



**UNIVERSITY OF HAWAII SYSTEM**  
**‘ŌNAEHANA KULANUI O HAWAII**

Legislative Testimony  
Hō‘ike Mana‘o I Mua O Ka ‘Aha‘ōlelo

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Testimony Presented Before the  
House Committee on Higher Education and Technology  
Wednesday, March 15, 2023 at 2:00 p.m.

By

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SB 262 SD1 – RELATING TO MEDICAL RESIDENCY PROGRAMS

Chair Perruso, Vice Chair Kapela, and Members of the Committee:

Thank you for the opportunity to present testimony today. The John A. Burns School of Medicine (JABSOM) provides COMMENTS on SB 262 SD1 which appropriates money to support and expand physician residency training programs in state teaching hospitals. The measure requires dollar-for-dollar matching funds from private funding sources.

The University of Hawai‘i supports the intent of this measure, provided that its passage does not impact priorities as indicated in the University’s Board of Regents Approved Executive Biennium Budget. We appreciate the intent of SB 262 SD1 in attempting to provide a solution to the issue of funding medical education training. However, the restriction of requiring a one-to-one match in private funds is problematic and may impair federal and other funding received for medical residency programs. Additionally, as JABSOM, and not the Department of Health, is the sponsoring entity for the residency programs in the state, JABSOM should be named as the expending agency of the appropriation. Accordingly, we suggest amendments to address these concerns.

In Hawai‘i, graduate medical education costs are largely borne by the University of Hawai‘i and its affiliated health systems. JABSOM serves as the Sponsoring Institution for the bulk of the civilian residency programs in Hawai‘i, ensuring high-quality and accredited medical resident education programs or Graduate Medical Education (GME). JABSOM faculty provide educational program leadership and clinical supervision of about 230 residents and fellow trainees annually. Funding for about 80% of per-resident FTE of salary and educational costs can be reimbursed to the hospitals by Center for Medicare and Medicaid Services (CMS) GME training dollars and a smaller amount of Veteran’s Administration (VA) GME training dollars. Hospital operational funds cover the remainder of trainees’ costs, program support staff members, and additional educational

costs mandated by the accrediting body. JABSOM supports a portion of faculty leadership time to administer the educational programs, in addition to administrative costs to support the educational programs and accreditation.

Pre-COVID, the health systems were constrained and unable to make significant investments to result in more GME training, especially on the neighbor islands that are most acutely impacted by physician workforce shortages. In addition, Hawai'i is considered a lower priority for new CMS GME positions based on current Federal definitions and regulations. Thus, to expand residency training, especially on the neighbor islands where it is most needed, we need annual state investment to cover resident and administrative support personnel positions as well as some salary support to allow practicing physicians sufficient time to supervise and evaluate the trainees and help develop or expand new programs for medical students and residents. However, if the state funding is tied to the requirement of dollar-for-dollar matching funds from private sources, this would result in the already cash-strapped health systems, a key source of private funding supporting residency training, increasing their contributions. The health systems will likely be unable to absorb this additional expense.

The John A. Burns School of Medicine has engaged in strategies to increase the number of physicians in Hawai'i by enrolling more students, rotating medical students to the neighbor islands for preclinical (up to 14 weeks) rotations, developing longitudinal third-year rotation sites where a small number of students are in the same location for 5.5 months, developing a small number of sites for 4-week fourth year clinical rotations, developing residency or fellowship rotations, and administering the state's loan repayment program that places recipients in underserved communities, especially the neighbor islands, among other endeavors. State funding that is not tied to the requirement of matching private monies would enable JABSOM to expand training opportunities to the neighbor islands.

### **PROPOSED AMENDMENTS:**

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 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for supporting and expanding physician residency training programs in Hawaii's teaching hospitals. [~~provided that no funds shall be released unless matched dollar for dollar by private funding sources.~~]

The sums appropriated shall be expended by the [~~medical education council in cooperation with the department of health~~]John A. Burns School of Medicine of the University of Hawai'i for the purposes of this Act.

Thank you for the opportunity to provide this testimony.