



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Finance  
Wednesday, February 20, 2019 at 4:00 p.m.

By

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### HB 1528 HD1 – RELATING TO COMMERCE AND CONSUMER AFFAIRS

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

Thank you for this opportunity to provide **comments and minor amending language** with respect to HB 1528 HD1, which addresses certain taxes and fees assessed by Department of Commerce and Consumer Affairs. The bill also establishes criteria to determine the amounts to be assessed by the Professional and Vocational Licensing Division (PVL) for fees and expenses regulated under Title 25, HRS based upon PVL's proposed fiscal year budget.

This change is related to two fees assessed by PVL. One of the fees assessed by PVL is the physician workforce assessment pursuant to HRS §453-8.8. The fee of \$60 is assessed to each physician, surgeon and osteopathic physician upon renewal of their licenses, and is deposited into the John A. Burns School of Medicine (JABSOM) special fund. The purpose of the fee is to support ongoing assessment and planning, as well as the recruitment and retention of physicians, especially for the physician workforce serving in rural and medically underserved areas of the state. This modest license fee helps JABSOM implement interventions to recruit physicians and to identify ways to increase career satisfaction among practicing physicians so that they remain in practice. The work performed by JABSOM in assessing the physician workforce is a valuable tool in implementing initiatives to alleviate the physician shortage in Hawai'i. Nonstop efforts to recruit and retain physicians in our state, is a vital part of the process.

Specific activities that have been undertaken with the funds paid by the physicians upon relicensure include:

Continuing Medical Education for over 4,000 person-hours per year. Offerings include:

1. An annual Hawai'i Health Workforce Summit for 500 providers to learn about changes in healthcare, avoidance of "practice burn out", new advances in rural health, geriatrics and electronic health records;
2. Project ECHO, weekly remote telehealth sessions addressing endocrinology/diabetes, behavioral health, and geriatrics (monthly).

Recruitment of new physicians to Hawai'i. Physicians have found employment in Hawai'i based on job advertisements at [www.ahec.hawaii.edu](http://www.ahec.hawaii.edu) where all open positions in the state are advertised in collaboration with the Hawai'i Physician Recruiters group.

Support for activities to recruit students into health careers such as those at [www.ahec.hawaii.edu](http://www.ahec.hawaii.edu).

Support for state efforts to get expanded federal designations of Health Professions Shortage Areas.

Support for 13 physicians to receive loan repayment for working in underserved areas.

Support for the Hawai'i Ho'okipa Program, a welcoming program for newly arriving providers to get them integrated into the community where they work.

Support training for medical students in rural areas.

Creation of a Rural Health Coordinator at University of Hawai'i that will work with all health students working in rural areas to increase opportunities and track the impact of the rural training programs.

The second of the fees assessed by PVL is the center for nursing fee pursuant to HRS §457-9.5. The fee of \$40 is assessed to each nurse licensee upon the issuance of a new license and at each license renewal period and is deposited into center for nursing special fund. The fee provides the funding needed to fulfill the legislative mandate to proactively address nursing workforce planning including assessments of the current nursing workforce supply (practicing nurses in Hawai'i) that is critical for healthcare planning and policy. The mission of the Center is to provide accurate nursing workforce data for planning, disseminate nursing knowledge to support excellence in practice and leadership development; promote a diverse workforce and advocate for sound health policy to serve the changing health care needs of the people of Hawai'i. To accomplish its mission, The Center works closely with the Board of Nursing, public and private schools of nursing, state employers, and partners with the other health sciences professions in the state.

Specific outcomes and activities of the Center for Nursing include:

Educational capacity surveys with 100% Hawai'i schools of nursing participation.

Biennial nursing workforce supply surveys and reports, providing data by specialty, county, and academic progression. Nursing workforce supply surveys use a national model and are the most comprehensive survey of Hawai'i's nursing workforce available.

The only statewide electronic nursing resources clearinghouse at [hawaiiicenterfornursing.org](http://hawaiiicenterfornursing.org)

Partnering with large and small state health care organizations to support retention of nurses including developing the:

- First statewide Evidence Based Practice internship in the nation designed to improve health care delivery. EBP workshop now expanded to train clinical leaders and nursing faculty.
- First statewide new nurse residency program in the nation. Nurse residency programs improve workforce retention and facilitate new graduate nurses' transition to practice as a registered nurse.
- Maintains <https://hawaiistatecenternrc.org/>, the centralized web based clinical placement system for nursing student clinical placements for O'ahu and Kaua'i, providing clinical placement coordination and support for 80% of the nursing clinical learning in the state.
- Statewide Academic Progression in Nursing program that is a leader in the nation and will make Hawaii the first state to achieve an 80% BS degree for entry into practice.
- Led a multi-discipline healthcare preceptor assessment whose findings supported the legislature's passing of Act 43, SLH 2018, related to Healthcare Preceptor Tax Credits.

Work with the Chamber of Commerce on O'ahu and Maui related to the Healthcare Workforce Initiatives including county, specialty, and setting nursing workforce supply and identification of current and needed programs to address gaps.

Assessment and identification of solutions related to clinical placement shortages for licensed practical and registered nursing students.

Support for statewide participation in healthcare and nursing leadership development, including support for neighbor island participants and engaging local and national speakers who are content experts on priority issues in Hawai'i.

Development of the in-person and online preceptor training and neighbor island behavioral health huis to support healthcare workforce pipeline in Hawai'i.

This modest license fee helps the Center for Nursing implement interventions to recruit physicians and to identify ways to increase career satisfaction among practicing physicians so that they remain in practice. The work performed by JABSOM in assessing the physician workforce is a valuable tool in implementing initiatives to alleviate the physician shortage in Hawai'i. Nonstop efforts to recruit and retain physicians in our state, is a vital part of the process.

It is essential that the physician and nursing workforce assessments remain in place so that JABSOM and HSCN can continue our efforts to address the doctor shortage, which is nearing 800 physicians, and retain a highly educated nursing workforce. However, the language of HB 1528 HD1 broadly refers to "fees and expenses regulated under title 25", which may be interpreted to include the physician workforce assessment and the nursing fees. **Therefore, we request a minor amendment to Section 3, subsection (b) beginning at page 4, line 7 of the bill as follows to clarify that the physician workforce assessment and center for nursing will not be subject to the criteria for establishing licensing fees and will remain in place:**

(b) The amount to be assessed for fees and expenses regulated under title 25 shall be determined and assessed as provided below:

(1) The total amount or amounts to be assessed of licensees regulated under title 25 shall be calculated based on the licensing authority's proposed fiscal year budget, less funds in the professional and vocational licensing division sub-account of the compliance resolution fund on June 30 of the fiscal year immediately preceding the fiscal year of the proposed budget and less the licensing authority's anticipated revenues;

(3) The assessments shall bear a reasonable relationship to the costs of regulating the profession or vocation, including any administrative costs of the division; and

(4) The sum total of all assessments made and collected shall not exceed the special fund ceiling or ceilings related to the fund that are established by the legislature; provided that the total assessments for all professions and vocations in any one fiscal year shall not exceed \$        for each fiscal year."

**(5) This section shall not apply to the physician workforce assessment fee collected pursuant to HRS §453-8.8 and the center for nursing fee collected pursuant to HRS §457-9.5.**

Thank you for this opportunity to testify.