

# Column: Medicare's fee schedule inadequate for doctors in Hawaii

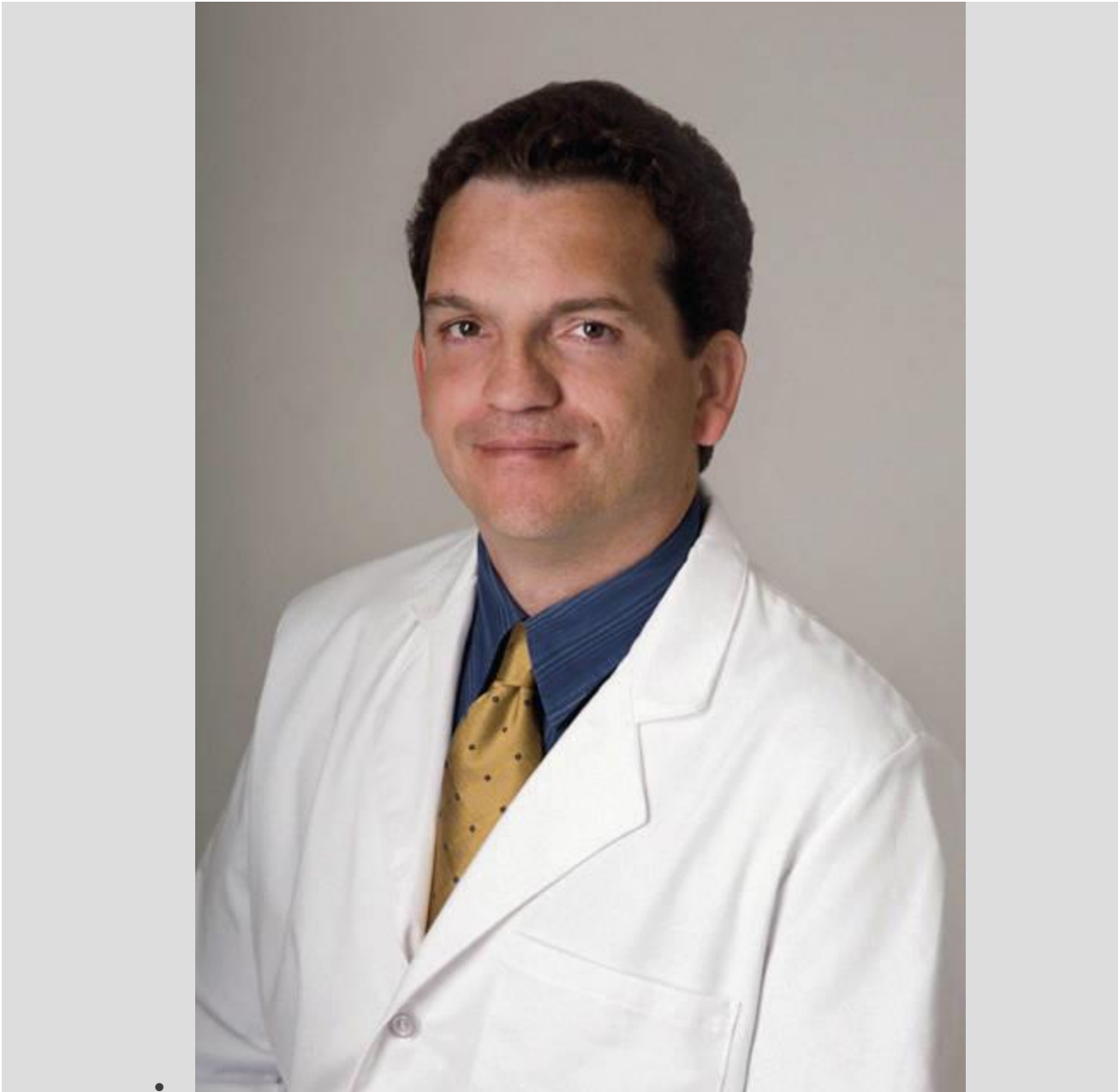
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Storm clouds loom on the horizon. Hawaii suffers a shocking 41% physician shortage on the Big Island, 39% on Maui, 30% on Kauai, and 25% statewide. With a stunning 25% of Hawaii physicians over age 65 approaching retirement, the storm builds.

U.S. Sen. Brian Schatz, D-HI nails it. “We have a doctor shortage crisis in Hawaii, and it is having a real impact on families living in hard-to-reach areas across the state. We need to bring more doctors to communities that need them most.”

Why the shortage? According to the U.S. Bureau of Economic Analysis, Hawaii has the country’s highest cost of living. Meanwhile, the 2018 Medscape Physician Compensation Report ranks Hawaii doctor income third-worst in the nation.

Hawaii’s Medicare physician payments lie near lowest in the country and spending per beneficiary is lowest in the nation. Everyone pays federal taxes. Hawaii’s fair share of Medicare funding is being spent in other states. The combination of high cost of living, high cost to provide medical services, and poor reimbursement cause many physician practices to struggle. This perfect storm has nearly destroyed our ability to recruit and retain doctors.

In an October press release, U.S. Rep. Ed Case, D-HI nails it, too. Medicare policy “has long failed to account for the unique costs of providing medical services in Hawaii” and “will likely lead directly to an accelerating shortage of health care providers across our state, especially in rural areas like the Neighbor Islands and more vulnerable communities.”

Hawaii residents deserve excellent health care. Excellence is driven by attention to quality, low cost and access.

Hawaii’s record with respect to quality and cost is outstanding. In 2019, the United Health Foundation ranked Hawaii the healthiest state in the nation. In 2018, The Commonwealth Fund ranked Hawaii the healthiest state and best in the nation at controlling health care costs for middle-class families.

This attention to quality care at low cost must be rebalanced with access. As the physician shortage grows, access shrinks. As Dr. Kelley Withy, head of the Hawaii/Pacific Basin Area Health Education Center, observed: “In an island state, access is essential. It is very difficult to transfer patients. Without access, even simple cases can result in unnecessary death or complications.”

Challenges experienced in Hawaii have been addressed in Alaska. Benchmarked to a national average of 100, Alaska's cost of living index is 129. Hawaii's index is 192.9! For Alaska, the 2008 Congress amended the Social Security Act, creating a 150% adjustment to the physician component of Medicare reimbursement. Hawaii deserves the same treatment: Medicare funding on par with Alaska.

This potential fix is gaining momentum.

>> In June 2019, as part of the appropriations process, Rep. Case requested a General Accountability Office study reviewing Medicare funding for the noncontiguous states of Hawaii and Alaska.

>> In October, Hawaii's congressional delegates submitted joint comments to the Centers for Medicare and Medicaid Services, expressing its common concern over the fee schedule's negative impact on Hawaii.

>> In November, citing a state surgeon shortage of 42%, Sen. Schatz introduced the Ensuring Access to General Surgery Act. The Act would direct the U.S. Department of Health and Human Services to conduct a study of the shortage with respect to access to surgeons by underserved populations and provide the authority to designate general surgery shortage areas.

We thank Hawaii's state government and congressional delegation for their leadership and concern regarding the physician shortage crisis. We are confident our political leadership will seize the opportunity to work on our behalf toward a fair and equitable solution where all Hawaii residents can obtain the health care they need.