



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Wednesday, March 1, 2017 at 1:00 p.m.

By

Jerris Hedges, MD, Dean

and

Kelley Withy, MD, Professor, Department of Complementary and Integrative Medicine
Hawai'i/Pacific Basin Area Health Education Center (AHEC) Director

John A. Burns School of Medicine

University of Hawai'i at Mānoa

HB 916 HD1 – RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

Chair Luke, Vice Chair Cullen, and members of the committee:

Thank you for this opportunity to testify in **strong support** of HB 916 HD1, provided that its passage does not replace or adversely impact priorities as indicated in our Board of Regents Approved Biennium Budget. This measure permits continuation of the Hawai'i 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 Hawai'i. This program is possible through a grant from the federal government but requires a local dollar for dollar match. Funds have been provided in the past from HMSA, Queens, AlohaCare, University Health Alliance, Ohana Health Plan, Maui Memorial, Lāna'i Community Health Center and Kalihi Palama Health Center. However the funds provided are not enough to maintain the program. Without State support, Hawai'i will not be able to reapply for the grant, and the program will end this year.

Hawai'i has a shortage of over 500 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 neighbor islands and those with the least resources. One of the fastest and least expensive methods for recruiting providers is loan repayment. The Hawai'i State Loan Repayment program has helped 25 providers since its inception in 2012. Of the program graduates, 2/3 are still practicing in underserved areas of Hawai'i.

In 2016, 64% of JABSOM residents and fellows had a current student loan burden. The average student loan indebtedness of our JABSOM MD residents/fellows is \$235,000, with some residents having loans in the \$300,000-600,000 range. These loans, with average minimum monthly payment of \$500, begin repayment while in residency training, in addition to the high cost of living, rent and other living expenses. The high

cost of college and medical education results in large student loan debt -- which detracts from physicians choosing primary care specialties and choosing to practice in underserved or rural communities.

If a physician does his or her medical school AND residency (or Graduate Medical Education or GME) training here in Hawai'i, about 80% of them stay in Hawai'i to practice. Having loan repayment options tied to commitments to serve in neighbor island, rural and underserved populations will help to reduce the physician shortages in those areas. The loan repayment program has played an important role in bringing needed physicians and healthcare providers to underserved areas.

The sum of \$250,000 for loan repayment is requested for the above listed health professions. The funds provided will be matched dollar for dollar from other funding sources and be provided to reduce the debt of our healthcare providers working in areas of need. This will allow for 15-20 new healthcare providers a year to work in underserved areas across Hawai'i and receive at least \$25,000 a year in loan repayment for practicing at least two years in an area of need.

Thank you for this opportunity to testify.