

STAND. COM. REP. NO.

1154

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 313
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 313, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PHYSICIAN WORKFORCE
ASSESSMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal the requirement that no less than fifty percent of the physician workforce assessment fees transferred or deposited into the John A. Burns School of Medicine (JABSOM) Special Fund be expended for purposes identified by the Hawaii Medical Education Council to support physician workforce assessment and planning efforts;
- (2) Repeal the cap on expenditures from the JABSOM Special Fund; and
- (3) Authorize funds from the JABSOM Special Fund to be expended for:
 - (A) Loan repayments to physicians who commit to working in certain medically underserved areas as part of



the Hawaii Rural Health Care Provider Loan Repayment Program; and

(B) Scholarships to qualifying medical students.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, University of Hawai'i System, AlohaCare, Hawaii Medical Association, Kapi'olani Medical Specialists dba Hawai'i Pacific Health Medical Group, The Queen's Health Systems, and one individual. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that Hawaii faces a critical need for recruitment and retention of physicians to serve in rural and medically underserved areas of the State. Hawaii's shortage of physicians has been estimated to be as high as one thousand and eight, which is compounded by the fact that its physician workforce is the fifth oldest of all the states, of which a majority will be over the age of sixty-five within ten years. Your Committee also finds that the increasingly high cost of education for health care professionals binds graduates to practice in highly specialized fields of care in urban areas that provide sufficient income to repay costly student loans, rather than in general practice on the neighbor islands or in rural areas of the State where need for their service is greatest. Your Committee notes that the physician shortage in Hawaii was exacerbated by the coronavirus disease 2019 pandemic. In 2020, at least one hundred ten physicians retired, one hundred thirty-nine left the State, one hundred twenty decreased their work hours, and eight passed away.

Your Committee further finds that the Physician Workforce Assessment Project administered by JABSOM has been providing physicians in Hawaii with various workforce services, including loan repayment for physicians working in areas of need, recruitment advertisement, preparation of local students for medical school, and education on the issue of physician shortage. According to the University of Hawai'i Systems, the funding for the project is limited to what is provided by the JABSOM Special Fund. Under existing law, funding for the project is statutorily capped at \$245,000 per year despite the JABSOM Special Fund being well funded from the \$60 relicensing fees paid by all physicians in



Hawaii. As such, the fund currently has reserves that cannot be accessed.

This measure will help the Physician Workforce Assessment Project to address the shortage of physicians in rural and medically underserved areas of the State by allowing more funds to be used to support the project and expanding the purposes for which the funds may be used to include loan repayment to physicians who commit to working in medically underserved areas of the State and scholarships to qualifying medical students.

Your Committee has amended this measure by:

- (1) Amending the name of JABSOM's loan repayment program from "Hawaii Rural Health Care Provider Loan Repayment Program" to "Hawaii State Loan Repayment Program" as requested by the University of Hawai'i System; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 313, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 313, H.D. 2, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,



DONNA MERCADO KIM, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:*	Committee Referral:	Date:
HB 313 HD2	HRE, WAM/JDC	3/23/21


The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
KIDANI, Michelle N. (VC)	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes