

**ACT 263**

S.B. NO. 2597

A Bill for an Act Relating to Loan Repayment for Health Care Professionals.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that many Hawaii 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 the entire State's health care system. Areas of Hawaii 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, including physicians, nurse practitioners, physician assistants, and psychologists. Social workers, marriage and family therapists, and registered 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 that provides sufficient income to repay often exorbitant student loans. These career paths frequently lead to professional practice in highly specialized fields of care in urban areas, rather than in general practice on the neighbor islands or in underserved areas in the State where the need is greatest. The legislature further finds that 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 the development of a strong primary health care workforce for underserved areas.

The legislature also finds that the Hawaii state loan repayment program administered by the John A. Burns school of medicine of the University of Hawaii at Manoa leverages public funds and private donations to access matching federal funds through the National Health Service Corps State Loan Repayment Program of the United States Department of Health and Human Services. Since September 1, 2012, the loan repayment program has supported sixty-four recipients in exchange for work commitments in underserved geographic practice areas in Hawaii, with eighty-three per cent remaining in Hawaii and seventy per cent remaining at the site where they performed their service. Currently, health care professionals who have benefited from the loan repayment program serve on all islands and in the communities of Hilo, Kihei, Waianae, Wailuku, and Waimea; at health clinics in Kalihi-Palama and Kokua Kalihi Valley; and in public institutional settings at the federal detention center in Honolulu, Halawa correctional facility, and Maui County correctional center.

The legislature recognizes the considerable positive public outcomes achieved using general fund allocations during the 2017-2018 biennium and fiscal year 2019-2020 to educate, train, and facilitate health care professionals to work in underserved areas. Currently, the loan repayment program supports twenty-eight health care professionals in Hawaii.

The purpose of this Act is to appropriate funds to the department of health to fund the Hawaii state loan repayment program administered through the John A. Burns school of medicine of the University of Hawaii at Manoa to provide loan repayment for health care professionals who agree to work in a federally-designated health professional shortage area.

**SECTION 2.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the Hawaii state loan repayment program administered through the John A. Burns school of medicine of the University of Hawaii at Manoa; provided that no funds shall be released unless matched on a dollar-for-dollar basis by funds from a private or another public source.

The sum appropriated shall be expended by the department of health in coordination with the John A. Burns school of medicine of the University of Hawaii at Manoa for the purposes of this Act.

**SECTION 3.** This Act shall take effect on July 1, 2022.

(Approved July 7, 2022.)