

# UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2008 LEGISLATURE

Annual Report from the  
Medical Education Council on a Summary of the Expenditures of Program Moneys  
Authorized by the Council

Hawai'i Revised Statutes 304A-1704  
ACT 181 Session Laws of Hawai'i 2003

November 2007

UNIVERSITY OF HAWAII

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ANNUAL REPORT FROM THE MEDICAL EDUCATION COUNCIL ON A SUMMARY OF THE  
EXPENDITURES OF PROGRAM MONEYS AUTHORIZED BY THE COUNCIL

AS REQUIRED BY ACT 181, SLH 2003

Introduction: Act 181 of the 2003 Legislature requires the Medical Education Council to submit a summary report of the expenditures of program moneys authorized by the council.

Membership and Staffing: All new appointees to the Council have been oriented to the Council's operations and the statute governing its mission. The JABSOM staff member designated to serve the Council and to represent the Dean in his absence is William Haning, M.D., Director of Graduate Affairs.

Schedule: The Council last convened in 2006. By designation, the Chair is now Interim Dean Dr. Gary K. Ostrander, Vice-Chancellor of the University of Hawai'i at Manoa. Absent funding, and while awaiting completion of research required for any next executive steps by the council, it has not convened in the interim. As limited preliminary research data regarding demographics and graduate medical education needs have been assembled, the council is being convened in December 2007.

Mission: The Council is tasked with advancing graduate medical education in Hawai'i, in service to the health needs of the public. It consists of gubernatorial appointees both by name and by position, subject to confirmation by the Senate; in staggered terms of two years. It is housed within the John A. Burns School of Medicine for administrative support, and presently is sustained by in-kind service contributions. It is charged with taking charge of the funding support for graduate medical education (post-M.D. and post-D.O. training, "GME") within the State.

The tasks before the Council in discharging its mission are:

1. Identification of physician workforce needs within the State, in development of and sustainment of the highest possible level of medical care
2. Development of a state-wide centrally-managed scheme for residency development and funding, to meet those workforce needs

Immediate issues confronting the Council include:

1. Reconfiguration and design of the JABSOM Family Practice Residency in partial consequence of a progressing financial crisis at its host facility (Wahiawa General Hospital) and in response to increasing primary care service needs of the State.
2. Hospital reorganization and funding challenges throughout the State that diminish available support for graduate medical training; compounded by declining Federal graduate medical education (GME) support from Medicaid and Medicare funding.

Financial Report: No expenditures of program monies have been made nor have any monies been deposited in the Special Fund as established by Act 181.

Discussion: The Council continues to support research and modeling of projected physician manpower shortages as well as continuing to develop or review strategic plans for meeting those shortages. These occupy several intersecting planes. Recapitulating representative examples, they include:

- Geographic disparities (rural versus urban needs)
- Specialty disparities (e.g., neurosurgical and orthopedic surgical needs versus less acute but trending needs in obstetrics, anesthesiology), driven in part by more sophisticated public expectations of care levels
- Productivity shortfalls (e.g., decreasing participation in hospital-based practices, increasing focus on working-hour boundaries required for families with both parents employed and decreasing physician portion of the family income), deriving in part from an alteration in physicians' roles, in part from resistance to payor practice-management rules, in part from perceived liability risks and direct risk-management costs
- Aging physician population and out-of-state migration

The Council collaborates with other entities (Department of Health/SHPDA, hospitals, research and manpower planning consortia, consultants including Hawai'i Health Information Center) to provide research of GME funding sources and of workforce distribution and modeling. The Council is distinct from the Hawai'i Residency Programs, Inc., which serves as fiscal agent for a consortium of allied but independent residencies, each sponsored by the University of Hawai'i John A. Burns School of Medicine.

It has been increasingly evident that the existing GME funding structure, built around individual hospital-hosted residencies, is not logically tied to producing the numbers or types of physicians needed regionally. The individually-supported hospitals, absent a central management, cannot be expected to attune themselves to manpower needs of the State at large, particularly not the rural populations. To this is added a limitation on flexibility of training programs response, such that any reduction in hospital funding at one site cannot be swiftly or even reliably resolved by reallocation of services or funding from other hospital sites. When this is further complicated by reduced Federal Medicare and Medicaid allocations for patient care, the effect can be lethal to individual training programs.

The Council's activities since inception have thus focused upon investigating both the need and the means of central resource management; and upon educating the community shareholders (hospitals, medical school Department Chairs and Program Directors, health agencies) as to the nature of the challenges. It awaits the conclusion of a comprehensive investigation into workforce disparities before placing a remedial GME plan before the Governor and the Legislature.