10 REASONS TO PASS THE GET EXEMPTION ON HEALTHCARE

In the U.S. military, we use the phrase "permission to speak freely", when operationally required to protect our service members or the mission. The mandate to protect access to healthcare in Hawaii required immediate action and a blunt assessment of the facts.

1). Hawaii has a critical shortage of providers, most severe on the Neighbor Islands where there is a 44% shortage on the Big Island.

2). Most providers are in private practice, and Hawaii's General Excise Tax on gross revenues is a practice killer, erasing the razor thin profit margins for many practices.

3). Hawaii's GET uniquely penalizes patients for being sick or injured. The GET amounts to surprise taxation, in addition to unplanned medical expenses for patients, who often are unable to work.

4). Providers are forced to absorb the GET tax for Medicare patients. This usually results in LOSSES caring for Medicare patients. One of our doctors recently left a teaching position at Harvard Medical School to return home and care for Quest and Medicare patients. Due in significant measure to the GET, her practice lost $50,000 her first year. Few doctors can afford to treat Medicare patients and lose money caring for these patients.

5). GET taxation on healthcare is biased again the Neighbor Islands, where a much larger percentage of the population is on Medicare and Medicaid. The GET is a major contributor to their severe provider shortage crisis. According to Wallethub, Hawaii has the fewest doctors able to accept Medicare insurance in the U.S.

6). "Medicare for All" in Hawaii would result in providers absorbing the GET on all patients, and likely result in the near complete collapse of the private healthcare sector. If the GET were applied to Hawai'i hospitals and their employed providers, most hospitals would already be in red and would be forced to cut back services or close.

7). Hawaii is the LEAST fiscally competitive state in the nation for the medical providers due to the GET, high costs, low reimbursements, and a monopsony (or buyers monopoly) in the private insurance market. Few young people, including young medical professionals with hundreds of thousands in student loans, can afford to live in Hawaii. There is projected to be a physician shortage of over 100,000 by 2030 nationally (which does not include the toll on healthcare workers from COVID-19 into account). Other states are actively recruiting doctors, while Hawaii's policies are driving even many local doctors away or out of business.

8). As a result, Hawaii has the second oldest physician workforce in the U.S. with a third of practicing doctors on Hawaii Island past retirement age. Some commentators have suggested that only younger doctors treat COVID-19 patients, as older providers are much more likely to be seriously ill or die if infected. Past inaction on the well documented doctor shortage means that Hawaii "will be going to war with the army we have" and thus we are likely to have significantly more causalities with our overage workforce.

9). Many patients and providers in Hawaii are going to be sick and quarantined this year. Taxing the GET on the corona virus victims unable to work will drive many individuals and medical and non medical businesses into bankruptcy. The GET tax in healthcare is highly regressive and may be viewed by the public as unethically profiteering from the disease.

10). As the virus spreads worldwide, restricting travel from certain areas will make less sense. Tourists, especially older individuals, will likely restrict their travel to locations with robust healthcare systems. They will be less likely to visit islands where even the local population is unable to access healthcare.

Mahalo to the Senator Consumer Protection and Health Committee, House Health Committee, and Senate Ways and Means Committee for hearing and approving SB2542. This bill must be heard and voted into law.