



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Written Testimony Presented Before the  
House Committee on Finance  
Friday, April 1, 2011 at 4:00 pm  
By

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And  
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### **SB 240, SD2, HD1 – RELATING TO PHYSICIAN WORKFORCE ASSESSMENT** *Testimony in Support with Suggested Amendments*

Aloha Chair Oshiro, Vice-Chair Lee and members of the Committee. My name is Jerris Hedges and I serve as the Dean of the University of Hawai'i at Mānoa, John A. Burns School of Medicine (JABSOM). Thank you for this opportunity to provide testimony in **support** of SB 240, SD2, HD1 which would eliminate the sunset date of June 30, 2012 for the Physician Workforce Assessment of \$60 (\$30 per year) which is assessed on all new and renewal (biennial) medical and osteopathic licenses issued in Hawai'i. The fee is used to support the ongoing assessment and planning related to the physician workforce in Hawai'i, the ultimate goal of which is to address the shortage of physicians.

#### **PROPOSED AMENDMENTS (See Attachment for Specific Language):**

We respectfully request that the sunset date of July 1, 2015 which was inserted into the measure be deleted.

Currently, the funds collected under Act 18 are transferred to JABSOM. Because of a cap of \$150,000 specified by Act 18, JABSOM cannot expend the excess, which has been about \$95,000 per year. As the measure has been amended to include additional tasks, lifting the cap is necessary to enable JABSOM to carry out the expanded scope of work.

We further respectfully request that this cap be lifted and JABSOM be authorized to apply the excess funds to assess the need for physicians in rural and medically underserved areas within the State.

We also request that the measure be effective as of July 1, 2011.

Anecdotal reports of physician shortages in Hawai'i have long circulated. Through the implementation of Act 18, SLH 2009, the physician workforce has been carefully studied resulting in the documented finding that we now face a significant shortfall of practicing

physicians. The study found a current shortage of 600 physicians (more than 20% of our total supply) and an impending shortage of 1,600 physicians by 2020. Hawai'i needs over 200 additional adult primary care providers and is particularly short of Neurosurgeons, Cardiologists, Infectious Disease Specialists, and General Surgeons. The shortages are driven by population growth and aging, combined with the loss of over 40% of our practicing physicians to retirement.

Based on the findings of the study, physician shortages of the magnitude described will directly impact the health and well-being of virtually all residents of Hawai'i. Residents throughout the state are already beginning to experience problems accessing physician services. If the trends in shortages identified in the study continue, it will only become more difficult for our residents to receive the medical services they need.

In order to mitigate the shortage problem, ten interventions have been prioritized by Hawai'i healthcare experts and stakeholders as part of the workforce assessment process. The interventions include investing in pipeline activities that get more local students into healthcare careers, expanding medical training to address geographic mal-distribution and specialty needs, enhancing incentives for physicians to practice on the neighbor islands, involving communities in the recruitment and retention of physicians, creating a more favorable physician practice environment through tort reform, administrative simplification, reimbursement changes and moving the model of care toward a team-based "patient-centered medical home" integrated delivery system that will allow a much smaller physician workforce to care for a larger and older Hawai'i populace. The extent of changes needed is very challenging and can only be achieved if all sectors of society (physicians, healthcare administrators and personnel, government, insurers, educators, business and the community) work together to create changes that increase the supply of practicing physicians and decrease the demand for healthcare services in Hawai'i.

Study of the shortage and development of potential interventions have been limited by the current cap of \$150,000 on the fund. However, the data obtained are invaluable to targeting shortage areas within the medical profession and identifying geographic locations where the shortage of physicians is most pronounced. Further ongoing research as would be possible through extension of Act 18 is vital to addressing these physician shortages and implementing the intervention strategies.

We urge this Committee to pass SB 240, SD2, HD1 with our suggested amendments.

Thank you for this opportunity to testify.

## PROPOSED AMENDMENTS

SECTION 1. Section 304A-2171, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Moneys in the special fund shall be used to support the John A. Burns school of medicine's activities related to physician workforce assessment and planning within Hawaii; provided that of the physician workforce assessment fees transferred and deposited into the special fund pursuant to section 453-8.8, per cent of the total amount of assessment fees deposited shall be used to convene a working group to examine:

- (1) Addressing communication of federal health care reform and implementation of the federal Affordable Care Act;
- (2) Supporting and develop the medical home model; and
- (3) Supporting increases in physician reimbursements[+

~~provided further that expenditures from the special fund shall be limited to no more than \$150,000 annually].~~ This shall include but not be limited to maintaining accurate physician workforce assessment information and providing or updating personal and professional information, that shall be maintained in a secure database. The John A. Burns school of medicine may disclose information specific to any physician only with the express written consent of that physician."

SECTION 2. Section 453-8.8, Hawaii Revised Statutes, is amended to read as follows:

"[+]§453-8.8[+] **Physician workforce assessment fee; license; physician workforce information.** When a license is renewed, each physician or surgeon and each osteopathic physician or surgeon shall be assessed a fee of \$60 that shall be transferred and deposited into the John A. Burns school of medicine special fund established under section 304A-2171 to support ongoing assessment and planning of the physician workforce in Hawaii[-], including convening a working group to examine:

- (1) Addressing communication of federal health care reform and implementation of the federal Affordable Care Act;
- (2) Supporting and developing the medical home model; and
- (3) Supporting increases in physician reimbursements.

Payment of the physician workforce assessment fee shall be required for license renewal."

SECTION 3. Act 18, Special Session Laws of Hawaii 2009, is amended as follows:

1. By amending section 5 to read:

"SECTION 5. The John A. Burns school of medicine shall submit a report of findings and recommendations detailing its assessment of the physician workforce to the legislature, the state health planning and development agency, and the Hawaii medical board no later than twenty days prior to the convening of the regular session of 2011 and each ~~odd-numbered~~ year thereafter. The report to the Hawaii medical board shall also

include information on the expenditure of fees collected pursuant to section [~~453—7~~] 453-8.8, Hawaii Revised Statutes, to produce a physician workforce plan for Hawaii."

**2. DELETE IN ITS ENTIRETY.**

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 20~~50~~11.