



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Health and
House Committee on Lower and Higher Education
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By

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HB 2254 – RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

Chairs Mizuno and Woodson, Vice Chairs Kobayashi, Hashem, and Quinlan, and members of the committees:

Thank you for this opportunity to testify in **strong support** of HB 2254, provided that its passage does not adversely impact our BOR Approved Budget, which permits continuation of the Hawai'i State Loan Repayment program that supports payments of educational debt for physicians, nurse practitioners, physician assistants, psychologists, social workers, marriage and family counselors, nurses, and social workers who work for non-profit organizations in federally designated health professional shortage areas of Hawai'i or in a geographic area of Hawai'i found to be underserved. This program is made possible through a grant from the federal government but requires a local dollar for dollar state match.

Hawai'i has a shortage of about 800 doctors, and almost all other types of primary care and behavioral healthcare workers. In the last year approximately 150 physicians left the state, further contributing to the physician shortage. Without these doctors and other healthcare providers, the people of Hawai'i do not have access to the healthcare they need. The shortage is most acute for those on neighbor islands and those with the least resources. One of the fastest and least expensive methods for recruiting providers is through loan repayment. The Hawai'i State Loan Repayment program has helped 46 health care providers since its inception in 2012. Currently, the Loan Repayment Program supports 25 providers in Hawai'i. Of the program graduates, 43% remain where they served their commitment and 67% remain in Hawai'i.

In 2016, 64% of John A. Burns School of Medicine (JABSOM) residents and fellows had a current student loan burden. The average medical school debt of our graduates for the last 3 years is as follows:

- 2016-2017 = \$169,763;
- 2017-2018 = \$146,637;
- 2018-2019 = \$187,113.

These loans, with average minimum monthly payment of \$500, begin repayment while in residency training, in addition to the high cost of living, rent and other living expenses. The high cost of college and medical education results in large student loan debt -- which detracts from physicians choosing primary care specialties and choosing to practice in underserved or rural communities.

If a physician does his or her medical school AND residency (or Graduate Medical Education or GME) training here in Hawai'i, about 86% of them stay in Hawai'i to practice. Having loan repayment options tied to commitments to serve in neighbor island, rural and underserved populations will help to reduce the physician shortages in those areas. The loan repayment program has played an important role in bringing needed physicians and healthcare providers to underserved areas.

HB 2254 requests \$500,000 for loan repayment for the above listed health professions. The funds provided will be matched dollar for dollar from other funding sources and be provided to reduce the debt of our healthcare providers working in areas of need. This will allow for 15-20 new healthcare providers a year to work in underserved areas across Hawai'i and receive at least \$25,000 a year in loan repayment for practicing at least two years in an area of need. This funding will be very helpful in bringing more healthcare professionals to underserved communities, as this year we had 17 applications and could only provide loan repayment to 7 individuals.

Thank you for this opportunity to testify.