



GOV. MSG. NO. 1290

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

June 28, 2012

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

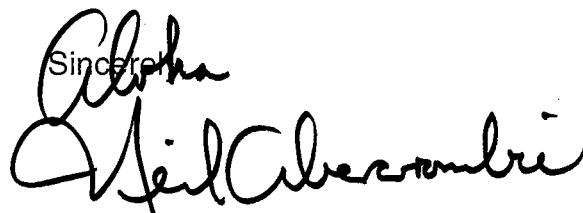
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on June 28, 2012, the following bill was signed into law:

SB596 SD2 HD1 CD1

RELATING TO HAWAII HEALTH CORPUS.  
**Act 187 (12)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor  
on                       
                    JUN 28 2012

THE SENATE  
TWENTY-SIXTH LEGISLATURE, 2011  
STATE OF HAWAII

ACT 187

S.B. NO. 596  
S.D. 2  
H.D. 1  
C.D. 1

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# 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 The legislature further finds that the increasingly high  
14 cost of a physician's and nurse practitioner's professional  
15 education requires physicians and nurse practitioners to seek  
16 out the higher incomes that allow them to repay their student  
17 loans. However, physician and nurse practitioner salaries in  
18 rural shortage areas are often lower than those in non-shortage  
19 areas.

20 Loan repayment programs have been successfully used in  
21 Hawaii to increase the number of educators serving in hard-to-  
22 fill teaching positions and can also be used to encourage and



1 enable physicians, physician assistants, and nurse practitioners  
2 to provide care in shortage areas of the State.

3 The purpose of this Act is to establish the Hawaii health  
4 corps, under the University of Hawaii John A. Burns school of  
5 medicine, to provide loan repayment for physicians, physician  
6 assistants, and nurse practitioners who agree to work in a  
7 county having a shortage of physicians, physician assistants,  
8 and nurse practitioners, with priority given to a rural area of  
9 that particular county.

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

13 **"CHAPTER**

14 **HAWAII HEALTH CORPS**

15 **§ -1 Definitions.** As used in this chapter, unless the  
16 context requires otherwise:

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



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

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

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

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

10 **§ -2 Hawaii health corps program established.** The  
11 Hawaii health corps program is established to encourage  
12 physicians, physicians assistants, and nurse practitioners to  
13 serve in counties having a shortage of physicians, physician  
14 assistants, and nurse practitioners, with priority given to a  
15 rural area county. The Hawaii health corps program shall be  
16 administered by the University of Hawaii John A. Burns school of  
17 medicine and the University of Hawaii at Manoa school of nursing  
18 and dental hygiene. In administering the program, the  
19 University of Hawaii John A. Burns school of medicine and the  
20 University of Hawaii at Manoa school of nursing and dental  
21 hygiene shall:



- 1           (1) Adopt rules and develop guidelines to administer the  
2           program;
- 3           (2) Identify and designate areas of the counties where  
4           there is a shortage of physicians, physician  
5           assistants, and nurse practitioners;
- 6           (3) Establish criteria for the selection by the University  
7           of Hawaii John A. Burns school of medicine of  
8           physicians, physician assistants, and nurse  
9           practitioners to participate in the Hawaii rural  
10          health care provider loan repayment program;
- 11          (4) Define and determine compliance with the service  
12          commitments of the Hawaii rural health care provider  
13          loan repayment program;
- 14          (5) Collect and manage reimbursements from participants  
15          who do not meet their service commitments under the  
16          Hawaii rural health care provider loan repayment  
17          program;
- 18          (6) Publicize the program, particularly to maximize  
19          participation by individuals who live in areas of a  
20          county where there is a shortage of physicians,  
21          physician assistants, and nurse practitioners;



1           (7) Solicit and accept grants and donations from public  
2           and private sources for the Hawaii rural health care  
3           provider loan repayment program, including maximizing  
4           the use of federal matching funds; and

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

8           **§ -3 Hawaii rural health care provider loan repayment**  
9 **program.** (a) There is created within the Hawaii health corps  
10 program, the Hawaii rural health care provider loan repayment  
11 program to be administered by the University of Hawaii John A.  
12 Burns school of medicine and the University of Hawaii at Manoa  
13 school of nursing and dental hygiene in partnership with a  
14 lending financial institution whose operations are principally  
15 conducted in Hawaii. The Hawaii rural health care provider loan  
16 repayment program shall provide loan repayments to eligible  
17 physicians, physician assistants, and nurse practitioners who  
18 make the service commitment under subsection (b). The  
19 University of Hawaii John A. Burns school of medicine and the  
20 University of Hawaii at Manoa school of nursing and dental  
21 hygiene shall make loan repayments directly to the financial  
22 institution under subsection (b) to offset the loan repayment



1 for which the Hawaii rural health care provider loan repayment  
2 program recipient would otherwise be liable. Loan repayments  
3 shall commence upon the commencement of loan repayments by the  
4 Hawaii rural health care provider loan repayment program  
5 recipient to the lending financial institution. The University  
6 of Hawaii John A. Burns school of medicine and the University of  
7 Hawaii at Manoa school of nursing and dental hygiene shall  
8 prioritize loan repayments in accordance with the greatest  
9 specialty shortages for the particular county.

10 (b) The Hawaii rural health care provider loan repayment  
11 program shall provide loan repayments on behalf of licensed  
12 physicians, physician assistants, and nurse practitioners who  
13 agree to serve for five consecutive years as a physician,  
14 physician assistant, or nurse practitioner in a county having a  
15 shortage of physicians, physician assistants, and nurse  
16 practitioners, with priority given to a rural area of that  
17 particular county; provided that eligible physicians, physician  
18 assistants, or nurse practitioners, as applicable, shall have  
19 graduated from a duly accredited medical school or nursing  
20 school within the United States; provided further that  
21 preference shall be given to graduates of the University of  
22 Hawaii John A. Burns school of medicine or the University of





1 Hawaii at Manoa school of nursing and dental hygiene, as  
2 applicable.

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

8 (d) If a Hawaii rural health care provider loan repayment  
9 program participant fails to satisfy the recipient's service  
10 commitment under subsection (b), the Hawaii rural health care  
11 provider loan repayment program participant shall be liable for  
12 the repayment of the outstanding balance of the loan to the  
13 lending financial institution under subsection (b). In  
14 addition, the University of Hawaii John A. Burns school of  
15 medicine and the University of Hawaii at Manoa school of nursing  
16 and dental hygiene may seek reimbursement for any loan repayment  
17 made by the University of Hawaii John A. Burns school of  
18 medicine or the University of Hawaii at Manoa school of nursing  
19 and dental hygiene on behalf of the Hawaii rural health care  
20 provider loan repayment program participant.

21 (e) In accordance with chapter 103D, the University of  
22 Hawaii John A. Burns school of medicine and the University of



1 Hawaii at Manoa school of nursing and dental hygiene may enter  
 2 into written contracts with collection agencies to collect  
 3 delinquent reimbursements of loan repayments. All payments  
 4 collected, exclusive of a collection agency's commissions, shall  
 5 revert and be credited to the Hawaii health corps fund. A  
 6 collection agency that enters into a written contract with the  
 7 University of Hawaii John A. Burns school of medicine or the  
 8 University of Hawaii at Manoa school of nursing and dental  
 9 hygiene to collect delinquent reimbursements of loan repayments  
 10 pursuant to this section may collect a commission from the  
 11 debtor in accordance with the terms of, and up to the amounts  
 12 authorized in, the written contract.

13 **§ -4 Hawaii health corps first responder service**  
 14 **obligation.** If a civil defense or other emergency, proclaimed  
 15 under chapter 127 or 128 occurs, physicians, physician  
 16 assistants, and nurse practitioners participating in the Hawaii  
 17 health corps program may be ordered into service by the governor  
 18 as first responders to serve in areas of the State and in a  
 19 capacity determined by the director of health.

20 **§ -5 Rules.** The University of Hawaii John A. Burns  
 21 school of medicine and the University of Hawaii at Manoa school  
 22 of nursing and dental hygiene shall adopt rules to administer



1 this chapter. The rules shall be adopted pursuant to chapter  
2 91, but shall be exempt from public notice and public hearing  
3 requirements.

4       **§ -6 Hawaii health corps revolving fund.** (a) There is  
5 established in the treasury of the State the Hawaii health corps  
6 revolving fund, which shall be administered by the University of  
7 Hawaii John A. Burns school of medicine and the University of  
8 Hawaii at Manoa school of nursing and dental hygiene, and into  
9 which shall be deposited:

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

21       (b) The University of Hawaii John A. Burns school of  
22 medicine and the University of Hawaii at Manoa school of nursing



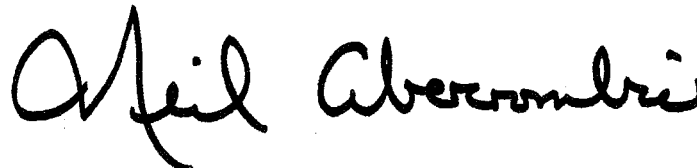
1 and dental hygiene may expend moneys from the fund for the  
2 purposes of this chapter, including the operational expenses of  
3 the Hawaii health corps program."

4 SECTION 3. The University of Hawaii John A. Burns school  
5 of medicine and the University of Hawaii at Manoa school of  
6 nursing and dental hygiene shall implement the Hawaii health  
7 corps program no later than June 30, 2013.

8 The deans of the University of Hawaii John A. Burns school  
9 of medicine and the University of Hawaii at Manoa school of  
10 nursing and dental hygiene shall report to the legislature on  
11 the status of the Hawaii health corps program no later than  
12 twenty days prior to the convening of each regular session of  
13 the legislature, beginning with the regular session of 2013.

14 SECTION 4. This Act shall take effect upon its approval.

APPROVED this 28 day of JUN, 2012



GOVERNOR OF THE STATE OF HAWAII