



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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by

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HB 1203 - RELATING TO PHYSICIAN WORKFORCE ASSESSMENT

Aloha Chair Yamane, Vice Chair Morikawa and members of the House Committee on Health. Thank you for this opportunity to provide testimony in **support** of HB 1203, 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.

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, 10 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.

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.

We respectfully request that this cap be lifted and JABSOM be authorized to apply the excess funds to programs specifically targeting rural physician workforce development as identified and monitored through analysis of the data. For instance, grants from Hawai'i Medical Service Association (HMSA) and others provided travel support for as many as 71 medical students annually doing primary care clinical practice rotations on the Neighbor Islands for the last two fiscal years. Their support, almost \$200,000, ended this fiscal year and is not subject to renewal. Use of the excess funds could allow this support to continue our rural training programs.

Some JABSOM graduates report an interest in and even commitment to practicing on the Neighbor Islands following their rotations there. Here is an excerpt from a newsletter interview of a medical student shortly after returning from a six-week rotation on Moloka'i:

"Shadowing a family practice physician at the Molokai Community Health Center was my first encounter with a truly rural practice," said (Derek) Nakayama. "With the nearest specialist a \$100-plus plane ticket away, the doctor there becomes the patient's only efficient avenue for medical attention and advice. Yet the clinic ran smoothly from signing-in, all the way through diagnosis and even picking up prescriptions at the pharmacy. But what amazed me most were the people. With so many outdoor activities to do and such nice people who need physicians in a medically-underserved community, I would not be able to resist the offer of practicing on Molokai or in another similar rural setting," said Nakayama.

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We urge this Committee to pass HB 1203 with the requested amendment to eliminate the cap.

Thank you for this opportunity to testify.