



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
House Committee on Higher Education
March 22, 2011 at 2:00 p.m.

by
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SB 239, SD 2, HD 1 RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND (Testifying in support with suggested amendments.)

Aloha Chair Nishimoto, Vice Chair Nakashima and members of the House Committee on Higher Education. Thank you for this opportunity to provide testimony in **support** of SB 239, SD2, HD1, which would extend the sunset date on tobacco master settlement agreement monies for continued use by the John A. Burns School of Medicine (JABSOM) from June 30, 2011 to June 30, 2015.

We ask that the Committees pass this measure with an effective date of June 29, 2011.

AMENDMENTS REQUESTED (See Attached): We respectfully ask that this Committee consider amending SB 239, SD2, HD1 so that the language reverts back to the original form of the bill to extend the sunset date as introduced.

However, should the Committee wish to support the school of public health, we request that the bill be amended by deleting the reference to a school of public health *independent* of JABSOM and deleting the provisions reducing JABSOM's allocation by a percentage amount each year. JABSOM currently provides administrative support to the school of public health and anticipates continued sharing of such administrative responsibilities in the interests of efficiency and cost.

By allocating monies from the tobacco settlement fund to help operate JABSOM, the monies are put to their most appropriate and effective use as we train physicians for the **full range of services** needed to address tobacco addictions --- from prevention to cessation, education, outreach and treatment.

The investment that the State makes in the medical school helps not only deliver the tobacco cessation message and thus potentially prevent new injuries, but also helps provide the physicians who directly care for those injured by tobacco use.

Patients are more than 30% more likely to take the tobacco cessation advice of their physicians than other advocates.

The payback to the State for its investment is in helping to ensure there are practitioners in Hawai'i who can care for tobacco-related injury and deliver/reinforce tobacco cessation

messages that last for the lifetime of each student's professional career, and touch the lives of tens of thousands of Hawai'i's citizens each year.

Citizens of Hawai'i will suffer the consequences of tobacco use for years after quitting, and no amount of prevention messaging will substitute for the care that our physicians will provide to those with tobacco-related illness.

The investment of the Tobacco Settlement Funds in the medical school is one of the best health bargains the State has today.

JABSOM is training more students than ever before. We expanded our class size to help meet the worsening doctor shortage---and the tobacco monies allowed us to do that. Our third-year medical students now have the option of doing part of their training in Hilo, West Hawai'i, Maui and Kaua'i. First-year and fourth-year medical students have the opportunity for elective rotations on the islands of Hawai'i, Maui, Kaua'i and Moloka'i. This year, for the first time, first-year medical students have been placed in Hilo for a required three-month training block. These are bold steps taken to realize the dream of former Governor Burns to allow Hawai'i's children to become Hawai'i's most valuable citizens, those who serve to improve the health of others. Without the Legislature's vision in allocating these monies, these major steps would – especially given the past few years of economic crisis—have been impossible.

Hawai'i currently has a shortage of more than 600 physicians, and is expected to have a shortage of more than 1200 physicians within 10 years. The UH medical school is the primary source of practicing physicians in Hawai'i. More than 50% of all Hawai'i's current practicing doctors were trained at the School or serve on our faculty.

We are not able to consider increased enrollment to meet the demand for more doctors without continued financial support from the Legislature.

Tobacco cessation and tobacco dependence treatment for the people of Hawai'i are prominent throughout the medical school's curriculum; **every single medical student gets this training.** Our faculty, residents, medical students and related health care professionals provide care daily in offices, clinics and hospitals throughout Hawai'i. These healthcare providers routinely offer smokers help to quit smoking through interventional counseling and medications.

Tobacco settlement funds enable us to directly intervene as physicians and public health professionals to help people stop smoking. Here are some of the ways we do that:

- JABSOM supports the Principal Investigator and 95% of the Director's time to oversee the *Healthy Quit Smoking Program* at the Kapi'olani Medical Center for Women and Children. This service, which has trained and coordinated the services of 170 certified tobacco cessation specialists, nurses, and other health officials, seeks to reduce smoke exposure in the home (and car) affecting our children. This past year, the program received 2,210 referrals. Many of those were women, from low incomes, and about half were of Native Hawaiian ancestry.

The program works. After six months of counseling, the number of women smoking in the home was reduced from 18% (nearly one in five participants) to only 5%. At the start, just over half of the participants smoked in their car. That percentage was slashed by almost 40%. Funding comes from the Tobacco Prevention & Control Trust Fund and the Hawai'i Community Foundation, but also from JABSOM. Without JABSOM donating

most of the time and salary of the Principal Investigator (100%) and the Director (95%) this program would have never happened.

- The Perinatal Addictions Treatment Clinic (PATH) Clinic, initiated with help from the Legislature, provides OB/GYN treatment and counseling for pregnant women and new mothers who are struggling with addictions, including smoking. Founded by one of the JABSOM faculty and staffed by the medical school's practice plan, this year the clinic began offering education in early childhood development, which includes the particular harms that addicting substances can cause for children.
- JABSOM medical students continue to voluntarily treat Hawai'i's homeless families (primarily children) at four state-sponsored shelters twice per week. Such efforts include an emphasis on healthy life-styles, including tobacco cessation.
- JABSOM faculty and students are actively involved in a variety of programs that benefit keiki in Kindergarten through 12th grade. Medical students visit 4th and 5th graders at schools throughout O'ahu, to provide interactive educational sessions about the risks, dangers and societal costs of tobacco smoking. The counseling is especially effective at securing the attention of pupils, because our medical students are closer to their own ages than many traditional role models.
- JABSOM provides services at community health centers, including those in Kalihi-Pālana, Waimānalo, on the North Shore of O'ahu, and Waikīkī, where patients are treated for tobacco-related illness and offered advice and help about reducing or stopping tobacco intake. Five to six first-year medical students are deployed to regional centers to work with patients each year.
- Our Cardiovascular Research Center has begun a partnership with The Queen's Medical Center to train two fellows (specialists) per year in cardiovascular disease, to help redress the lack of cardiologists in Hawai'i and to serve victims of cardiovascular disease. Smoking is a significant contributor to such cardiovascular disease, including strokes and heart attacks. Research in the Center for Cardiovascular Research will also focus on the impact that the abuse of methamphetamine and other drugs have on the heart.
- Our medical students organize and host an annual community health fair on campus, drawing media coverage and hundreds of citizens to see health products from local vendors and to learn about health care issues through health exhibits. Counseling against tobacco use is a primary focus of the health fair, with active participation by the Coalition for a Tobacco Free Hawai'i and other partners.
- JABSOM's Director of the Office of Public Health Studies at the medical school writes the questionnaire, analyzes the data and writes the reports evaluating the statewide *Clear The Smoke* and *Quitline* campaigns.
- A number of integrated programs aimed at cancer care and prevention throughout the Pacific are based at JABSOM. The "CEED" program is one that helps spread better health and prevention throughout the U.S. Affiliated Pacific Islands, as well as, among Pacific Islanders in Hawai'i.
- The Hawai'i Consortium for Continuing Medical Education provides required continuing education for physicians, frequently including updates and briefings about tobacco-related illness. The sponsorship committee consists of

representatives of the Hawai'i Medical Association and JABSOM. The education efforts contribute to the significant role in tobacco cessation played by primary care physicians. From 1999 through last year, some 25 sessions by the school's Department of Medicine alone focused on tobacco cessation.

Please note that the direct application of tobacco settlement funds to the programs cited above is not always readily apparent in the University accounting system, since the funds are received very late in the fiscal year due to mainland protocols in administering the monies from the fund. JABSOM, thus, must use funds from other sources to cover these vital services until the tobacco funds arrive at the end of the fiscal year. Sometimes the funds arrive a day or two before the end of the fiscal year and must be spent before the fiscal year expires. It would be useful to have the ability to carry over the monies into the next fiscal year.

JABSOM is truly grateful for the opportunity to use the tobacco funds for a purpose that serves the entire state. To commemorate the importance of these funds, signs were installed on campus emphasizing that Tobacco Master Settlement Agreement funding contributed to the construction of the medical campus buildings. Related information is provided to our students and visitors during tours and training orientations. During our public tours of the campus and facilities, community groups and visitors learn how tobacco-related illness hurts our populations by increasing organ injury and raising costs for care and treatment. (Health care costs in Hawai'i related to tobacco use are estimated to exceed \$350 million annually in Hawai'i.)

In addition to supporting tobacco prevention, education and cessation efforts, the tobacco settlement monies are an investment by the Legislature, which has directly contributed to our school's ability to grow more physicians (who in turn care for more of those affected by tobacco-related illness). These funds helped mitigate the more than \$6 million dollar cut to our state general fund appropriation that occurred over the last 2 years.

The following is provided in response to many Legislators who have requested information on the likely outcome if the bill failed to pass. If JABSOM is denied use of the tobacco settlement funds for operating purposes, and this occurs without additional state General Funds or other yet unidentified revenue, such that only the debt service is covered with TSSF after June 30, 2015, it will be forced to significantly raise medical student tuition, reduce the proportion of trainees from Hawai'i (90% of our students are local students), and/or reduce programs as outlined below to make up for the loss of operating funds. The first two options (major tuition increases and changes in the proportion of trainees from Hawai'i) will have a significant negative impact upon the State of Hawai'i's physician workforce and both require approval by the Board of Regents.

JABSOM would, of course, cut back to all but its core mission, and programs, such as the following, could be considered for reduction or elimination:

- **Rotation of medical students for Neighbor Island training in Hilo, West Hawai'i, Maui, Moloka'i, Lanai and Kaua'i.** The costs of educational service delivery are disproportionately higher on the neighbor islands. This action would of course eliminate the opportunity to grow the medical school class size.
- **Neighbor Island residency programs for Family Medicine physicians.** Currently, the startup clinic for this effort is operating in Hilo. Faculty time and effort would be concentrated on Oahu where the costs of educational service delivery are lower.

- **Imi Ho'ola post-baccalaureate program.** This program provides an intense preparatory year for students with educational and social disadvantages. The program prepares these students for the rigors of medical school. It has been a major pipeline for under-represented local students into the medical school. Without TSSF funds, this program will need to be reduced from 12 to a maximum of 6 students per year.
- **Training of speech pathologists and medical technicians.** At this time, there is **no** other source of this training in Hawai'i. Actual savings would require 3-4 years to accrue given the delays inherent with the procedure for any UH program closure.
- **Reduction of medical student positions reserved for residents from 90% to 60% of entering class.** Combined with a potential doubling of tuition over next 6 years, these measures will require UH Board of Regent support and could not be immediately implemented. Both measures would dramatically reduce the number of student graduates who ultimately practice in Hawai'i.

We urge this Committee to pass SB 239, SD2, HD1 with the suggested amendments.

Thank you for this opportunity to testify.

PROPOSED AMENDMENTS

SECTION 2. Delete in its entirety.

SECTION 3. Section 328L-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The fund shall be used for the purpose of receiving, allocating, and appropriating the tobacco settlement moneys as follows:

(1) Fifteen per cent shall be appropriated into the emergency and budget reserve fund under section 328L-3;

(2) Twenty-five per cent shall be appropriated to the department for purposes of section 328L-4;

(3) Six and one-half per cent shall be appropriated into the Hawaii tobacco prevention and control trust fund under section 328L-5; and

(4) Twenty-eight per cent shall be appropriated into the university revenue-undertakings fund created in section 304A-2167.5 to be applied to the payment of the principal of and interest on, and to generate required coverage, if any, for, revenue bonds issued by the board of regents of the University of Hawaii to finance the cost of construction of a university health and wellness center, including a new medical school facility, to be situated on the island of Oahu, for the succeeding fiscal year; and the payment of annual operating expenses incurred by the new medical school facility and administrative services shared with the school of public health; provided that ~~this amount shall be reduced by _____ per cent each fiscal year starting with fiscal year 2012-2013 and that amount shall be deposited into the University of Hawaii school of public health special~~

~~fund; provided further that~~ any moneys in excess of the amounts required under this paragraph shall be transferred in the succeeding fiscal year to the emergency and budget reserve fund under section 328L-3;