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Subject: Critical Communication Hawaii General Excise Tax Exemption Legislation

## **Hawaii Radiological Society February 2, 2020**

### **Legislative Update**

The Hawaii Radiological Society is intended to unite and empower radiologists across the state of Hawaii by providing oversight and advocacy at the State and Federal levels while furthering the mission of the American College of Radiology.

This work has been recognized with the 2019 ACR Chapter of Excellence Award.

### **Hawaii General Excise Tax Exemptions**

There are currently 5 Senate and 3 House Bills circulating the Legislature, each of which would provide a General Excise Tax exemption on physician medical services. The importance of these measures to the wellbeing of Hawai'i Healthcare and Patient Care Access cannot be understated. A full 18 of 30 Senators are GET Bill Introducers. Rep Richard Creagan MD indicates these bills have momentum.

On 1/29/2020, your HRS Legislative Liaison John Lauris Wade MD testified before the Senate Committee on Commerce, Consumer Protection and Health as follows:

*President John F. Kennedy once wrote, "The great enemy of the truth is very often not the lie, deliberate, contrived and dishonest, but the myth, persistent, persuasive and unrealistic." State Bill 2327, and its brethren, address the myth that all is well in Hawai'i Health Care.*

*In 2008, anecdotal reports of a doctor shortage on the Big Island had been circulating for a few years. At the behest of local government, Dr. Kelly Withy of the John A Burns School of Medicine studied the local work supply and pegged the physician shortage at 15%. In 2010, the study was repeated statewide and found a shortage of 20%. Dr. Withy declared that the situation was quote "likely to worsen if mitigating steps were not taken immediately." Since that time, the Hawai'i Physician Workforce Assessment Project has been performed annually and the State has funded a number of projects intended to mitigate the Physician Workforce Shortage.*

*Despite the measures, the statewide shortage has increased to 820 Doctors. Neighbor Island shortages are most severe and measure 32% in Kauai County, 36% in*

*Maui County and a full 44% in Hawaii County. Since 2008, the Big Island Physician shortage has tripled.*

***Patient health care access is threatened.***

*Nearly 1/3 of Big Island Physicians are age 65 or older. Hawai'i has the second oldest physicians in the nation. A large number of these older physicians will soon retire. The Hawai'i State Cost of Living Index is the highest in the nation. The General Excise Tax as applied to Medical Services results in Medicare Reimbursement which is the worst in the nation. Adjusted for cost of living, HI physician wages are the third worst in the country and that is only because they work so hard. As such Hawai'i medical practices are having difficulties surviving, much less recruiting and retaining new physicians.*

**Call to Action**

A quote of President Kennedy is once again apt. "There are risks and costs to action. But they are far less than the long range risks of comfortable inaction."

**Bills**

**SB2327 SB2542 SB2467 SB2748 SB2413  
HB1913 HB2228 HB138 HD2**

Please consider following and testifying on the above bills. HRS is uncertain as to which bills will ultimately become the working piece of legislation.

Testimony can be delivered personally at legislative hearings or on line. Please consider giving testimony on bills and forwarding this note to colleagues, family members, and friends who understand the Patient Care Access Issues that result from the Critical Shortage of Physicians in Hawaii. State Government needs to hear the collective voice of Hawai'i.

**Steps to Submit Testimony**

1. Link to Hawai'i State Legislature at <https://www.capitol.hawaii.gov/home.aspx>
2. In the Upper right corner, Register on the Site. Once registered, sign in.
3. On the Welcome Page, put the Bill Number in the query Field. Hit "Go."
4. On the Bill Page, you can read the bill and track its committee movements.
5. Blue Tab at the top allows you to submit Testimony. It also gives you the opportunity to schedule submitting testimony in person if desired.

**Get Involved**

Please submit Testimony on HB138. In this Bill, the GET Exemption is under the PDF "HB138 HD2 Proposed" and is an add-on to previously presented bill. Welcome to the convolutions of the legislative process. This Bill is before the House Committee on Health scheduled 2/4/2020 and testimony can be provided until Monday morning.