

# UNIVERSITY OF HAWAI'I SYSTEM ANNUAL REPORT



REPORT TO THE 2019 LEGISLATURE

Annual Report on the  
Hawai'i Medical Education Council

HRS 304A-1704

December 2018

## **Hawai'i Medical Education Council**

Pursuant to §304A-1704, Hawai'i Revised Statutes, the University of Hawai'i submits the following report to the 2019 Hawai'i State Legislature on the work performed by Hawai'i Medical Education Council, including recommendations to the Legislature and the University of Hawai'i Board of Regents, on changes in or additions to the healthcare training programs in the State, and expenditures of program moneys authorized by the council.

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# INTRODUCTION

## Executive Summary

### Physician workforce shortages persist and worsen

Hawai'i's significant physician shortage persists and, relative to the aging population and the aging provider workforce, is now actually more severe than in 2017. The current state provider shortage is nearly 800 physicians, which is more pronounced in all areas of the state outside of Honolulu proper. The shortage is projected to worsen as demand for medical care increases with an aging population burdened by increasing chronic illness and aging providers who are retiring and/or moving. The largest and most impactful shortages statewide, on all islands, are in primary care (Family medicine and primary care Internal medicine). Insufficient access to primary care frequently results in delays in care as well as more costly care in emergency departments or hospitals. Several other specialties have large shortages including general surgery, psychiatry, and orthopedics; the shortages are felt most acutely on the neighbor islands. Many practicing physicians in all specialties have closed their practices to new Medicaid or Medicare patients, which further prevents access to care for those most vulnerable. Inadequate access to primary care too often results in the emergency room and hospital care at a higher cost. The excess cost associated with avoidable emergency care is frequently borne by the state and by Hawai'i hospitals.

### Why GME Matters

Physicians who train in Hawai'i are far more likely to practice in Hawai'i. (See Appendix D). Studies of Hawai'i's physician population consistently show that most Hawai'i physicians have strong, long-standing family ties to our state. The University of Hawai'i John A. Burns School of Medicine (UH JABSOM) is by far the greatest medical school source of Hawai'i's physicians. Physicians who train in Hawai'i-based residency programs (also known as Graduate Medical Education or GME programs) are also more likely to practice and remain in Hawai'i. The retention rate (i.e., practicing in Hawai'i) for physicians who do both their medical school education and their full GME training in Hawai'i is nearly 80%.

Despite extreme physician shortages and the expansion of the JABSOM class size, there has been a contraction of overall GME positions in Hawai'i from 241 (2009) to 222 (2018) [-8%]. Nationally, Hawai'i is in the bottom quintile of GME positions per population. (See Appendix C)

***This downward trend in GME training positions based in Hawai'i at a time of critical physician shortage is of grave concern to this Council.***

### Decreased federal and local GME funding, resulting in loss of GME positions

Funding is the largest barrier to expanding GME in Hawai'i. The federal GME reimbursement from the Centers for Medicare & Medicaid Services (CMS) to teaching hospitals has decreased substantially over the past several years and will continue to shrink (See Appendix E). Hawai'i's community teaching hospitals (The Queen's Health Systems hospitals, Hawai'i Pacific Health system hospitals, Kuakini Medical Center and Wahiawā General Hospital) have historically funded the gap between the cost of GME and federal GME support for these programs. However, our teaching hospitals are finding it increasingly difficult to fund the

growing gap between the actual cost of training and federal GME support due to declining reimbursement for medical care, steeply rising hospital costs, increasing malpractice claims naming residents who function as trainees under the supervision of a fully licensed attending physicians, and increasing amounts of under-compensated care for certain high-risk populations.

State reductions in funding to the UH and JABSOM have also resulted in reduced funding for key faculty who are needed to provide excellent teaching and further expand selected GME programs. Financing GME in a sustainable manner to address future provider training needs remains a critical challenge for JABSOM, teaching hospitals and the state legislature.

Myriad other factors negatively impact our ability to retain our GME trainees in Hawai'i and/or to attract and retain them to practice in the neighbor islands or more rural community settings. This report documents specific strategies to understand and reverse the decline of GME training opportunities and its impact on the health of the peoples of Hawai'i. Expanding GME to meet the needs to Hawai'i's population will require close collaboration and synergistic efforts with the State, teaching hospitals, private practicing physicians, businesses, private foundations and federal governmental agencies including United States Department of Defense, United States Department of Veterans Affairs, and the United States Health and Human Services Departments (CMS, HRSA).

### **RECOMMENDATION #1**

UH JABSOM/HMEC recommends that the 2019 State Legislature assess the advisability and feasibility of an annual and recurring GME appropriation to support HMEC-designated residency/fellowship programs with a particular emphasis on primary care.

### **RECOMMENDATION #2**

UH/HMEC recommends that the 2019 State Legislature and State Executive Branch support the State Department of Human Services and UH JABSOM to work together to develop a State Medicaid GME-focused Matching program to augment GME faculty and resident/fellow funding.

### **RECOMMENDATION #3**

UH/HMEC recommends that the 2019 State Department of Human Services and other stakeholders explore the mechanisms to obtain Federal Medicaid GME funding since many of the residency programs provide inpatient and ambulatory care for Medicaid populations.

## **Statutes and Definitions**

The University of Hawai'i System (UH) and its John A. Burns School of Medicine (JABSOM) administer two (2) statutes related to graduate medical education (GME) and addressing the severe physician shortage needs in Hawai'i. *See excerpted text of statutes in Appendix A.*

- [HRS § 304A-1702] – **GRADUATE MEDICAL EDUCATION (GME) PROGRAM** was established to formally encompass the administration of UH JABSOM's institutional graduate medical education (GME) program.
- [HRS §§304A-1703, 1704, 1705] – **MEDICAL EDUCATION COUNCIL**, was created within UH JABSOM and called "The Hawai'i Medical Education Council" (HMEC). HMEC was given the administrative **DUTIES AND POWERS** to:
  - 1) Analyze the State healthcare workforce for the present and future, focusing in particular on the State's need for physicians;

- 2) Assess the State's healthcare training programs, focusing on UH JABSOM's institutional GME enterprise to determine its ability to meet the workforce needs identified by HMEC;
- 3) Recommend to the Legislature and UH Board of Regents (BOR) ways in which identified GME and other healthcare training programs can improve and change in order to effectively meet the HMEC assessment;
- 4) Work with other entities and state agencies, and in consultation with the Legislature and BOR, develop and implement a Plan to ensure the adequate funding of healthcare training programs in the State, with an emphasis on UH JABSOM GME programs;
- 5) Seek funding to implement the Plan from all public (county, state and federal government) and private sources;
- 6) Monitor and continue to improve the funding Plan; and,
- 7) Submit an annual report to the Legislature no later than twenty days before the convening of each regular Legislative session.

HRS §304A-1701 defines "**GRADUATE MEDICAL EDUCATION**" or **GME** as that period of clinical training of a physician following receipt of the medical doctor (or osteopathic doctor) degree and prior to the beginning of an independent practice of medicine.

"**GRADUATE MEDICAL EDUCATION PROGRAM**" means a GME program accredited by the American Council on Graduate Medical Education (ACGME). UH JABSOM has maintained full ACGME institutional accreditation.

"**HEALTHCARE WORKFORCE**" includes physicians, nurses, physician assistants, psychologists, social workers, etc. "**HEALTHCARE TRAINING PROGRAMS**" means a healthcare training program that is accredited by a nationally recognized accrediting body.

## HMEC Membership

Membership in the Hawai'i Medical Education Council (HMEC) is comprised of eight Governor-appointed and Legislature-confirmed individuals and five ex-officio members depicted in Table 1.

**Table 1: Hawai'i Medical Education Council Membership & Staff**

Member #	Last Name	First Name	Representing	Appointment Date
Ex-Officio	Hedges	Jerris	Dean, UH JABSOM	Not Applicable
Ex-Officio	Boland	Mary	Dean, UH School of Nursing	Not Applicable
Ex-Officio	Holcombe	Randall	Director, UH Cancer Center	Not Applicable
Ex-Officio	Otsuki	Alan	Associate Dean of Academic Affairs, UH JABSOM	Not Applicable
Ex-Officio	Anderson	Bruce	Director, Hawai'i State Department of Health	Not Applicable
1	Dubbs	William	Chief of Staff, VA Pacific Islands Health Care System	7/1/2017
2	Flanders	Christopher	Executive Director, Hawai'i Medical Association	7/1/2017
3	Mugiishi	Mark	Executive Vice President, HMSA	7/1/2017
4	Hixon	Allen "Chip"	Chair, Family Medicine & Community Health, JABSOM	7/1/2017
5	Rantz	Lisa	General Public/Community/Business	7/1/2017
6	Robbins	Kenneth	CMO, Hawai'i Pacific Health	7/1/2017
7	Seto	Todd	Director, Academic Affairs & Research, Queen's Health Systems	7/1/2017
8	Vitousek	Sharon	Founding Board member HHIC, NHCH	7/1/2017
HMEC/GME Administrator	Buenconsejo-Lum	Lee	GME Director, UH JABSOM	Not Applicable
Administrative Support Staff	Costa	Crystal	GME Program Specialist, UH JABSOM	Not Applicable

## PART 1. FINDINGS

### HMEC Meetings

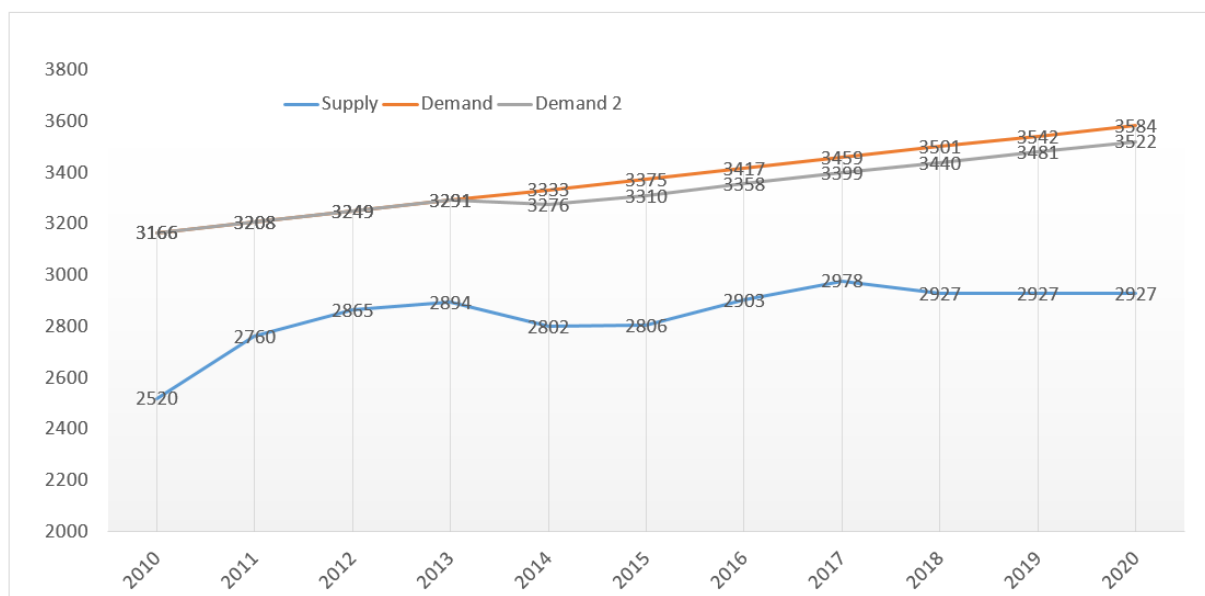
Four (4) HMEC meetings were convened and are covered in this report. Agendas and minutes were posted on our JABSOM website as required for meetings held on January 22, April 23, July 30, and October 22, 2018. Appendix B shows a sample meeting agenda. Each item provides members with an opportunity for strategic brainstorming, synthesis, and development of specific next steps, recommendations, and/or directives to the HMEC/GME administrator.

### Statutory Duties of HMEC

#### **DUTY (1): Analyze the State healthcare workforce for the present and future, focusing in particular on the State's need for physicians**

The 2018 Hawai'i Physician Workforce Assessment Project showed 3,492 physicians practicing in non-military settings in Hawai'i. These physicians provide a total of 2,927 full-time equivalents (FTE) of direct care to patients. However, there remains a shortage of 797 full-time physicians (shortage is 513 before considering island and specialty-specific needs) [Figure 1]. Last year's shortage numbers were 769 and 441, respectively. Table 2 reflects the physician shortage by county. Table 3 shows the largest shortages remain in primary care, however other specialties and subspecialties are also needed throughout the State. Selected information from the *2018 Legislature Report on Findings from the Hawai'i Physician Workforce Assessment Project*, is included below.

**Figure 1: 2018 Physician FTE Supply Demand Estimates Hawai'i**



**Table 2: Physician Shortage, in Numbers and Percent Shortage, by County, 2018**

Shortage Type	O'ahu	Big Island	Maui	Kaua'i	Statewide
FTE Shortage	384	213	141	59	797
Percent Shortage	16.5%	41.2%	33.8%	32.9%	23.2%

**Table 3: Primary Care Physician Shortage, in Numbers and Percent Shortage, by County, 2018**

Shortage Type	O'ahu	Big Island	Maui	Kaua'i	Statewide
FTE Shortage	157	47	44	16	263
Percent Shortage	18%	25%	28.7%	23.8%	20.6%

- The greatest number of physicians needed is in the category of Primary care (Family Medicine, General Internal Medicine). The impact of the physician shortages on access to care is felt most severely on the neighbor islands because of the geographic limitations to access.
- There are also large shortages of General surgery, most surgical subspecialties and selected internal medicine subspecialists on the neighbor islands. Because of the relatively small population, most subspecialists (surgical or medical) would have insufficient patients to maintain a full-time practice on a neighbor island. Insufficient Behavioral Health providers (physicians and non-physicians) are a challenge on every island – but especially in Hawai'i and Maui counties – and lack of access likely influences continuing high chemical dependency rates and suicide.
- Physician retirement is a major factor in widening the gap between demand and supply. Half of practicing Hawai'i physicians are older than 55, which means they will be in retirement age within 10 years. Payment transformation and other major health system changes are pushing some older physicians in small offices (those with less than 5 physicians per practice) toward an early retirement. On average, Hawai'i loses an average of 50 FTE of physicians annually due to retirement. However, in 2016, 65 retired and 136 left the State. In the two-year period of 2017-18, at least 132 physicians retired and 233 are known to have left the state.
- The JABSOM GME programs graduate about 85 residents and fellows per year, but most surgeons and orthopedic surgeons, about half of pediatricians and about two-thirds of internal medicine residents go to the continental U.S. for sub-specialty fellowships. Many of those with Hawai'i ties do eventually return home, but that return may be at least 10-15 years later depending on the specialty. The Hawai'i Island Family Medicine Residency Program (Hawai'i Health Systems Corporation (HHSC-sponsored)) graduates 4 physicians per year and will soon graduate 6 physicians per year. Most of their graduates thus far have stayed in Hawai'i to practice. The Kaiser Permanente Internal Medicine Residency Program graduates 5 per year, with two of their recent graduates currently practicing primary care internal medicine in Hawai'i.
- Appendix D provides a snapshot of JABSOM medical school or GME graduates practicing in Federally- or State-designated health professions shortage areas or medically underserved areas.

**DUTY (2): Assess the State's healthcare training programs, focusing on UH JABSOM's Institutional GME enterprise to determine its ability to meet the workforce needs identified by HMEC**

The GME programs of UH JABSOM are fully accredited and in substantial compliance with accreditation requirements. The UH JABSOM is the sponsoring institution for eighteen

programs (Table 4). Seventeen (17) GME programs are fully accredited by the ACGME and one is accredited by the National Office of Family Planning. Without a UH owned-and-operated hospital, beginning in 1965 UH JABSOM formed collaborations with private community hospitals/clinics and state and federal health care departments and agencies to form an integrated network of teaching hospitals/clinics. UH JABSOM learners, i.e., residents and fellows (and 3rd and 4th-year medical students), are educated and trained within this network of clinical learning environments. In addition, the core teaching hospitals and clinics house UH JABSOM's eight clinical departments: Family Medicine (Hawai'i Pacific Health-Pali Momi Medical Center), Geriatric Medicine (Kuakini Medical Center), Obstetrics/Gynecology and Pediatrics (Hawai'i Pacific Health-Kapi'olani Medical Center), and Internal Medicine, Pathology, Psychiatry and Surgery (The Queen's Medical Center).

An average of 225 physician-trainees matriculates annually through one of the Accredited GME programs listed in Table 4. About a third of these physicians are graduates from UH JABSOM, a third from U.S. Medical Schools outside Hawai'i, and a third from international medical schools.<sup>1</sup> This mix of Hawai'i, U.S. national, and international medical graduates (IMG) are considered ideal for Hawai'i-based GME programs, and particularly appropriate for Hawai'i with its multicultural population of indigenous and immigrant ethnic groups. JABSOM's GME programs produce primary care, specialty, and subspecialty physicians who become independent licensed practitioners in Hawai'i, Guam, Commonwealth of the Northern Mariana Islands, American Samoa, the Compact of Free Association nations, i.e., Federated States of Micronesia, Republic of Palau, Republic of the Marshall Islands, and North America. There are also a few graduates who have returned to Japan to transform the medical education system there to be more consistent with the competency-based training model used by all ACGME-accredited residency and fellowship programs.

**Table 4: UH JABSOM GME RESIDENT & FELLOW POSITIONS SINCE 2009 HMEC REPORT**

UH JABSOM GME PROGRAM Core Residency Programs (8):	2009 Actual Positions	2009 <u>Additional</u> Positions Needed to Address Shortage	2018-19 Actual GME Positions	Current GAP positions	Desired Total GME Positions in 2020
Family Medicine (FM) <sup>A</sup>	18	18	18	18	36
Internal Medicine (IM) <sup>B,E</sup>	58	9	59	8	67
Obstetrics & Gynecology (OB/GYN)	25	0	25	0	25
Orthopedic Surgery (ORTHO)	10	5	11	4	15
Pathology (PATH)	10	6	9	7	16
Pediatrics (PEDS)	24	0	23	1	24
Psychiatry (PSY) <sup>C</sup>	28	0	25	3	28
Surgery (SURG) <sup>D</sup>	23	7	22	8	30
Transitional – 1 Year (TY)	10	0	Closed	0	0
<b>Core Program TOTALS</b>	<b>206</b>	<b>45</b>	<b>192</b>	<b>49</b>	<b>241</b>
Subspecialty Fellowship Programs (10):	2009 Actual Positions	2009 <u>Additional</u> Positions Needed to Address Shortage	2018-19 Actual GME Positions	Current GAP positions	Desired Total GME Positions in 2020
FM-Sports Medicine (SM)	1	0	1	0	1
IM – Cardiovascular Disease (CVD)	6	3	9	0	9

<sup>1</sup> Since 2002, the number of available residency positions across the U.S. has exceeded the combined numbers of graduates from U.S. allopathic and osteopathic medical schools. According to the 2018 National Residency Match Program report, 76% of PGY-1 positions were filled with U.S. graduates, 10% of positions were filled by U.S. citizen-IMG, and 14% filled by non-U.S. IMG.

Subspecialty Fellowship Programs (10):	2009 Actual Positions	2009 Additional Positions Needed to Address Shortage	2018-19 Actual GME Positions	Current GAP positions	Desired Total GME Positions in 2020
IM – Geriatric Medicine (Geri-Med)	10	0	4	6	10
OB/GYN – Maternal Fetal Medicine (MFM)	1	3	3	0	3
OB/GYN – Family Planning (FP)	n.a.	n.a.	1	1	2
PEDS-Neonatal Perinatal (Neo-Peri)	4	0	3	1	4
Combined Triple Board (PEDS-PSY-CAP)	4	0	Closed	0	0
PSY-Addictions Psychiatry (Addict-PSY)	2	2	1	3	4
PSY-Child & Adolescent Psychiatry (CAP)	4	2	6	0	6
PSY-Geriatric Psychiatry (Geri-PSY)	1	0	0	1	1
SURG-Surgical Critical Care	2	0	3	0	3
Subspecialty Program TOTALS	35	7	31	12	43
Core + Subspecialty TOTALS	241	52	222	61	284

**Priorities for new or expanded GME programs at JABSOM** (superscripts are from Table 4).

<sup>A</sup> Family Medicine (FM) (3-year core program). Given the high need for primary care, as well as the FM Program's track record of retaining 80-85% of their graduates in Hawai'i (including several on Hawai'i Island, Maui, and Kaua'i), the short-term goal is to gradually expand the program to 21 residents over the next 3-4 years. If resources allow, further expansion to 24 residents would occur in 5-6 years. Ideally, the program would have 36 residents, with at least 12 in rural training tracks, where the last 2 years of their training would be done on a neighbor island (i.e., Kaua'i, Maui). Expansion to the neighbor islands requires teaching and clinical space, as well as faculty resources and judicious use of telehealth to connect to specialists and FM colleagues on O'ahu.

<sup>B</sup> IM – Gastroenterology (GI) (3-year Fellowship) – This remains a high need, especially given the increased prevalence of liver disease in certain Pacific populations and greater endoscopic procedural needs in the elderly. However, exploration of this fellowship is presently on hold. The core Internal Medicine program is currently developing a primary care emphasis.

<sup>C</sup> Addiction Medicine (ADM) (1-year Fellowship) – Due to the high prevalence of substance use disorders and/or chronic medical and social conditions resulting from addiction to various substances, we are actively exploring this needed Fellowship and hope to have it approved by next year. The Fellow would be trained in both the inpatient and Emergency Medicine settings, as well as in ambulatory and community-based settings so that important primary care-behavioral health integration and complex care management can be well coordinated across settings and providers. As resources expand, we are aiming to train 2 Fellows per year.

<sup>D</sup> Emergency Medicine (EM) (3-year core program) – Although present workforce models do not presently show this as a high need, an extensive review was done by the various emergency medicine groups throughout Hawai'i. That review shows high need, especially for physicians who have very close ties to the community. Given the shortage of primary care (and other specialty) physicians across the state, our hospitals' emergency departments (with their emergency physicians) provide a safety net for many who seek health care in Hawai'i and will continue to do so for the foreseeable future. Emergency Medicine is also a high priority for the Department of Defense. However, given the new assignment of responsibility for all military GME programs to the Defense Health Agency, active exploration of a joint EM residency program with Tripler is on hold.

<sup>E</sup> IM - Medical Oncology (MedOnc) (2-year Fellowship) – Given the high burden of cancer, which is expected to increase as Hawai'i's population ages, and the anticipated retirement of almost 25% of our current oncology workforce within the next 10 years, we are starting to explore development of a small medical oncology fellowship (1-2 fellows per year). More academic oncology faculty will first need to be hired before pursuing this actively.

### **Large Gaps remain in the number of GME positions needed**

- Table 4 shows the large current gap of 61 positions in GME needed to address both current and 2020 projected Hawai'i Workforce Shortages. Additionally, the total number of GME positions is 19 **less** than it was in 2009.
- Insufficient and declining federal and hospital funding and almost no State funding for resident/fellow positions is the major reason we cannot attain the projected increases for Family Medicine, Internal Medicine, Surgery, Geriatrics, and Addiction Psychiatry, fellowships. The Triple Board Combined Residency Program (Pediatrics / General Psychiatry / Child & Adolescent Psychiatry) and Transitional Year programs were closed due to lack of hospital and UH JABSOM funding. The planned Family Medicine rural expansion was not achieved due to a lack of funding. The GI fellowship was postponed as efforts to secure funding for this initiative continue.
- To achieve growth, resources beyond resident positions and administrative support are also needed for faculty and clinical training sites to ensure the provision of appropriate clinical supervision in the context of providing high quality and safe patient care. Many of the patients cared for on the academic teaching services are under- or uninsured and/or highly medically and socially complex.

### **Continuing work on improving retention (or return to Hawai'i) of GME program graduates**

- JABSOM has increased its class size to maximum capacity. In July 2018, seventy-two (72) medical students, including 6 who self-identify as Native Hawaiians, were accepted into the UH JABSOM class of 2022 from a pool of 2,050 applicants. Fifty-two (72%) of the entering students attended high school in Hawai'i and 23 (32%) were graduates of UH. The new class includes five residents from Maui, three from Hawai'i Island, two from Kaua'i, and one from Moloka'i. Forty-seven are from O'ahu and 11 of the new class earned their way into the Class of 2022 through the challenging one-year 'Imi Ho'ōla Post-Baccalaureate Program. Ten students are from the U.S. Mainland or Canada, two from Guam and one from Saipan, reflecting the John A. Burns mission to provide medical education opportunities for the children of Hawai'i and the Pacific Islands.
- Ten of our 18 GME programs retain more than 80% of their program graduates who also completed their medical education at JABSOM: Family Medicine, Sports Medicine, Pediatrics, Neonatal-Perinatal, Obstetrics-Gynecology, Family Planning, Geriatrics, General Psychiatry, and Child and Adolescent Psychiatry, and Surgical Critical Care. In Pediatrics, those who subspecialize after residency often return to Hawai'i. Internal Medicine is also steadily improving in retention or return of their graduates (these numbers include the internal medicine subspecialties, in addition to primary care). All GME programs are working to recruit residents who are more likely to practice in Hawai'i, but the National Resident Matching Program rules disallow direct recruitment or guaranteed placement, our programs do not have full control over who is hired into the program. For those programs whose graduates continue in subspecialty fellowships on the continental U.S., those with Hawai'i ties do eventually return home, but it may be 10-15 years later depending on the specialty.
- Three hundred fifty of the 558 "2016 Top Doctors of Hawai'i" (published in Honolulu magazine) are graduates of JABSOM, its residency programs and/or serve as faculty to JABSOM students and residents. Continued work is needed to develop more teachers of JABSOM students and residents throughout the State as further increases in medical student class size and residency (GME) positions will require additional faculty for both teaching and supervision.

### **Additional barriers to physician retention that must be addressed**

- High student loan burden combined with lower salaries and reimbursement rates (compared to other parts of the country) and the very high cost of living in Hawai'i may entice JABSOM graduates to the continental U.S. Our GME residents and fellows, including those who trained on the continental U.S., carry an average educational debt load of about \$300,000. However, those who train at JABSOM (because 90% are State residents), have about half that debt and often live with their family during their training. This lower debt burden makes it more attractive for them to practice in Hawai'i.
- Rapid changes in the practice of medicine and reimbursement sway many young physicians away from primary care specialties and ambulatory practices in the communities where they are most needed. Local health systems and insurers need to work together to create attractive and meaningful jobs for JABSOM graduates and other Hawai'i-born physicians who have completed their schooling in the continental U.S. More group practices with staffing to provide team-based, high-quality care are needed, especially on the neighbor islands.
- The disturbing trend of UH JABSOM residents being named as parties in malpractice claims during training – when they were providing proper care while supervised by a fully licensed physician as a part of the resident's formal training program – has further limited our teaching hospitals' ability to fully fund GME and consider expanding residency positions in high-need specialties. Being named in a malpractice claim during training, even when the trainee is subsequently removed from the claim, has discouraged residents from accepting future jobs in Hawai'i.

### **GME Programs Outside of JABSOM**

- In addition to the UH GME programs, Hawai'i Health Systems Corporation (HHSC) Hilo Medical Center has welcomed their fifth class of residents to the Hawai'i Island Family Medicine Residency Program. They are fully accredited by the ACGME. In 2018, they have 14 residents and by 2020 will have 18 residents total (6 graduates per year).
- Kaiser Permanente on O'ahu recruited their fourth class of five (5) residents to its Internal Medicine Residency Program. Of note, the Kaiser Permanente School of Medicine in Pasadena, CA may be able to recruit medical students starting in July 2020. Recruitment of students from Hawai'i may lead to more Hawai'i-raised physicians choosing to train and practice on the mainland.
- Tripler Army Medical Center's (TAMC) 12 GME programs also continue to help serve the physician workforce needs of the military community. Some of those trained at TAMC eventually return to Hawai'i to practice in the military and then in the civilian community upon retirement.

### **Funding GME is the largest barrier to UH JABSOM's ability to meet workforce needs**

Declining federal and hospital funding of GME is a challenge for the state of Hawai'i because Hawai'i, unlike most states, does not currently directly appropriated state funds for GME. Hawai'i also does not have access to Federal Medicaid GME funding (refer to Appendix E). For these reasons, a major focus of HMEC since 2016 has been to strengthen partnerships and examine possibilities for additional GME resources.

### **State level collaboration and coordination of GME efforts are needed**

- To the extent possible, it is in Hawai'i's best interest to have the HMEC serve as a systems-level forum through which statewide strategic planning of GME programs can help find the optimal economies of scale to train and deploy graduating residents/fellows into the physician workforce.
- Currently, there is a strong collaboration with the Veterans Administration (VA) Pacific Islands Healthcare System. The VA representative on the HMEC provides important information regarding current and anticipated VA needs and how the UH GME programs

may help the VA meet future workforce needs, particularly outside of urban Honolulu on neighbor Hawaiian Islands, Guam, and American Samoa. Several GME programs train their residents and fellows in VA sites throughout Hawai'i and the Pacific.

- As part of a long-standing collaboration with the Tripler Army Medical Center (TAMC), several UH residency and fellowship programs have a portion of their clinical rotations at TAMC. Similarly, several TAMC programs rotate their residents at The Queen's Medical Center and Kapi'olani Medical Center for Women and Children. The only neonatology program in the U.S. Pacific is shared between UH and TAMC.
- As mentioned in prior HMEC reports, the Family Medicine Residency Program (FMRP) and Department of Family Medicine and Community Health established a primary care consortium model supported by UH JABSOM, Hawai'i Pacific Health (HPH) system, The Queen's Health System (QHS) and Hawai'i Medical Services Association (HMSA). Over the past 4 years, the consortium's business plan has been implemented and guided a smooth transition of resident rotations from Wahiawā General Hospital to the HPH system. The Physician's Center at Mililani is the primary ambulatory teaching site for the family medicine program and its ownership and operation are now incorporated into the University Health Partners faculty practice of JABSOM. In July 2020, the Family Medicine ambulatory teaching site will relocate to the Pali Momi Medical Pavilion. A key, and as yet unfunded, component of the business plan and consortium model included securing State funding to permit growth of the Family Medicine residency as required to meet the primary care and family medicine shortages on O'ahu, Maui, Kaua'i, and Hawai'i Island. Almost 85% of the UH FMRP graduates since 2007 currently practice in Hawai'i, with many serving rural and underserved populations. Securing necessary resources for statewide expansion of the FMRP is critical because even with the Hawai'i Island Family Medicine Program (providing an additional 4-6 graduates per year) the demand is much higher than the current supply of Family Medicine residency graduates.
- Stronger partnerships between local health systems and faculty practice plans will be needed to attract and retain academic faculty who are committed to working with diverse populations, teaching and conducting scholarly activity to reduce health disparities and improve health for all of Hawai'i's populations. In particular, the University Health Partners practice supports UH faculty positions that are critical for both medical student education and residency/fellowship GME training.

**DUTY (3) Recommend to the Legislature and UH Board of Regents (BOR) ways in which identified GME and other healthcare training programs can improve and change in order to effectively meet the HMEC assessment**

The UH JABSOM's Institutional Program and its 18 UH GME training programs are fully accredited and sixteen are in substantial compliance with accreditation requirements without citations. One citation related to faculty scholarship exists in one program and the other one citation in another program is related to first-time Board pass rate – and is well on its way to resolution. Programs undergo an annual review process each spring that considers health care demands that might impact their curricular experiences. The Annual Institutional Review meeting in September 2018 refined and continued the numerous activities used for continuous improvement of the Institution (across programs) and to support program-specific quality improvement efforts. Starting in late 2016, the UH JABSOM GME programs, their major partner training sites and key community stakeholders including the HMEC started a long-term strategic planning process aimed at identifying viable and sustainable strategies to develop a physician workforce that continues to advance the health and well-being of the people of Hawai'i. The results of these meetings were presented at the October 13, 2017 HMEC meeting. The HMEC, JABSOM and key stakeholders continue to work on these strategic areas:

1. Secure additional **resources** to maintain and expand GME programs. This includes funding for resident positions, supplemental educational activities and for additional faculty and clinical training sites (especially on the neighbor islands).

2. Develop a multi-pronged approach to improve physician **retention** in Hawai'i. This includes ongoing activities before and during residency training, as well as a significant need to engage health systems, insurers, the State and other partners to make Hawai'i a desirable place to practice – especially for new graduates with educational debt. Nationally, new graduates have an average of \$300,000 in educational debt to address upon while completing their training.
3. Develop strategies, in partnership with the health systems and insurers, to address and **prevent physician burnout and to promote physician well-being**.
4. Expand **neighbor island** and telehealth training opportunities for residents and fellows. Numerous national studies prove that the best ways to attract and retain physicians in rural settings are to 'grow your own' and to provide clinical training that is embedded within community clinics and hospitals. Resources will be needed to develop clinical sites and faculty, as well as for resident housing and transportation. The current lack of these resources constrain most programs' ability to offer neighbor island rotations,
5. Incorporate more aspects of **population health** and **inter-professional education and training** into all GME programs, to better equip future physicians to practice in team-based, patient and population-centered clinical settings. This effort includes primary care-behavioral health integration.

**DUTY (4): Work with other entities and state agencies, and in consultation with the Legislature and BOR, develop and implement a Plan to ensure the adequate funding of healthcare training programs in the State, with an emphasis on UH JABSOM GME programs**

#### **RECOMMENDATION #1**

UH JABSOM/HMEC recommends that the 2019 State Legislature assess the advisability and feasibility of an annual and recurring GME Appropriation to support HMEC-designated residency/fellowship programs with a particular emphasis on primary care.

- Strategies to explore include, but are not limited to, Legislative line item, funding to UH JABSOM to support GME costs (excluding resident or fellow salary/fringe), alternative arrangements with health insurers, all-payor GME financing models, or new models of teaching in partnership with hospitals.

#### **RECOMMENDATION #2**

UH/HMEC recommends that the 2019 State Legislature and State Executive Branch support the State Department of Human Services and UH JABSOM to work together to develop a State Medicaid GME-focused Matching program to augment GME faculty and resident/fellow funding.

- Since 2016, JABSOM and its faculty practice plans, as well as HHSC, have had discussions with the Department of Human Services and outside consultants to determine details and processes that would be needed to implement a successful Medicaid GME Matching program via the Federal Upper Payment Limit or Value-Based Purchasing programs.
- Of note, in 2015 the Hawai'i Medicaid program reported contributing an additional \$70,000 to hospitals for GME training, as a percentage add-on to routine per diem and ancillary per discharge rate.<sup>2</sup>

#### **RECOMMENDATION #3**

UH/HMEC recommends that the 2019 State Department of Human Services and other stakeholders explore the mechanisms to obtain Federal Medicaid GME funding since many of the residency programs provide inpatient and ambulatory care for Medicaid populations.

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<sup>2</sup> Henderson TM. Medicaid Graduate Medical Education Payments: A 50-State Survey 2016. Washington, D.C.: Association of American Medical Colleges, 2016. Table 2, page 11.

- In FY2016, twenty-nine States and Washington DC made separate GME payments directly to teaching hospitals, managed care organizations, or to teaching programs under managed care contracts<sup>3</sup>. States do not separately report GME payments that are included in base payment rates to hospitals.

**DUTY (5): Seek funding to implement the Plan from all public (county, state, and federal government) and private sources**

- Federal and private funding to retain health providers through loan repayment programs was obtained in 2012. The 2017 Legislature and Governor Ige approved matching funds to increase the number of educational loan repayments offered through the Hawai'i State Loan Repayment Program. The program works to retain existing primary care and behavioral health providers through loan repayment which is contingent on a commitment to practice in a Health Professions Shortage Area in Hawai'i for two years after loan repayment. Efforts will continue to demonstrate the long-term effectiveness and to seek renewal of matching funds this year and for longer durations of time.
- The Hawai'i/Pacific Basin Area Health Education Center (AHEC)'s three Federal grants support the "Pre-Health Career Core" program that establishes a pipeline for health careers. The program has already recruited more than 500 high school and college students interested in health careers. The program is funded for four years and covers health sciences, shadowing, mentoring, and research experiences, and Medical College Admissions Test preparation. These and other JABSOM pipeline programs target students of Native Hawaiian descent, as well as those public-school students from medically underserved areas, including the neighbor islands.
- Legislative funding to support the Primary care consortium training and thus expand Family Medicine residency training was sought in 2016 but was not released by the Governor.
- Work toward a State Medicaid GME-focused Matching Program is ongoing between JABSOM, University Health Partners, Kapi'olani Medical Specialists, HHSC and the State Medicaid program (HMEC Recommendation #2)

**DUTY (6): Monitor and continue to improve the funding Plan**

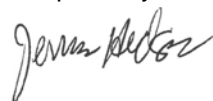
See recommendations under DUTY 4 and DUTY 5.

Monitoring the implementation and effectiveness of the plans to stabilize and grow GME in the shortage specialties will be done by UH JABSOM's Graduate Medical Education Committee (GMEC), with oversight by the Office of the Designated Institutional Official (DIO) and HMEC. A summary of the results shall be submitted to the Legislature in our annual HMEC report.

**DUTY (7): Submit an annual report to the Legislature no later than twenty days before the convening of each regular Legislative session.**

Please see this report to the legislature.

Respectfully submitted,



Jerris R. Hedges, M.D., M.S., M.M.M.  
Professor & Dean and Chair of HMEC  
Barry & Virginia Weinman - Endowed Chair  
John A. Burns School of Medicine, University of Hawai'i at Mānoa

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<sup>3</sup> Medicaid and CHIP Payment Access Commission. Issue Brief, June 2018, Table A-1, page 12-13.

## Part II. Summary

### HMEC Recommendations to 2019 Legislature

#### **RECOMMENDATION #1**

UH JABSOM/HMEC recommends that the 2019 State Legislature assess the advisability and feasibility of an annual and recurring GME Appropriation to support HMEC-designated residency/fellowship programs with a particular emphasis on primary care.

#### **RECOMMENDATION #2**

UH/HMEC recommends that the 2019 State Legislature and State Executive Branch support the State Department of Human Services and UH JABSOM to work together to develop a State Medicaid GME-focused Matching program to augment GME faculty and resident/fellow funding.

#### **RECOMMENDATION #3**

UH/HMEC recommends that the 2019 State Department of Human Services and other stakeholders explore the mechanisms to obtain Federal Medicaid GME funding since many of the residency programs provide inpatient and ambulatory care for Medicaid populations.

## Part III. Appendix

### Appendix A: State Statutes Related to HMEC

*HRS excerpts below were downloaded on December 22, 2014 from the following sites:*

HRS0304A-1701 Definitions

HRS0304A-1702 Graduate Medical Education Program

HRS0304A-1703 Medical Education Council

HRS0304A-1704 Council Duties

HRS0304A-1705 Council Powers

### CHAPTER 304A UNIVERSITY OF HAWAI'I SYSTEM

Part I. System Structure Section

Part IV. Divisions, Departments, and Programs

J. Medical Education Council

304A-1701 Definitions

304A-1702 Graduate medical education program

304A-1703 Medical education council

304A-1704 Council duties

304A-1705 Council powers

#### **J. MEDICAL EDUCATION COUNCIL**

**[§304A-1701] Definitions.** As used in this subpart:

- "Centers for Medicaid and Medicare Services" means the Centers for Medicaid and Medicare Services within the United States Department of Health and Human Services.
- "Council" means the medical education council created under section [304A-1703].
- "Graduate medical education" means that period of clinical training of a physician following receipt of the medical doctor degree and prior to the beginning of an independent practice of medicine.
- "Graduate medical education program" means a graduate medical education training program accredited by the American Council on Graduate Medical Education.

- "Healthcare training program" means a healthcare training program that is accredited by a nationally-recognized accrediting body. [L 2006, c 75, pt of §2]

**[§304A-1702] Graduate Medical Education Program.**

- a) There is created a graduate medical education program to be administered by the medical education council in cooperation with the department of health.
- b) The program shall be funded with moneys received for graduate medical education and deposited into the Hawai'i medical education special fund established under section [304A-2164].
- c) All funding for the graduate medical education program shall be nonlapsing.
- d) Program moneys shall only be expended if:
  - 1) Approved by the medical education council; and
  - 2) Used for graduate medical education in accordance with sections [304A-1704] and [304A-1705]. [L 2006, c 75, pt of §2]

**[§304A-1703] Medical Education Council.**

- A. There is established within the University of Hawai'i, the medical education council consisting of the following thirteen members:
  - 1) The dean of the school of medicine at the University of Hawai'i;
  - 2) The dean of the school of nursing and dental hygiene at the University of Hawai'i;
  - 3) The vice dean for academic affairs at the school of medicine who represents graduate medical education at the University of Hawai'i;
  - 4) The director of health or the director's designated representative;
  - 5) The director of the Cancer Research Center of Hawai'i; and
  - 6) Eight persons to be appointed by the governor as follows:
    - a. Three persons each of whom shall represent a different hospital at which accredited graduate medical education programs are conducted;
    - b. Three persons each [of] whom represent the health professions community;
    - c. One person who represents the federal healthcare sector; and
    - d. One person from the general public.
- B. Except as provided in subsection (a) (1), (2), (3), and (4), no two council members may be employed by or affiliated with the same:
  - 1) Institution of higher education;
  - 2) State agency outside of higher education; or
  - 3) Private entity.
- C. Terms of office of council members shall be as follows:
  - 1) Except as provided in paragraph (2), the dean of the school of medicine, dean of the school of nursing and dental hygiene, vice dean for academic affairs of the school of medicine at the University of Hawai'i, and the director of health, or the director's designated representative, shall be permanent ex officio members of the council, and the remaining nonpermanent council members shall be appointed to four-year terms of office;
  - 2) Notwithstanding paragraph (1), the governor at the time of the initial appointment shall reduce the terms of four nonpermanent council members to two years to ensure that approximately half of the nonpermanent council members are appointed every two years; and
  - 3) If a vacancy occurs in the membership for any reason, the replacement shall be appointed by the governor for the unexpired term in the same manner as the original appointment was made.
- D. The dean of the school of medicine at the University of Hawai'i shall chair the council. The council shall annually elect a vice chair from among the members of the council.
- E. All council members shall have voting rights. A majority of the council members shall constitute a quorum. The action of a majority of a quorum shall be the action of the council.

F. Per diem and expenses incurred in the performance of official duties may be paid to a council member who:

- a. Is not a government employee; or
- b. Is a government employee, but does not receive salary, per diem, or expenses from the council member's employing unit for service to the council.

A council member may decline to receive per diem and expenses for service to the council. [L 2006, c 75, pt of §2]

**[§304A-1704] Council Duties.** The medical education council shall:

- 1) Conduct a comprehensive analysis of the healthcare workforce requirements of the State for the present and the future, focusing in particular on the State's need for physicians;
- 2) Conduct a comprehensive assessment of the State's healthcare training programs, focusing in particular on graduate medical education programs and their role in and ability to meet the healthcare workforce requirements identified by the council;
- 3) Recommend to the legislature and the board of regents changes in or additions to the healthcare training programs in the State identified by the council's assessment;
- 4) Work with other entities and state agencies as necessary, develop a plan to ensure the adequate funding of healthcare training programs in the State, with an emphasis on graduate medical education programs, and after consultation with the legislature and the board of regents, implement the plan. The plan shall specify the funding sources for healthcare training programs and establish the methodology for funding disbursement. Funds shall be expended for the types of costs normally associated with healthcare training programs, including but not limited to physician salaries and other operating and administrative costs. The plan may include the submission of an application in accordance with federal law for a demonstration project to the Centers for Medicaid and Medicare Services, for the purpose of receiving and disbursing federal funds for direct and indirect graduate medical education expenses;
- 5) Seek funding from public sources, including state and federal government, and private sources to support the plan required in paragraph (4);
- 6) Monitor the implementation and effectiveness of the plan required in paragraph (4), making such modifications as may be required by future developments and changing needs and after consulting with the legislature and the board of regents, as appropriate; and
- 7) Submit a summary report to the legislature no later than twenty days before the convening of each regular session, of the expenditures of program moneys authorized by the council under this subpart. [L 2006, c 75, pt of §2]

**[§304A-1705] Council Powers.** The medical education council may:

- 1) Conduct surveys, with the assistance of the department of health and the department of commerce and consumer affairs, to assess and meet changing market and education needs;
- 2) Appoint advisory committees of broad representation on interdisciplinary clinical education, workforce mix planning and projections, funding mechanisms, and other topics as is necessary;
- 3) Use federal moneys for necessary administrative expenses to carry out its duties and powers as permitted by federal law;
- 4) Distribute program moneys in accordance with this subpart; provided that any expenditures authorized shall be for a public purpose and shall not be subject to chapters 42F, 103, 103D, and 103F;
- 5) Hire employees not subject to chapters 76 and 89 necessary to carry out its duties under this subpart; and
- 6) Adopt rules in accordance with chapter 91, necessary to carry out the purposes of this subpart. [L 2006, c 75, pt of §2]

## Appendix B: Sample HMEC Meeting Agenda

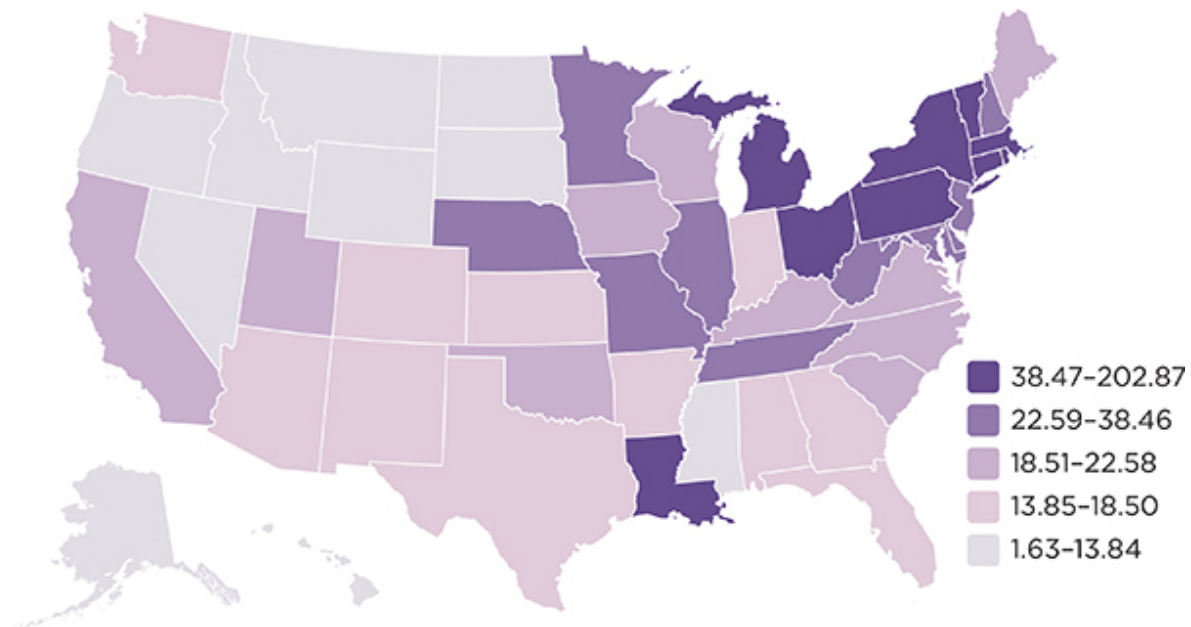
Table 5: Appendix B Sample HMEC Meeting Agenda

Appendix B: HMEC Agenda	Presenter(s)
1. Review and Approval of Minutes	Dean J. Hedges
2. Announcements/Report from HMEC Chair a. Impact/outcomes of key legislation b. National trends in Medical Education c. HMEC activities & outcomes	Dean J. Hedges
3. Legislative and Health workforce initiatives/updates a. On GME, health workforce, loan repayment and other healthcare professional training	Dean J. Hedges, Dr. K. Withy, Cynthia Nakamura, HMEC members, & guests
4. GME Report from Dr. L. Buenconsejo-Lum a. UH JABSOM GME Programs updates b. Progress of HMEC initiatives and directives as assigned c. UH JABSOM Annual Program Evaluations and Institutional Review	Dr. L. Buenconsejo-Lum
5. Follow-up to prior HMEC recommendations	Dr. L. Buenconsejo-Lum
6. Additional Items	Open
7. Announcements	Dr. L. Buenconsejo-Lum
8. Adjournment	Dr. L. Buenconsejo-Lum

## Appendix C: Number of Medicare-funded GME training positions by State, per 100,000 population, 2010

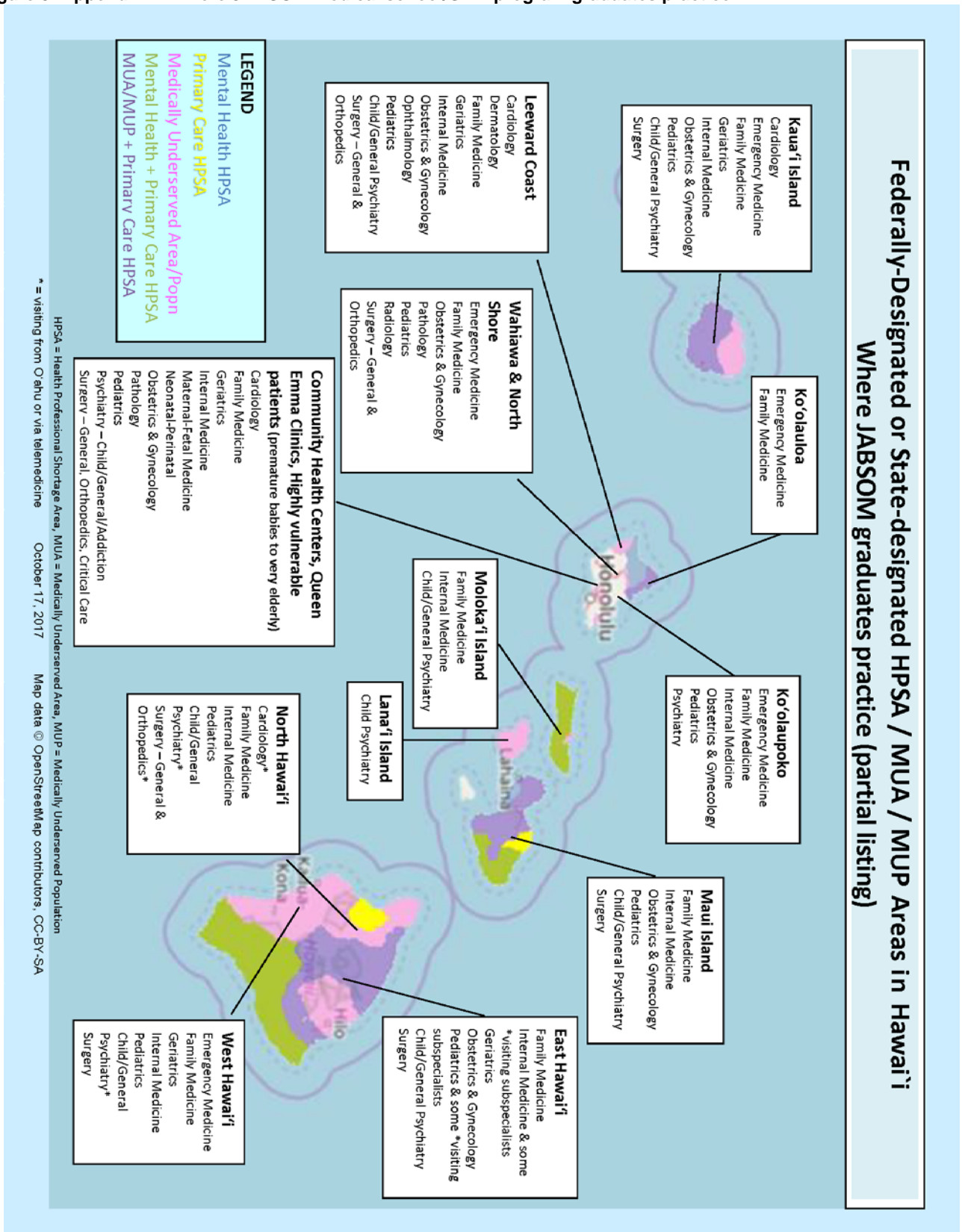
SOURCE: Institute of Medicine (IOM). 2014. *Graduate Medical Education That Meets the Nation's Health Needs*. Washington, DC: The National Academies Press. Figure 3-2. [https://www.ncbi.nlm.nih.gov/books/NBK248024/figure/fig\\_3-2/?report=objectonly](https://www.ncbi.nlm.nih.gov/books/NBK248024/figure/fig_3-2/?report=objectonly)

**Figure 2: Appendix C: Number of Medicare-funded GME training positions by State, per 100,000 population, 2010**



## Appendix D: Rural or Underserved areas of Hawai'i where UH JABSOM Medical School or GME program graduates practice

Figure 3: Appendix D: Where JABSOM medical school/GME program graduates practice



## Appendix E: Current flow of GME Funding

Current flow of GME funds from 2014 Institute of Medicine Report, "Graduate Medical Education That Meets the Nation's Health Needs"- Annotations reflect the GME funding sources in Hawai'i.

Figure 4: Appendix E: Current flow of GME Funding

