Testimony Presented Before the Senate Committee on Health and Human Services Senate Committee on Higher Education Thursday, February 16, 2023 at 3:00 p.m.

By

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SB 689 – RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS

Chairs San Buenaventura and Kim, Vice Chairs Aquino and Kidani, and Members of the Committees:

Thank you for the opportunity to present testimony today. The John A. Burns School of Medicine (JABSOM) **strongly supports SB 689** which seeks funding for the Hawai'i State Loan Repayment Program administered by JABSOM in the amount of \$1,000,000 for fiscal years 2023-2024 and 2024-2025. We request that the measure take effect on July 1, 2023.

Since September 2012, the Hawai'i State Loan Repayment program has been operating successfully, and has supported 76 recipients in exchange for work commitments in underserved geographic practice areas in Hawai'i. Of the loan repayment participants, 80% have remained in Hawai'i to practice, and more than half have remained at the site where they performed their service. As of this date, there are 23 active providers in the Hawai'i State Loan Repayment program with another 9 providers applying for JABSOM'S Innovative Loan Repayment Program, which is also administered by JABSOM and uses non-federal monies to match State funds to support other local healthcare providers who do not meet the federal guidelines but who still work in an area of need.

The Hawai'i State Loan Repayment program leverages public funds and private donations to access matching federal funds through the State Loan Repayment Program of the National Health Service Corps Branch of the United States Department of Health and Human Services. Currently, health care professionals who have benefited from the loan repayment program serve on all islands and in the communities

of Waimea, Kihei, Waiʻanae, Hilo, and Wailuku; at health clinics in Kalihi-Pālama and Kokua Kalihi Valley; and in public institutional settings at the federal detention center in Honolulu, the Hālawa correctional facility and the Maui County correctional center. Health care professionals who are eligible to participate in the program include physicians, nurse practitioners, psychologists, social workers, and many others.

Many Hawai'i residents are unable to obtain timely and appropriate health care due to shortages of primary and behavioral health care professionals in the State. These shortages not only threaten individual health, but also cumulatively affect the State's health care costs. Areas of Hawai'i that have been designated by the federal government as medically underserved have been most significantly affected by shortages of primary and behavioral health care professionals, such as physicians, nurse practitioners, physician assistants, and psychologists. Social workers, marriage and family therapists, and nurses are also urgently needed in these areas.

In many cases, the increasingly high cost of education for health care professionals binds graduates to a career path designed to repay often exorbitant student loans. These career paths most frequently lead to professional practice in highly specialized practice in urban areas rather than in general practice on the neighbor islands or in underserved areas of Oʻahu where the need is greatest. Furthermore, those states with robust primary health care systems have lower costs and improved patient outcomes. Recognizing this correlation, many states have made the policy decision to dedicate public funds to loan repayment programs to help develop a strong primary health care workforce for underserved areas.

An investment of State matching funds would enable JABSOM to draw as much federal money as possible and allow the program to provide loan repayment to more health care professionals in our ongoing efforts to alleviate the health care professional shortages in Hawai'i.

We request a minor, non-substantive amendment to page 2, line 12 by the insertion of the word "Branch" to reflect the correct name of the federal program that underwrites the Hawai'i State Loan Repayment Program:

"National Health Service Corps <u>Branch</u> State Loan Repayment Program of the United States Department of Health and Human Services".

Thank you for this opportunity to testify in support, provided that its passage does not replace or impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget.