Chair Senator Henry Aquino, Vice Chair
- From: Michael Robinson Vice President, Government Relations & Community Affairs

Re: SB 62 – Testimony In Support **Relating to Medical Education and Training**

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 62 which reestablishes the Hawaii Medical Education Special Fund to provide funding for medical education and training in Hawaii. The measure also appropriates moneys to JABSOM to expand medical residency and training in Hawai'i with an emphasis on supporting residency training on the neighbor islands and in medically underserved communities, as well as funding to expand medical training in partnership with the United States Department of Veterans Affairs.

The Hawaii Medical Education Council (HMEC) is tasked with overseeing the state's graduate medical education programs and the programs' ability to meet the health care workforce requirements. Additionally, HMEC must ensure adequate funding of health care training programs, in particular graduate medical education. According to HMEC's 2022 report to the legislature, graduate medical education programs, especially those in primary care, geriatrics, psychiatry (adults and children) and addiction serve a high proportion of the most vulnerable populations. Yet, there has been a reduction in the overall graduate medical education positions in Hawaii from 241 in 2009 to 230 in 2021. Nationally, Hawaii is in the bottom quintile of the graduate medical education positions per population. Decreased federal and state funding has had a significant impact on the number of available training positions.

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.

Thank you for the opportunity to testify.



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814 Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

COMMITTEE ON HEALTH AND HUMAN SERVICES Senator Joy A. San Buenaventura, Chair Senator Henry J.C. Aquino, Vice Chair

COMMITTEE ON HIGHER EDUCATION Senator Donna Mercado Kim, Chair Senator Michelle N. Kidani, Vice Chair

Date: February 16, 2022 From: Hawaii Medical Association Beth England, MD - Chair, HMA Legislative Committee

Re: SB 62 RELATING TO MEDICAL EDUCATION AND TRAINING Position: Support

This measure would appropriate money to the John A. Burns School of Medicine for the purpose of supporting and expanding medical education and residency training.

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 greater than in last year's report. By county, the physician shortages are most critical on the neighbor islands (see chart below):

UH AHEC 2022 Physician Shortage by County

2022					
	Hawai'i	Honolulu	Kaua'i	Maui	Statewide
Shortage	183	382	45	167	776
Percent	37%	15%	26%	40%	22%

HMA supports appropriation of funding to create additional residency positions and training opportunities. Over 50% of physicians who complete their residency training in Hawaii will stay to practice locally. This number increases further when students also complete medical school in Hawaii. It is vital that Hawaii have an adequate physician workforce to deliver medical care to our entire state, particularly underserved areas on neighbor islands. This measure will help address our critical physician workforce shortage.

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

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

References

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Moore B. Bringing students home to fix Hawaii's doctor shortage. KHON 2 Jan 5 2023. https://www.khon2.com/local-news/bringing-students-home-to-fix-hawaiis-doctor-shortage/

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

Table C6. Physician Retention in State of Residency Training, by (n.d.). Retrieved February 13, 2023, from https://www.aamc.org/data-reports/students-residents/interactive-data/report-residents/2019/table-c6-physician-retention-state-residency-training-state.

2023 Hawaii Medical Association Officers

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> 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



To: The Honorable Donna Mercado Kim, Chair The Honorable Michelle N. Kidani, Vice Chair Members, Senate Committee on Higher Education

> The Honorable Joy San Buenaventura, Chair The Honorable Henry Aquino, Vice Chair Members, Senate Committee on Health & Human Services

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

Date: February 16, 2023

Re: In support of SB62: Relating to Medical Education and Training

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 testify in **support** of SB62, which re-establishes the Hawaii medical education 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. It also 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 (JABSOM) and training opportunities through a partnership between the John A. Burns School of Medicine and the United States Department of Veteran Affairs. Queen's wholeheartedly supports efforts to support residency opportunities at our hospital facilities. We especially support the intent of this measure to prioritize residency training in on our neighbor islands and in underserved 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 actively supports our local medical students and graduates who would like to remain in Hawai'i through both internships and residency programs. The funds appropriated via this legislation will help strengthen Hawaii's graduate medical education (GME) opportunities and ensure that more locally trained physicians remain in our state.

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.

Thank you for allowing us to provide this testimony in support of SB62.



Testimony to the Senate Joint Committee on Health and Human Services and Higher Education Thursday, February 16, 2023; 3:00 p.m. State Capitol, Conference Room 229 Via Videoconference

RE: SENATE BILL NO. 0062, RELATING TO MEDICAL EDUCATION AND TRAINING.

Chair Kim, Chair San Buenaventura, 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. 0062, 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 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:

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

Testimony on Senate Bill No. 0062 Thursday, February 16, 2023; 3:00 p.m. Page 2

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.

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.

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.



Aloha Senators Serving on the HHS & HE Committees,

I am writing to express my strong support for Senate Bill 62 on behalf of the Associated Students of the University of Hawai'i (ASUH). We are excited about this bill's efforts to provide greater opportunities to medical education and training in Hawai'i, with an emphasis on supporting residency training among the neighbor-islands and rural communities.

We believe that this bill will help address the shortage of healthcare providers in Hawai'i. <u>By creating more residency and training applied in underserved areas,</u> <u>medical students will gain valuable experience and exposure to diverse patient</u> <u>populations, healthcare challenges, and cultural contexts.</u> This experience will prepare them to become more effective and compassionate healthcare providers and potentially encourage them to continue pursuing careers among the islands.

Additionally, we appreciate the bill's efforts to create a partnership between the John A. Burns School of Medicine and the United States Department of Veterans Affairs. <u>This partnership will provide medical students with additional opportunities</u> <u>caring for veterans and their families, who often have unique healthcare needs and</u> <u>face significant and historical barriers towards quality care and health outcomes</u>.

Finally, we want to emphasize the importance of the Hawai'i medical education special fund and the financial support provided in this bill. <u>These funds will enable</u> <u>the John A. Burns School of Medicine to create more options for medical students to</u> <u>have a competitive medical education and training in Hawai'i.</u> By providing these resources, the state is investing in the future of healthcare in Hawai'i and supporting the next generation of healthcare providers.

We strongly support SB 62, as it has the potential to significantly improve access to healthcare in Hawai'i, address the shortage of healthcare providers, and prepare future healthcare providers.

Thank you for your time and consideration. Mahalo,

ide

Rudy Ramírez ASUH President





YOUR STUDENT GOVERNMENT



<u>SB-62</u> Submitted on: 2/15/2023 9:03:32 PM Testimony for HRE on 2/16/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessibelle Kahauolopua- Young	Individual	Support	Written Testimony Only

Comments:

February 15, 2023

To: Senator Donna Mercado Kim, Chair

Senator Michelle N. Kidani, Vice Chair

Members of the Higher Education Committee

Senator Joy A. San Buenaventura, Chair

Senator Henry J.C. Aquino, Vice Chair

Members of the Health and Human Services Committee

From: Jessibelle Kahauolopua-Young

Subject: Support for Senate Bill 62, Relating to Medical Education and Training

Aloha! My name is Jessibelle Kahauolopua-Young, and I am a student leader at Kalaheo High School. I participated in the recent Student Secondary Conference, visiting the State Capitol a few weeks ago. I am testifying in strong support of Senate Bill 62, Relating to Medical Education and Training. This bill should be passed because it would strongly benefit medically underserved areas in Hawaii and keep more healthcare providers in Hawaii. Passing this bill would greatly benefit our medically underserved areas. People who can not afford medical assistance would be able to receive it. Additionally, by providing funds for medical education and training in Hawai'i, it would improve the shortage of healthcare providers here. It would persuade students seeking a medical degree to study here at John A. Burns School of Medicine. This in turn will not only bring people from out of state, but also help keep residents who live here, to stay here for college while pursuing their degree.

Thank you for your time and consideration, I truly hope that you will support Senate Bill 62.