



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
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by

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SB 3017 – RELATING TO HEALTH

Chair Tokuda, Vice Chair Dela Cruz and members of the Committees, thank you for this opportunity to testify in support of SB 3017, provided that its passage does not replace or adversely impact priorities as indicated in the University's Board of Regents Approved Budget. SB 3017 would appropriate funds to support medical residency programs to help alleviate the shortage of primary care physicians in rural O'ahu and our neighbor island communities.

The public face of our medical school is its MD students—and we certainly are proud of the fact that close to 90% of them in every class are kama'āina who do Hawai'i proud, e.g. routinely scoring above the national average on U.S. medical licensing exams.

But, the University of Hawai'i at Mānoa John A Burns School of Medicine (JABSOM) also offers another type of training critical to our state that are less well known. Every year, JABSOM supervises the work of some 230 physicians at major medical centers in Hawai'i, doctors who are working toward licensure and board certification in about 20 different "Graduate Medical Education" specialties and subspecialties. They include:

- Internal Medicine (including Geriatrics and Cardiovascular Disease)
- Surgery (including Surgical Critical Care)
- Family Medicine (including Sports Medicine)
- Psychiatry (including Geriatric, Child & Adolescent, and Addictions)
- Obstetrics and Gynecology (Including Maternal Fetal Medicine and Family Planning)
- Pediatrics (including Neonatal-Perinatal)
- Pathology
- Orthopaedic Surgery
- The Transitional Year Residency Program provides a single year of clinical experience in various disciplines such as medicine and surgery before undertaking a specialty residency program.

Even while training, these doctors are working, caring for patients under the supervision of our University of Hawai'i faculty clinicians. The federal government, through the Centers for Medicare and Medicaid services (CMS), provides about 70% of the total salary for each the JABSOM "MD resident" positions. Hawai'i's teaching hospitals have paid the 30% shortfall for these resident positions from their operating budgets.

The rapidly changing healthcare financial environment, however, is limiting the capacity of teaching hospitals/clinics to fund GME training. Many states facing primary care shortages have begun to supplement the available federal GME funding. This important piece is missing in Hawai'i. We ask the Legislature to create an annual GME appropriation, which would allow JABSOM to expand the post-MD training of new doctors.

This investment would pay off significantly by increasing access to health care in our state. As you know, workforce studies indicate that Hawai'i is nearly 700 physicians short (across all disciplines) when compared to national norms. This number has been steadily rising over the years and is predicted to increase.

We know that of all MDs who graduate from JABSOM and also do their post-MD training through JABSOM in Hawai'i, 80% of them will remain in the islands to practice medicine. Expanding GME is the most effective way to attract and retain physicians for Hawai'i.

Additionally, JABSOM's intent is to expand the number of new physician-trainees in the specialties and locations where our doctor shortages are greatest.

Investing in the GME program helps to ensure that Hawai'i grows new doctors who will practice here.

The University of Hawai'i requests that the Legislature appropriate funds in the amount of \$2 million as recommended by the Hawaii Medical Education Council to maintain the stability of the existing residency programs and support the expansion of the Family Medicine Residency Program and provide the needed faculty, staff and clinical learning environment infrastructure support to sustain this expansion. This appropriation will be an ongoing need to ensure adequate primary care provider training for future generations.

We also request your consideration of the attached Proposed Amendment to SB 3017. Language has been inserted to explain the program and clarify the purposes for which the appropriation would be used.

Thank you for this opportunity to testify.

ATTACHMENT: Proposed Amended Bill

A BILL FOR AN ACT

Proposed Amendment

RELATING TO HEALTH.

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

SECTION 1. Hawaii has a shortage of physicians, compared to populations of a similar size and demographic found elsewhere in the United States. Rising demand within the health care system of Hawaii due to population growth, aging, and the prevalence of chronic diseases calls for an increase in the existing physician base. Studies of the physician workforce in Hawaii demonstrate extreme shortages of primary care specialties, most notably in rural areas. Access to a personal physician is shown to decrease morbidity and mortality and to control health care costs. Physician access promotes early detection and careful management of chronic diseases, deferral of unnecessary hospital admissions, and avoidance of unnecessary emergency department visits.

Despite this shortage, many medical students graduate with considerable educational debt and are obligated to choose a non-primary care specialty with higher compensation to repay their student loans. In addition, many of the practicing physicians in Hawaii are approaching retirement age, suggesting a further

contraction in the existing available physician workforce. As the United States adopts an accountable care organization model largely built upon primary care providers, the competition to recruit new primary care providers will increase. Financial support of a fully accredited, excellent Family Medicine residency training program will enable the University of Hawaii John A. Burns School of Medicine to increase its number of resident-doctors in training positions as well as begin steps to grow its Family Medicine Residency program and extend its reach on the islands of Kauai and Maui and/or in North Kohala and West Hawaii. Over the past twenty years, the program has graduated 117 new Family Medicine doctors. Eighty percent (80%) of those doctors have remained in Hawaii and practice throughout Oahu and the neighbor islands. Increasing the number of resident-doctors in the existing Family Medicine program, with a proven track record of placing its graduates on the neighbor islands and rural and/or underserved areas on Oahu, is an effective means of reducing the shortage of primary care physicians in Hawaii.

The Family Medicine Residency Program employs an interdisciplinary model of training that includes physicians (Family Medicine, Obstetrics-Gynecologists, Endocrinologist, Addictions Psychiatrist), medical students, psychologists, pharmacists, and pharmacy students. Adding additional faculty and staff as well as renovating and expanding the capacity of the family health center located in Mililani will improve the

clinical learning environment and expand the training opportunities for JABSOM students and residents. The family health center (the Physician Center at Mililani), in partnership with the major teaching hospitals in Hawaii, serves as the training site for family medicine physicians and medical students. Expansion of capacity as described above will enable the resident-doctors, faculty physicians and other clinicians to care for more patients. Currently the practice is the only practice in Central Oahu and the North Shore that accepts new Medicare and Medicaid/Quest patients.

Simultaneously, this legislation will support a proven recruitment process to increase the number of family medicine physicians to neighbor island communities. Family Medicine Residency clinical training rotations within neighbor island communities shall be established and place second and third year residents to see patients and be supervised by doctors within these communities during their final two years of training, thereby enhancing the recruitment of these primary care physicians to establish practices in these communities once they complete training. The proven effectiveness of this recruitment process shows that when the UH JABSOM Family Medicine residency program rotated second and third year residents through Hilo on East Hawaii Island, six (6) have stayed to practice where they trained and one more is planning to practice there in the Fall after he graduates. Similarly, because of neighbor island

rotation experiences, 2 UH Family Medicine Residency program graduates practice on Kauai and 3 on Maui. Until recently there had been 2 graduates practicing in Lanai.

The purpose of this Act is to address the shortage of physicians in Hawaii, starting with Family Medicine primary care physicians for rural Oahu and neighbor island communities in the State, by making an appropriation for graduate medical education.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2016-2017 for medical resident positions in rural Oahu and neighbor island communities and the following associated costs:

- (1) Increases in faculty and infrastructure of the existing University of Hawaii John A. Burns School of Medicine, Family Medicine Residency Program; and
- (2) Development of new accredited family health centers in association with teaching hospitals.

The sum appropriated shall be expended by the University of Hawaii John A. Burns School of Medicine for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2016.