

STAND. COM. REP. NO.

2395

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2298

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2298 entitled:

"A BILL FOR AN ACT RELATING TO HEALTHCARE PRECEPTOR TAX
CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to create a tax credit that encourages preceptors to offer professional training to students seeking careers as healthcare providers in Hawaii, in order to expand the State's capacity for clinical instruction and address the shortfall of medical professionals.

Your Committee received testimony in support of this measure from the Board of Nursing; Board of Pharmacy; University of Hawaii System; University of Hawaii John A. Burns School of Medicine; University of Hawaii School of Nursing and Dental Hygiene; Hawaii State Center for Nursing; Hawaii Pacific Health; Straub Medical Center; Waianae Coast Comprehensive Health Center; Hawaii Primary Care Association; Hawaii Medical Association; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; American Organization of Nurse Executives - Hawaii Chapter; Wahiawa Center for Community Health; and eight individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Health, Hawaii Medical Board, and Tax Foundation of Hawaii.



Your Committee finds that there is a primary care provider shortage in Hawaii that will be exacerbated by the projected retirements of physicians and advanced practice registered nurses. Your Committee also finds that academic institutions across Hawaii face challenges in ensuring an adequate number of future healthcare professionals and are constrained in part by the lack of clinical education sites in Hawaii and the limited supply of qualified primary care preceptors. Your Committee also finds that training by a preceptor is an integral part of the medical training program. Your Committee further finds that one way to encourage participation of preceptors is to offer a tax credit for professionals who serve as preceptors.

Your Committee notes that the costs of this program are uncertain. Accordingly, your Committee finds it prudent to offer the tax credit only to those medical professionals serving as preceptors to primary care physicians, including osteopathic physicians, and advanced practice registered nurses at this time, evaluate the effectiveness and the cost of the tax credit, and then determine whether the tax credit should be expanded to preceptors for other valuable professions, such as dentists, pharmacists, social workers, dieticians, and physical therapists.

Your Committee also finds it necessary for the tax credit to be certified by a group with the authority to review sensitive educational data and that additional specifications regarding certification of the tax credits are needed. Your Committee is amenable to language proposed by the Hawaii State Center for Nursing that addresses these issues and refines definitions in this measure.

Accordingly, your Committee has amended this measure by:

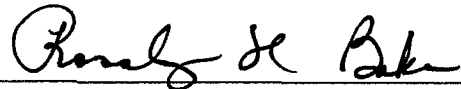
- (1) Limiting the applicability of the tax credit to only professionals serving as preceptors for students studying to be primary care physicians, osteopathic physicians, and advanced practice registered nurses;
- (2) Renaming the healthcare preceptor tax working group to the preceptor credit assurance committee and clarifying the committee's duties;



- (3) Exempting the committee from part I of chapter 92, Hawaii Revised Statutes, and providing civil liability protections for members of the committee;
- (4) Updating and adding various definitions, as recommended by the Hawaii State Center for Nursing; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2298, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



