

STAND. COM. REP. NO. 415

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 613
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
S.B. No. 613 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 help address the
shortage of physicians in rural and medically underserved areas of
the State. Specifically, the measure:

- (1) Repeals the requirement that no less than fifty percent
of the physician workforce assessment fees deposited
into the University of Hawaii John A. Burns School of
Medicine (JABSOM) Special Fund be used for purposes
identified by the Hawaii Medical Education Council;
- (2) Repeals the monetary cap on expenditures from the JABSOM
Special Fund used to support physician workforce
assessment and planning efforts, including the
recruitment and retention of physicians for rural and
medically underserved areas of the State; and
- (3) Authorizes the JABSOM Special Fund to provide:
 - (A) Loan repayment to physicians who commit to working
in medically underserved areas of the State as part



of the Health Care Provider Loan Repayment Program administered by JABSOM; and

(B) Scholarships for 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, Hawaii Medical Association, Hawai'i Primary Care Association, and The Queen's Health Systems. 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. The shortage of physicians is compounded by the fact that Hawaii's 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 healthcare 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 further finds 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. 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 a reserve of \$500,000 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 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 S.B. No. 613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 613, 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:
SB 613	HRE, WAM/JDC	2/16/21

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:
Michelle N. Kidani

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*Only one measure per Record of Votes