



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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By

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HB 1977 HD1 – RELATING TO PHYSICIAN SHORTAGE

Chair Luke, Vice-Chair Cullen, and members of the committee:

HB 1977 HD1 requires the Department of Health to establish, develop and implement a program to sponsor medical students who graduate from a high-quality but lower-cost medical school and make a ten-year commitment to practice medicine in Hawai'i. We offer the following comments on this measure.

The University of Hawai'i is committed to providing opportunities for students from Hawai'i to become physicians and to increase the number of physicians in Hawai'i to help address the growing physician shortage in Hawai'i. The John A. Burns School of Medicine (JABSOM) of the University of Hawai'i at Mānoa has at its heart, a mission to train highly qualified physicians who will serve the people of Hawai'i by providing excellent healthcare. Workforce analyses have demonstrated that the medical students most likely to practice medicine in Hawai'i are those who have lived most of their lives in our state and have family ties that serve as an inducement to remain in Hawai'i. Thus, to meet its mission, JABSOM must first attract Hawai'i's best college seniors (or previous college graduates) and if accepted, induce these accepted applicants to matriculate at JABSOM.

The most effective method to recruit accepted applicants to JABSOM and help grow the medical school education within Hawai'i is through scholarships to JABSOM. To that end, JABSOM has crafted a tuition support program that functionally serves as a scholarship and may be awarded for part or all of a student's tuition at JABSOM. In return for tuition support, students are required to practice in Hawai'i after completing the needed additional training for medical licensure and specialty certification. At this point in time, JABSOM has been wholly dependent upon private donations to sustain this tuition support program. State support for this program, especially for neighbor

island students to attend JABSOM would greatly assist Hawai'i's effort to retain talent in Hawai'i.

HB 1977 HD1 proposes to use Hawai'i state taxpayer dollars to fund medical education at schools other than JABSOM that offer lower-cost tuition. We note that "lower-cost" is not defined in the bill, and it is unclear as to how the term would be applied and the factors that would be considered in deciding what constitutes "lower-cost". There are a host of other expenses associated with medical school beyond tuition.

International medical schools may offer lower-cost tuition as compared with schools in the United States. However, there are a number of hurdles a student of an international medical school faces after graduating. Although the graduates of international medical schools can occasionally successfully compete for post-graduate medical education programs (i.e., a "residency" position) in the U.S., these graduates are much less likely to receive a residency "match" as required for subsequent licensing and practice in the U.S.

According to the 2019 National Residency Match Program results, the match rate for U.S. medical school Seniors was 93.9% compared to the 59% match rate for U.S. citizen graduates of international medical schools attempting to secure a residency match in the U.S. If someone does not match immediately after graduation from medical school, it is highly unlikely they will be able to enter and complete a residency program in subsequent years.

In order for an international medical school graduate to be eligible for a Hawai'i physician license, the applicant must complete their medical school education, be certified by the Educational Commission for Foreign Medical Graduates, complete two years of an ACGME-accredited residency program in the U.S. or Canada and complete U.S. physician licensure examinations. Students who complete their medical school in Hawai'i are significantly more competitive for the residency positions offered in Hawai'i.

The greatest challenge to increasing the supply of practicing physicians is the availability of residency positions in Hawai'i and elsewhere in the United States. There are more applicants for these residency positions than there are available positions. Obtaining significantly more residency positions in Hawai'i would require new Federal legislation and fundamental changes in policies concerning the financing of graduate medical education by the U.S. Federal Government Centers for Medicare and Medicaid Services.

HB 1977 HD1 also places the Department of Health (DOH) at the heart of making the determination as to whether a student is qualified to attend a medical school. The DOH may not be the ideal entity for this purpose. An experienced and qualified selection committee and admissions process is required in order to determine the best qualified applicants. There should be an experienced admissions officer (with appropriate

background and credentials) as well as a selection committee of physicians who are able to review all components of an application in order to determine if an applicant should be offered interviews. This initial pre-interview process takes at least several hours of review per application (review requires more than source document verification). If interviews are offered, additional hours of careful review and deliberations are required to determine the best-qualified applicants. The selection committee considers the potential for academic and personal success in medical school and for a successful future career in medicine.

The requirement to commit to working in Hawai'i for a period of ten (10) years will be daunting to most students and will discourage individuals from accepting sponsorships. A year-for-year service payback or obligation is standard for Federal, State and Military loan repayment or scholarship programs.

There are a number of factors that influence the successful establishment of a medical practice in the state. Among those are the high cost of living here, combined with the lower reimbursement rates and lower salaries in Hawai'i than elsewhere in the United States, as well as the lack of ties to the community.

There are elements of HB 1977 HD1 worthy of consideration if enacted WITHIN Hawai'i. Specifically, were the state to fund a full-ride scholarship program for Hawai'i residents admitted to JABSOM that was coupled to a subsequent year-for-year practice payback requirement, the school could attract more of the 30-40 Hawai'i residents who take medical school offers elsewhere in the U.S.

We have learned that approximately 70% of students who obtain their medical degrees from JABSOM and go on to complete their residency with JABSOM remain in the state to practice. With more stable and enhanced investment in the operations of JABSOM, further expansion of the class size and support of neighbor island practice and training programs could be enhanced.

Thank you for the opportunity to provide testimony on this matter.