
A BILL FOR AN ACT

RELATING TO THE HEALTHCARE EDUCATION LOAN REPAYMENT PROGRAM.

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

1 SECTION 1. The legislature finds that a persistent
2 workforce shortage in the healthcare industry has created
3 difficulties for patients in accessing care, including
4 specialized care such as behavioral health services. One reason
5 providers often cite for the difficulty of practicing in Hawaii
6 is financial hardship, with the high cost of living frequently
7 driving providers to leave the State.

8 The legislature further finds that, for fiscal years 2024
9 and 2025, the legislature appropriated a total of \$30,000,000 to
10 fund the healthcare education loan repayment program. This
11 program supports healthcare professionals across most fields of
12 practice in Hawaii by helping them repay their educational loans
13 in exchange for providing healthcare services in the State. For
14 fiscal years 2026 and 2027, the legislature appropriated an
15 additional \$30,000,000 to continue this support. The healthcare
16 education loan repayment program has been successful in
17 improving the lives of healthcare professionals in the State and



1 making it easier for these professionals to remain and practice
2 in Hawaii.

3 The legislature also finds that, since the inception of the
4 healthcare education loan repayment program, nine hundred
5 twenty-eight resident healthcare professionals have been
6 assisted by the program. The average amount of indebtedness for
7 certain disciplines who were awarded ranges from \$179,400
8 (physicians), \$93,500 (advanced practice registered nurses),
9 \$138,400 (physician assistants), \$170,600 (psychologists),
10 \$41,300 (nurses), and \$94,600 (other healthcare professionals).
11 The average loan repayment amount for all recipients to date is
12 \$49,000. All participants in the healthcare education loan
13 repayment program are required to commit to remaining in Hawaii
14 for two years to work within their profession, regardless of the
15 amount of assistance they receive through the program.

16 The legislature believes that establishing a sliding scale
17 of work commitments, based on the amount of loan repayment
18 assistance participants receive, is in the best interest of the
19 State. Healthcare professionals who receive greater loan
20 repayment assistance should be required to serve for a longer
21 period in Hawaii, thereby promoting continuity of care for



1 residents and enabling providers to better understand and
2 address community needs.

3 The legislature determines that the establishment of a
4 healthcare education loan repayment program within the
5 university of Hawaii John A. Burns school of medicine is a
6 matter of statewide concern pursuant to article X, section 6, of
7 the Hawaii State Constitution.

8 Accordingly, the purpose of this Act is to:

- 9 (1) Formally codify the healthcare education loan
10 repayment program; and
11 (2) Establish minimum service requirements for
12 participants in the healthcare education loan
13 repayment program receiving new awards on or after
14 July 1, 2027, with the duration of required service
15 determined by the total amount of loan repayment
16 assistance received.

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

20 "§304A-_____ Healthcare education loan repayment program;
21 established. (a) There is established the healthcare education



1 loan repayment program within the university of Hawaii John A.
2 Burns school of medicine.

3 (b) The purpose of the program shall be to provide
4 financial assistance to healthcare professionals licensed, or
5 otherwise certified, to practice in and provide care to patients
6 in the State, for loan repayment, in exchange for a commitment
7 to practice in certain areas of the State for a specified period
8 pursuant to a contract between the healthcare professional and
9 the university of Hawaii John A. Burns school of medicine.

10 Application to the program shall be open to healthcare
11 professionals regardless of the educational institution they
12 attended.

13 (c) Any healthcare professional who participates in the
14 healthcare education loan repayment program by receiving a new
15 award on or after July 1, 2027, shall be required to remain and
16 practice within their licensed profession in the State for a
17 minimum period pursuant to a contract with the university of
18 Hawaii John A. Burns school of medicine as follows:

19 (1) No less than five years for healthcare professionals
20 who receive total loan repayment assistance in an
21 amount between \$1,000 and \$50,000; and



1 (2) No less than seven years for healthcare professionals
2 who receive total loan repayment assistance in an
3 amount of \$50,001 and above.

4 (d) The university of Hawaii John A. Burns school of
5 medicine shall develop program requirements and rules to
6 administer the program.

7 (e) Before receiving an award, any healthcare professional
8 who participates in the healthcare education loan repayment
9 program shall agree to:

10 (1) Comply with applicable laws and regulations;

11 (2) Comply with any requirements prescribed by the
12 university of Hawaii; and

13 (3) Allow the university of Hawaii to access records to
14 ensure the proper and effective expenditure of public
15 funds.

16 (f) For the purposes of this section:

17 "Healthcare professional" means an individual who is
18 licensed, certified, or otherwise authorized under the laws of
19 the State to provide healthcare services, including but not
20 limited to physicians, physician assistants, advanced practice



1 registered nurses, nurses, psychologists, dentists, and other
2 allied health care providers.

3 "Licensed profession" means the healthcare occupation or
4 field in which a healthcare professional is licensed, certified,
5 or otherwise authorized to practice under the laws and
6 regulations of the State.

7 "Loan repayment" means funds provided to a healthcare
8 professional under the healthcare education loan repayment
9 program for the purpose of repaying outstanding educational
10 loans related to their health care training."

11 SECTION 3. This Act does not affect rights and duties that
12 matured, penalties that were incurred, and proceedings that were
13 begun before its effective date.

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 31, 2055.



Report Title:

Healthcare Education Loan Repayment Program; Healthcare Professionals; Minimum Service Requirements

Description:

Formally codifies the Healthcare Education Loan Repayment Program. Requires a participant in the Healthcare Education Loan Repayment Program who receives a new award on or after July 1, 2027, to remain and work in the State for a certain number of years based on the amount of financial assistance received. Effective 7/31/2055. (SD2)

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

