



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Thursday, March 28, 2019 at 3:00 p.m.

By

Jerris R. Hedges, MD, Dean

Kelley Withy, MD, Professor

Department of Complementary and Integrative Medicine

Hawai'i/Pacific Basin Area Health Education Center (AHEC) Director

John A. Burns School of Medicine

And

Dr. Michael Bruno

Interim Vice Chancellor for Academic Affairs and Vice Chancellor for Research

University of Hawai'i at Mānoa

SB 1404 SD2 HD1 – RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

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

Thank you for this opportunity to testify in **strong support of SB 1404 SD2 HD1 together with a request for a minor amendment as discussed below.** SB 1404 SD2 HD1 permits continuation of the Hawai'i State Loan Repayment program that supports payments of educational debt for physicians, nurse practitioners, physician assistants, psychologists, social workers, marriage and family counselors and nurses who work for non-profit organizations in federally designated health professional shortage areas of Hawai'i or in a geographic area of Hawai'i found to be underserved. This program is made possible through a grant from the federal government but requires a local dollar for dollar state match.

We request that the bill be amended by deleting the words “Hawai'i” and “rural” in Section 1 at page 3, line 7 and in Section 2 at page 3, line 19. The purpose of JABSOM's loan repayment program is to educate, train, and facilitate health care professionals to work in medically underserved areas that have been designated as Health Professional Shortage Areas of Hawai'i. While some of these underserved areas are in rural communities, many are not. Therefore, the reference to the Hawai'i rural loan repayment program is somewhat misleading. The loan repayment the John A. Burns School of Medicine (JABSOM) has successfully administered for the past 12 years is known as the Hawai'i State Loan Repayment Program.

Hawai'i has a shortage of just under 800 doctors, and almost all other types of primary care and behavioral healthcare workers. Without these healthcare providers, the people of Hawai'i do not have access to the healthcare they need. The shortage is most acute for those on neighbor islands and those with the least resources. One of the fastest and least expensive methods for recruiting providers is through loan repayment.

The Hawai'i State Loan Repayment program has helped 43 health care providers since its inception in 2012. Currently, the Loan Repayment Program supports 20 providers in Hawai'i. Of the program graduates, almost 2/3 are still practicing in underserved areas of Hawai'i.

In 2016, 64% of JABSOM residents and fellows had a current student loan burden. The average student loan indebtedness of our JABSOM MD residents/fellows is \$235,000, with some residents having loans in the \$300,000-\$600,000 range. These loans, with average minimum monthly payment of \$500, begin repayment while in residency training, in addition to the high cost of living, rent and other living expenses. The high cost of college and medical education results in large student loan debt -- which detracts from physicians choosing primary care specialties and choosing to practice in underserved or rural communities.

If a physician does his or her medical school AND residency (or Graduate Medical Education or GME) training here in Hawai'i, about 80% of them stay in Hawai'i to practice. Having loan repayment options tied to commitments to serve in neighbor island, rural and underserved populations will help to reduce the physician shortages in those areas. The loan repayment program has played an important role in bringing needed physicians and healthcare providers to underserved areas.

Through SB 1404, we request \$370,000 for loan repayment for the above listed health professions as we have those funds available to us. The funds provided will be matched dollar for dollar from other funding sources and be provided to reduce the debt of our healthcare providers working in areas of need. This will allow for 20 new healthcare providers a year to work in underserved areas across Hawai'i and receive at least \$35,000 a year in loan repayment for practicing at least two years in an area of need. Without state matching funds, the program will end.

Thank you for this opportunity to testify.