
A BILL FOR AN ACT

RELATING TO PHYSICIANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Doctors are critical components of our society,
2 providing a very important service to everyone in the State, and
3 it is the job of the legislature to ensure that the State
4 provides the best quality of life possible for all of its
5 residents. Addressing the needs and concerns of health care
6 providers is a key step toward keeping Hawaii healthy.

7 Over the years a number of doctors have retired or left
8 Hawaii, especially the neighbor islands, citing reasons that
9 include high medical malpractice insurance rates, low insurance
10 reimbursement rates, and the high cost of living. Hawaii has
11 been unable to replace these doctors in a manner that provides
12 Hawaii residents with timely access to adequate health care.

13 Furthermore, in addition to the general shortage of doctors
14 in Hawaii, many of the remaining physicians are reluctant to
15 accept and treat medicaid patients, making it even more
16 difficult for this particular population to receive medical
17 services on a regular and emergency basis.



1 The purpose of this Act is to address the shortage of
2 physicians in Hawaii, including those who are willing to accept
3 medicaid patients, by establishing a tax credit for physicians
4 or clinics if at least per cent of a physician or clinic's
5 total patient caseload consists of medicaid patients, the
6 physician or clinic is located in and treats patients from a
7 rural area, or the physician or clinic responds to emergency
8 calls.

9 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
10 amended by adding a new section to part III to be appropriately
11 designated and to read as follows:

12 "§235- Medicaid physician tax credit. (a) There shall
13 be allowed to each qualified taxpayer subject to the taxes
14 imposed by this chapter, a medicaid physician tax credit that
15 shall be applied to the qualified taxpayer's net income tax
16 liability, if any, imposed by this chapter for the taxable year
17 in which the credit is properly claimed.

18 (b) The tax credit shall be in an amount equal to per
19 cent of the amount of medical malpractice insurance premium paid
20 by the qualified taxpayer for the taxable year in which the
21 credit is properly claimed.

22 (c) As used in this section, "qualified taxpayer" means



1 a physician licensed under chapter 453 or a clinic that employs
2 physicians licensed under chapter 453, physician's assistants,
3 or advanced practice registered nurses and pays the cost of
4 their malpractice insurance premiums; provided that:

5 (1) At least per cent of the physician or clinic's
6 total patient caseload consists of medicaid patients
7 accepted and treated by the physician or clinic;

8 (2) The physician's primary office or the clinic is
9 located in a rural area of the State and the physician
10 or clinic regularly treats patients from rural areas
11 of the State; or

12 (3) The physician or clinic takes or responds to emergency
13 calls;

14 provided further that the physician or the clinic does not owe
15 the State delinquent taxes, penalties, or interest;

16 (d) If the tax credit claimed by the qualified taxpayer
17 under this section exceeds the qualified taxpayer's income tax
18 liability, the excess of credit over liability shall be refunded
19 to the qualified taxpayer; provided that the tax credit properly
20 claimed by a qualified taxpayer who has no income tax liability
21 shall be paid to the qualified taxpayer; and provided further



1 that no refunds or payments on account of the tax credit allowed
2 by this section shall be made for amounts less than \$1.

3 (e) The director of taxation shall prepare forms that may
4 be necessary to claim a credit under this section, may require
5 proof of the claim for the tax credit, and may adopt rules
6 pursuant to chapter 91 necessary to effectuate the purposes of
7 this section.

8 (f) Claims for the tax credit under this section,
9 including any amended claims, shall be filed on or before the
10 end of the twelfth month following the taxable year for which
11 the credit may be properly claimed."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on July 1, 2050, and
14 shall apply to taxable years beginning after December 31, 2010.



Report Title:

Medicaid Physicians; Tax Credit

Description:

Establishes a tax credit equal to _____ per cent of the amount of medical malpractice insurance premium paid by a physician or clinic if at least _____ per cent of their total patient caseload consists of patients on medicaid, they are located in a rural area, and they respond to emergency calls. Effective 7/1/2050. (SD2)

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