

---

---

# A BILL FOR AN ACT

RELATING TO HAWAII HEALTH CORPS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that many residents of  
2 Hawaii are increasingly unable to obtain timely and appropriate  
3 health care due to shortages of primary health care providers in  
4 the State, including physicians, physician assistants, and nurse  
5 practitioners. These shortages threaten the health of Hawaii's  
6 residents and affect state health care costs. These shortages  
7 have pushed the federal government to designate a number of  
8 areas in the State, particularly rural areas, as medically  
9 underserved areas, health professional shortage areas, or as  
10 having medically underserved populations.

11           The legislature further finds that counties in the United  
12 States with robust primary health care systems have lower costs  
13 and improved patient outcomes. Recognizing this relationship,  
14 many states have implemented budget line item support for the  
15 primary care pipeline.

16           Family physicians and nurse practitioners are well suited  
17 to rural practice due to their broad scope of clinical skills  
18 across the life cycle, encompassing the inpatient, outpatient,



1 nursing home, and home setting. In addition to providing acute,  
2 chronic, and preventive care, many family physicians and nurse  
3 practitioners provide maternity care, family planning, and  
4 mental health services. With this scope of practice, family  
5 physicians and nurse practitioners are well equipped to work in  
6 teams with other health professionals to develop fully  
7 functioning patient-centered medical homes.

8 The University of Hawaii John A. Burns school of medicine,  
9 in association with Wahiawa general hospital, conducts a fully  
10 accredited three-year family medicine residency program. This  
11 program has contributed over sixty family physicians who  
12 currently work throughout the State of Hawaii.

13 Since 2006, a second rural residency program model has been  
14 under development with the John A. Burns school of medicine and  
15 the Hilo medical center. This will be the first residency  
16 program established on a neighbor island. In addition to  
17 training for medical students and resident physicians, this  
18 model rural interdisciplinary training site will include  
19 advanced practice nursing, pharmacy, psychiatry, and other areas  
20 of practice. It is anticipated that this rural primary care  
21 training model can be replicated on other islands.



1           The legislature further finds that the increasingly high  
2 cost of a physician's and nurse practitioner's professional  
3 education requires physicians and nurse practitioners to seek  
4 out the higher incomes that allow them to repay their student  
5 loans. However, physician and nurse practitioner salaries in  
6 rural shortage areas are often lower than those in non-shortage  
7 areas.

8           Loan repayment programs have been successfully used in  
9 Hawaii to increase the number of educators serving in hard-to-  
10 fill teaching positions, and can also be used to encourage and  
11 enable physicians, physician assistants, and nurse practitioners  
12 to provide care in shortage areas of the State.

13           The purpose of this Act is to:

14           (1) Establish the Hawaii health corps, under the  
15 University of Hawaii John A. Burns school of medicine,  
16 to provide loan repayment for physicians, physician  
17 assistants, and nurse practitioners who agree to work  
18 in a county having a shortage of physicians, physician  
19 assistants, and nurse practitioners, with priority  
20 given to a rural area of that particular county; and

21           (2) Appropriate funds to increase access by medically  
22 underserved resident populations to culturally



1 appropriate primary health care services by supporting  
2 the development of the rural health workforce as  
3 follows:

4 (A) For the Hilo medical center, by implementing and  
5 sustaining the rural interdisciplinary residency  
6 program; and

7 (B) For the John A. Burns school of medicine and the  
8 University of Hawaii at Manoa School of nursing  
9 and dental hygiene for:

10 (i) Its continued participation as the  
11 Accreditation Council for Graduate Medical  
12 Education-sponsoring institution;

13 (ii) Required faculty leadership in  
14 accreditation, implementation, and graduate  
15 medical education oversight;

16 (iii) An increased number of family medicine  
17 residency slots, establishment of rotations  
18 on other islands including Maui, Molokai,  
19 and Kauai; and

20 (iv) A yearly incentive stipend for each resident  
21 in a family practice medical and nursing  
22 residency at the Hilo medical center.



1 SECTION 2. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4 "CHAPTER

5 HAWAII HEALTH CORPS

6 § -1 Definitions. As used in this chapter, unless the  
7 context requires otherwise:

8 "Loan repayment" or "repayment of loan" means the payment  
9 of up to twenty per cent of a Hawaii health corps program  
10 participant's health care training costs including but not  
11 limited to tuition not exceeding \$35,000 per year for a maximum  
12 of five years of repayment.

13 "Nurse practitioner" means a person licensed as an advanced  
14 practice registered nurse under chapter 457.

15 "Physician" means a person licensed to practice medicine  
16 and surgery, as required by section 453-2.

17 "Physician assistant" means a person licensed to practice  
18 medicine under the supervision of a physician or osteopathic  
19 physician, as required by section 453-5.3.

20 "Residency" means a physician or nurse practitioner  
21 participating in an accredited program of post graduate study.



1           §   -2 Hawaii health corps program established. The  
2 Hawaii health corps program is established to encourage  
3 physicians, physicians assistants, and nurse practitioners to  
4 serve in counties having a shortage of physicians, physician  
5 assistants, and nurse practitioners, with priority given to a  
6 rural area county. The Hawaii health corps program shall be  
7 administered by the University of Hawaii John A. Burns school of  
8 medicine and the University of Hawaii at Manoa school of nursing  
9 and dental hygiene. In administering the program, the  
10 University of Hawaii John A. Burns school of medicine and the  
11 University of Hawaii at Manoa school of nursing and dental  
12 hygiene shall:

13           (1) Adopt rules and develop guidelines to administer the  
14 program;

15           (2) Identify and designate areas of the counties where  
16 there is a shortage of physicians, physician  
17 assistants, and nurse practitioners;

18           (3) Establish criteria for the selection by the University  
19 of Hawaii John A. Burns school of medicine of  
20 physicians, physician assistants, and nurse  
21 practitioners to participate in the Hawaii rural  
22 health care provider loan repayment program;



1 (4) Define and determine compliance with the service  
2 commitments of the Hawaii rural health care provider  
3 loan repayment program;

4 (5) Collect and manage reimbursements from participants  
5 who do not meet their service commitments under the  
6 Hawaii rural health care provider loan repayment  
7 program;

8 (6) Publicize the program, particularly to maximize  
9 participation by individuals who live in areas of a  
10 county where there is a shortage of physicians,  
11 physician assistants, and nurse practitioners;

12 (7) Solicit and accept grants and donations from public  
13 and private sources for the Hawaii rural health care  
14 provider loan repayment program, including maximizing  
15 the use of federal matching funds; and

16 (8) Establish criteria and procedures for calling Hawaii  
17 health corps program participants into service during  
18 a civil defense or other emergency.

19 § -3 **Hawaii rural health care provider loan repayment**  
20 **program.** (a) There is created within the Hawaii health corps  
21 program, the Hawaii rural health care provider loan repayment  
22 program to be administered by the University of Hawaii John A.



1 Burns school of medicine and the University of Hawaii at Manoa  
2 school of nursing and dental hygiene in partnership with a  
3 lending financial institution whose operations are principally  
4 conducted in Hawaii. The Hawaii rural health care provider loan  
5 repayment program shall provide loan repayments to eligible  
6 physicians, physician assistants, and nurse practitioners who  
7 make the service commitment under subsection (b). The  
8 University of Hawaii John A. Burns school of medicine and the  
9 University of Hawaii at Manoa school of nursing and dental  
10 hygiene shall make loan repayments directly to the financial  
11 institution under subsection (b) to offset the loan repayment  
12 for which the Hawaii rural health care provider loan repayment  
13 program recipient would otherwise be liable. Loan repayments  
14 shall commence upon the commencement of loan repayments by the  
15 Hawaii rural health care provider loan repayment program  
16 recipient to the lending financial institution. The University  
17 of Hawaii John A. Burns school of medicine and the University of  
18 Hawaii at Manoa school of nursing and dental hygiene shall  
19 prioritize loan repayments in accordance with the greatest  
20 specialty shortages for the particular county.

21 (b) The Hawaii rural health care provider loan repayment  
22 program shall provide loan repayments on behalf of licensed





1 physicians, physician assistants, and nurse practitioners who  
2 agree to serve for five consecutive years as a physician,  
3 physician assistant, or nurse practitioner in a county having a  
4 shortage of physicians, physician assistants, and nurse  
5 practitioners, with priority given to a rural area of that  
6 particular county; provided that eligible physicians, physician  
7 assistants, or nurse practitioners, as applicable, shall have  
8 graduated from a duly accredited medical school or nursing  
9 school within the United States; provided further that  
10 preference shall be given to graduates of the University of  
11 Hawaii John A. Burns school of medicine or the University of  
12 Hawaii at Manoa school of nursing and dental hygiene, as  
13 applicable.

14 (c) Eligible participants in the Hawaii rural health care  
15 provider loan program shall be determined by the University of  
16 Hawaii John A. Burns school of medicine and the University of  
17 Hawaii at Manoa school of nursing and dental hygiene on a  
18 competitive basis and in accordance with subsection (b).

19 (d) If a Hawaii rural health care provider loan repayment  
20 program participant fails to satisfy the recipient's service  
21 commitment under subsection (b), the Hawaii rural health care  
22 provider loan repayment program participant shall be liable for



1 the repayment of the outstanding balance of the loan to the  
2 lending financial institution under subsection (b). In  
3 addition, the University of Hawaii John A. Burns school of  
4 medicine and the University of Hawaii at Manoa school of nursing  
5 and dental hygiene may seek reimbursement for any loan repayment  
6 made by the University of Hawaii John A. Burns school of  
7 medicine or the University of Hawaii at Manoa school of nursing  
8 and dental hygiene on behalf of the Hawaii rural health care  
9 provider loan repayment program participant.

10 (e) In accordance with chapter 103D, the University of  
11 Hawaii John A. Burns school of medicine and the University of  
12 Hawaii at Manoa school of nursing and dental hygiene may enter  
13 into written contracts with collection agencies to collect  
14 delinquent reimbursements of loan repayments. All payments  
15 collected, exclusive of a collection agency's commissions, shall  
16 revert and be credited to the Hawaii health corps fund. A  
17 collection agency that enters into a written contract with the  
18 University of Hawaii John A. Burns school of medicine or the  
19 University of Hawaii at Manoa school of nursing and dental  
20 hygiene to collect delinquent reimbursements of loan repayments  
21 pursuant to this section may collect a commission from the



1 debtor in accordance with the terms of, and up to the amounts  
2 authorized in, the written contract.

3       §   -4   **Hawaii health corps first responder service**  
4 **obligation.** In the event of a civil defense or other emergency,  
5 proclaimed under chapter 127 or 128, physicians, physician  
6 assistants, and nurse practitioners participating in the Hawaii  
7 health corps program may be ordered into service by the governor  
8 as first responders to serve in areas of the State and in a  
9 capacity determined by the director of health.

10       §   -5   **Rules.** The University of Hawaii John A. Burns  
11 school of medicine and the University of Hawaii at Manoa school  
12 of nursing and dental hygiene shall adopt rules to administer  
13 this chapter. The rules shall be adopted pursuant to chapter  
14 91, but shall be exempt from public notice and public hearing  
15 requirements.

16       §   -6   **Hawaii health corps revolving fund.** (a) There is  
17 established in the treasury of the State the Hawaii health corps  
18 revolving fund, which shall be administered by the University of  
19 Hawaii John A. Burns school of medicine and the University of  
20 Hawaii at Manoa school of nursing and dental hygiene, and into  
21 which shall be deposited:



- 1 (1) Any funds appropriated by the legislature for the  
2 Hawaii rural health care provider loan repayment  
3 program;
- 4 (2) Gifts, donations, and grants from public agencies and  
5 private persons;
- 6 (3) Reimbursements of loan repayments under the Hawaii  
7 rural health care provider loan repayment program;
- 8 (4) Proceeds of the operations of the Hawaii health corps  
9 program; and
- 10 (5) Interest earned or accrued on moneys deposited into  
11 the fund.

12 (b) The University of Hawaii John A. Burns school of  
13 medicine and the University of Hawaii at Manoa school of nursing  
14 and dental hygiene may expend moneys from the fund for the  
15 purposes of this chapter, including the operational expenses of  
16 the Hawaii health corps program."

17 SECTION 3. The University of Hawaii John A. Burns school  
18 of medicine and the University of Hawaii at Manoa school of  
19 nursing and dental hygiene shall implement the Hawaii health  
20 corps program no later than June 30, 2012.

21 The deans of the University of Hawaii John A. Burns school  
22 of medicine and the University of Hawaii at Manoa school of



1 nursing and dental hygiene shall report to the legislature on  
2 the status of the Hawaii health corps program no later than  
3 twenty days prior to the convening of each regular session of  
4 the legislature, beginning with the regular session of 2012.

5 SECTION 4. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$10,000,000 or so  
7 much thereof as may be necessary for fiscal year 2011-2012 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2012-2013 for the implementation and administration of the  
10 Hawaii health corps program.

11 The sums appropriated shall be expended by the University  
12 of Hawaii John A. Burns school of medicine and the University of  
13 Hawaii at Manoa school of nursing and dental hygiene for the  
14 purposes of this Act.

15 SECTION 5. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$ or so  
17 much thereof as may be necessary for fiscal year 2011-2012 and  
18 the same sum or so much thereof as may be necessary for fiscal  
19 year 2012-2013 to implement and sustain the Hilo medical  
20 center's rural interdisciplinary residency program.

21 The sums appropriated shall be expended by the University  
22 of Hawaii John A. Burns school of medicine and the University of



1 Hawaii at Manoa school of nursing and dental hygiene for the  
2 purposes of this Act.

3 SECTION 6. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2011-2012 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2012-2013 for expenditures as follows:

- 8 (1) To enable the John A. Burns school of medicine and the  
9 University of Hawaii at Manoa school of nursing and  
10 dental hygiene to continue to participate as the  
11 Accreditation Council for Graduate Medical Education  
12 sponsoring institution and in the accreditation  
13 process of the Commission on Collegiate Nursing  
14 Education;
- 15 (2) For required faculty leadership in accreditation,  
16 implementation, and graduate medical and nursing  
17 education oversight; and
- 18 (3) To increase the number of family medicine and nursing  
19 residency slots, and establish rotations on other  
20 islands, including Maui, Molokai, and Kauai.

21 The sums appropriated shall be expended by the University  
22 of Hawaii John A. Burns school of medicine and the University of



1 Hawaii at Manoa school of nursing and dental hygiene for the  
2 purposes of this Act.

3 SECTION 7. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2011-2012 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2012-2013 to provide a yearly incentive stipend in an  
8 amount to be determined by the University of Hawaii John A.  
9 Burns school of medicine and the University of Hawaii at Manoa  
10 school of nursing and dental hygiene to each medical and nursing  
11 resident in a family medicine or nursing residency at the Hilo  
12 medical center.

13 The sums appropriated shall be expended by the University  
14 of Hawaii John A. Burns school of medicine and the University of  
15 Hawaii at Manoa school of nursing and dental hygiene for the  
16 purposes of this Act.

17 SECTION 8. This Act shall take effect on July 1, 2050.

18



**Report Title:**

Hawaii Health Corps; Appropriation

**Description:**

Establishes the Hawaii health corps program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners in any county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to those serving in rural areas. Provides for loan repayments by the University of Hawaii John A. Burns school of medicine and the University of Hawaii at Manoa school of nursing and dental hygiene. Creates the Hawaii health corps revolving fund. Makes appropriations to support accreditation efforts and support and expand residency programs, particularly in family medicine. Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

