



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
Honolulu, HI 96801-3378  
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**Testimony in SUPPORT of SB2298 SD2 HD2  
RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS.**

REP. SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: March 28, 2018

Room Number: 308

- 1 **Fiscal Implications:** Uncalculated impact to general revenues.
- 2 **Department Testimony:** The Department of Health supports the intent of SB2298 SD2 HD2,
- 3 which is to provide financial incentives for practicing health care providers to provide enriching
- 4 professional guidance. Primary care provider shortages – physicians and nurse practitioners –
- 5 are especially acute and a broad strategy that includes tax credits for health care preceptorships is
- 6 required.
- 7 The department acknowledges that tax credits may impact revenue receipts and thus defers to the
- 8 Department of Budget and Finance for economic implications, and to the Department of
- 9 Taxation for operational considerations.
- 10 **Offered Amendments:** N/A.

DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA  
DIRECTOR

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF TAXATION**  
830 PUNCHBOWL STREET, ROOM 221  
HONOLULU, HAWAII 96813  
<http://tax.hawaii.gov/>  
Phone: (808) 587-1540 / Fax: (808) 587-1560  
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To: The Honorable Sylvia Luke, Chair  
and Members of the House Committee on Finance

Date: Wednesday, March 28, 2018  
Time: 2:00 P.M.  
Place: Conference Room 308, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

Re: S.B. 2298, S.D. 2, H.D. 2, Relating to Healthcare Preceptor Tax Credits

The Department of Taxation (Department) offers the following comments on S.B. 2298, S.D. 2, H.D. 2, for the Committee's consideration.

S.B. 2298, S.D. 2, H.D. 2, creates a nonrefundable healthcare preceptor tax credit for taxpayers who supervise volunteer-based supervised clinical training rotations. The credit is equal to \$1,000 for each rotation supervised, with a cap of \$5,000 per taxpayer, and \$2 million per year in the aggregate. S.B. 2298, S.D. 2, H.D. 2, also creates a preceptor credit assurance committee which certifies the number of volunteer-based supervised clinical training rotations and ceases issuing certificates when the amount of certified credits hits the aggregate cap. The bill has a defective effective date of July 1, 3000, and provides that the tax credit is effective for taxable years beginning after December 31, 2018.

The Department notes that it appreciates the inclusion of an entity with subject matter expertise to help administer this tax credit by issuing certifications.

Finally, the Department is able to administer this new tax credit for taxable years beginning after December 31, 2018 as currently written.

Thank you for the opportunity to provide comments.

**PRESENTATION OF THE  
BOARD OF NURSING**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Wednesday, March 28, 2018  
2:00 p.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON SENATE BILL NO. 2298, S.D. 2, H.D. 2, RELATING TO  
HEALTHCARE PRECEPTOR TAX CREDITS.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Lee Ann Teshima, and I am the Executive Officer of the Board of Nursing (“Board”). Thank you for the opportunity to submit written testimony in support of S.B. 2298, S.D. 2, H.D. 2, Relating to Healthcare Preceptor Tax Credits.

This measure allows certain healthcare providers to receive tax credits for acting as preceptors in volunteer-based supervised clinical training rotations provided to eligible students that enable the students to obtain an eligible healthcare professional degree or certificate.

The Board understands and appreciates the important role that preceptors play in the instruction, training, and supervision of students and residents seeking careers as healthcare providers in the State. Accordingly, the Board supports initiatives such as these.

Thank you for the opportunity to submit written testimony in support of S.B. 2298, S.D. 2, H.D. 2.

**PRESENTATION OF THE  
BOARD OF PHARMACY**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Wednesday, March 28, 2018  
2:00 p.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON SENATE BILL NO. 2298, S.D. 2, H.D. 2, RELATING TO  
HEALTHCARE PRECEPTOR TAX CREDITS.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Lee Ann Teshima, and I am the Executive Officer of the Board of Pharmacy ("Board"). Thank you for the opportunity to submit written testimony in support of S.B. 2298, S.D. 2, H.D. 2, Relating to Healthcare Preceptor Tax Credits.

This measure allows certain healthcare providers to receive tax credits for acting as preceptors in volunteer-based supervised clinical training rotations provided to eligible students that enable the students to obtain an eligible healthcare professional degree or certificate.

The Board understands and appreciates the important role that preceptors play in the instruction, training, and supervision of students and residents seeking careers as healthcare providers in the State. Accordingly, the Board supports initiatives such as these.

Thank you for the opportunity to submit written testimony in support of S.B. 2298, S.D. 2, H.D. 2.

# OFFICE OF INFORMATION PRACTICES

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To: House Committee on Finance

From: Cheryl Kakazu Park, Director

Date: March 28, 2018, 2:00 p.m.  
State Capitol, Conference Room 308

Re: Testimony on S.B. No. 2298, S.D. 2, H.D. 2  
Relating to Healthcare Preceptor Tax Credits

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Thank you for the opportunity to submit testimony on this bill, which would allow specified health care providers to receive income tax credits for acting as preceptors in clinical training rotations. The Office of Information Practices (OIP) previously testified regarding a Sunshine Law exemption for the proposed Preceptor Credit Assurance Committee in an earlier version of this bill, but in the H.D. 2 version of the bill that exemption was replaced with an executive session purpose allowing the Committee to go into closed session to consider information affecting individuals' privacy, as OIP had recommended. OIP has no further concerns regarding this bill.

Thank you for the opportunity to testify.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Finance  
Wednesday, March 28, 2018 at 2:00 p.m.

By

Mary G. Boland, DrPH, RN, FAAN  
Dean and Professor

School of Nursing and Dental Hygiene

And

Michael Bruno, PhD

Interim Vice Chancellor for Academic Affairs

Vice Chancellor for Research

University of Hawai'i at Mānoa

### SB 2298 SD2 HD2 – RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS

Chair Luke, Vice Chair Cullen, and members of the House Committee on Finance:

I am testifying on behalf of the University of Hawai'i System with its graduate nursing, as well as the John A. Burns School of Medicine and the Daniel K. Inouye College of Pharmacy in support of SB 2298 SD2 HD2 with a strong preference for this bill focusing on primary care including advanced practice nursing, medicine and pharmacy. This bill will support workforce development by establishing individual income tax credits for professionals who serve as uncompensated preceptors to UH students seeking a career in primary health care in Hawai'i.

The SB 2298 SD2 HD2 measure:

- Establishes a tax credit for healthcare professionals who engage in preceptor activities for in-state primary care healthcare students
- Defines healthcare students as students enrolled in in-state, accredited academic programs including advanced practice nursing, medicine, pharmacy, social work, psychology, dental hygiene and physical therapy assistants
- Proposes a \$2 million annual cap for these tax credits
- Establishes a preceptor credit assurance committee under the Department of Health to maintain records of the taxpayers claiming these tax credits and certify the number of volunteer-based supervised clinical training rotations

The UH System recognizes the considerable demand on all health profession programs to ensure preceptor placements. However, to ensure this effort may demonstrate outcomes, the UH System is requesting the consideration of establishing this tax credit for primary care so that outcomes may be demonstrated to the Hawai'i Legislature prior to expanding this to additional health profession academic programs. This will ensure that the potential preceptor tax credits requested will not exceed the proposed credit capitation of \$2,000,000 annually over the span of the six years proposed for this credit.

Additionally, this effort will then directly address the primary care workforce shortage that affects all islands and regions of Hawai'i.

Preceptors are licensed and practicing health care professionals who oversee a health professional student in gaining the clinical experience required by national accreditors and State of Hawai'i licensing boards. The uncompensated, voluntary precepting takes place at their place of employment and is above and beyond their patient care workload and employment responsibilities. Also, the preceptor must develop a set of coaching or teaching skills above and beyond that required for their employment. Such preceptors are committed to educating the next generation but are reporting increasing fatigue and burnout due to the competing demands on their time and we are facing a shortage of preceptors for all the health professions students. This shortage impacts the UH ability to accept Hawai'i students into our programs and prepare an adequate number of future professionals to meet the demands for healthcare providers for the people of Hawai'i. As demands increase on health care providers, they are requesting recognition for their preceptor activities to offset longer hours worked or fewer patient visits.

A 2017 Hawai'i State Center for Nursing (HSCN) survey of in-state dental hygiene, pharmacy, medicine and graduate nursing schools found that all responding schools are moderately or very concerned about the small number of clinical training sites available for their students; more than 80% of in-state health profession schools had more difficulty finding clinical training sites in 2017 than in 2015; and over half of these programs have limited enrollment due to the lack of training sites. As an example, the UH Mānoa School of Nursing and Dental Hygiene Doctor of Nursing Practice (DNP) Program graduates primary care nurse practitioners who manage patient panels, and assess, evaluate, diagnose, develop treatment plans including prescribing medication. Due to the lack of preceptors, we admit only 29% of the qualified Hawai'i applicants. Yet, the state has a continuing shortage of primary care providers.

Georgia, Maryland and Colorado have enacted legislation for preceptor individual income tax credits and Utah, North Dakota and New York currently are undertaking similar efforts to both maintain and grow the preceptor capacity in their states. The Hawai'i approach is highly interprofessional as we recognize the need for team care delivery to address community needs. By addressing the preceptor shortage as the University of Hawai'i system, we will move our state closer to sustainable interprofessional education and care delivery.

In Academic Year (AY) 2018-2019, there is a projected need of 1,410 supervised clinical rotations for students and trainees in medicine, osteopathy, graduate nursing, and pharmacy programs in Hawai'i. Estimating between a 2% and 8% growth in academic programs to meet the future healthcare demands, over six years, the expected need is 1500-1900 supervised clinical rotations. According to the preceptor tax credit allocation of \$1,000 per supervised clinical rotation, this equates to a \$1.5-\$1.9 million dollar budget by 2024.

The UH notes the economic benefit provided by the health workforce. A North Carolina economic analysis found that each full time APRN in their state can contribute, minimally, \$273,000 in direct economic output and between \$11,800 and \$22,000 in state and local tax revenue<sup>1</sup>. A recent American Medical Association economic analysis found that physicians in Hawai'i contribute, on average, \$2,282,615 in direct economic output and \$110,494 in state and local tax revenue<sup>2</sup>.

A state investment in the healthcare professions academic pipeline through preceptor income tax-credits will improve the UH ability to develop and grow future healthcare professionals in this state, close the gap on the shortage of health care professionals, and increase economic revenues statewide. Moreover, ensuring that the measure is focused will enable the UH to establish innovative efforts to mitigate healthcare workforce pipeline bottlenecks that can be scaled and spread to other health professions once initial success is demonstrated.

Therefore, on behalf of the UH health professions education programs, we respectfully request that SB 2298 SD2 HD2 pass with the recommendation to focus initial efforts on the primary care workforce.

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<sup>1</sup> Conover, C., & Richards, R. (2015). Economic benefits of less restrictive regulation of advanced practice nurses in North Carolina. *Nursing Outlook*, 63(5), 585–592.

<sup>2</sup> American Medical Association [AMA]. (2018). The economic impact of physicians in Hawaii: State report. Retrieved from <https://www.physicianseconomicimpact.org/pdf/FullStateReports/HI-Study.pdf>







## SB 2298 SD 2 Testimony for House Committee for Finance

To the Honorable Chair Sylvia Luke, Vice Chair Ty Cullen and members of the Finance Committee.

My name is Carolyn Ma and I am the Dean of the Daniel K. Inouye College of Pharmacy (DKICP) at UH Hilo. I strongly support SB 2298 SD2, HD2 with a respectful request that this initial effort, as proposed in this measure, be focused on professions that work together in primary care including advanced practice nursing, medicine, and pharmacy.

The DKICP was established in 2006 and has had seven graduating classes since 2011. The Doctor of Pharmacy degree (PharmD) is the flagship degree of the DKICP. Half of the graduates are Hawaii residents and remain in the islands to begin their healthcare careers in service to their communities. Our program emphasizes rural healthcare. In alignment of the bill's interest to support the shortage of primary care providers, pharmacists are considered, especially in the ambulatory care setting, primary care extenders working in partnership with physicians and APRN's. As examples of pharmacist's expanding scope of practice in primary care, pharmacists are given responsibility from physicians and APRN's to begin, monitor and maintain drug therapies in chronic disease management (diabetes, cardiovascular disease, asthma, anticoagulation), medication therapy management, immunizations, antibiotic stewardship and various aspects of women's health such as contraceptive prescribing. The pharmacist's role in these aforementioned areas help to free up valuable time thereby increasing physician and APRN availability to see more patients or devote more time to patients with higher medically complex needs.

In addition, the inclusion of the three medicine, nursing and pharmacy professions also aligns with the inter-professional teaching that occurs on these types of primary care experiential rotations. Pharmacists, physicians and nurses teach all three types of students, often times as one group, with all three types of students working together on any given clinic patient or acute hospital patient. This type of mentoring and role modeling, referred to as interprofessional education is now mandated by all three professional school's accreditation organizations.

Our college relies on NON-compensated pharmacist preceptors for our experiential program that comprises 30% of the curriculum. A significant decrease in offered

preceptorships for these required rotations compromises our student's ability to fulfill requirements for graduation.

Over the last four years, two major required experiential rotations (ambulatory care, hospital acute care) have experienced respectively, a **41% and 90% decrease in ambulatory care and hospital**, preceptor offerings. We have supported these significant decrease trends by:

- Decreasing class size
- Eliminating certain types of clinical rotations
- Hiring as many Pharmacy Practice faculty as our budget allows

Given the degree of responsibilities our non-compensated preceptors have from their own employers, without some incentive or compensation such as this tax credit, we will continue to see declining volunteer offerings. This will lead to an increasing inability for our students to fulfill their graduation requirements, as well as a need to continue decreasing class size.

With an average student body of 320 students, the only pharmacy school in the Pacific Rim generates over \$9M in tuition revenue per academic year. In 11 years, the DKICP has grown from a staff/faculty of 15 to 80 and has fast become the cornerstone of the UH Hilo campus. In a study published in 2009 (Hammes), the projected economic impact of the DKICP by 2011, was \$50.2M and with every dollar used by the State in salary and wages for DKICP attracting a new \$3.38 from outside sources, including tuition revenue, student and visitor spending. This amount was predicted to increase to \$4.04 by 2012. Although the DKICP has not repeated this economic impact study, the college has continued with a 98% graduation rate and is an economic driver in East Hawaii and throughout the state. Significant collaboration in healthcare and research has been done with Dept. of Health, UH Cancer Center and interprofessional work with schools of Medicine, Nursing, Social Work, and Public Health. The experiential program reaches to all four major islands of Hawai'i, Oahu, Kauai and Maui. With DKICP practice faculty fully integrated into their clinic and hospital practice sites, the college provides major impact to the healthcare of our state's residents.

As mentioned in the first paragraph, please consider limiting this preceptor tax credit to primary care providers including advanced practice nursing, medicine and pharmacy for the following reasons:

- Work on the process of increasing the supply of these three profession's preceptors and stay within the maximum allowable tax credit of \$2,000,000.

- Allows the preceptor tax credit committee to focus their efforts on the professions that are attempting to bridge the gap of underserved healthcare and demonstrate efficacy before expanding to the broader health professional programs.

Thank you for the opportunity for me to testify on SB 2298 SD 2 HD2.

**PRESENTATION OF THE  
BOARD OF PSYCHOLOGY**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Wednesday, March 28, 2018  
2:00 p.m.

**TESTIMONY ON SENATE BILL NO. 2298, S.D. 2, H.D. 2, RELATING TO HEALTHCARE  
PRECEPTOR TAX CREDITS.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is May Ferrer, and I am the Executive Officer of the Board of Psychology ("Board"). Thank you for the opportunity to testify in support of S.B. 2298, S.D. 2, H.D. 2, Relating to Healthcare Preceptor Tax Credits, with suggested amendments.

S.B. 2298, S.D. 2, H.D. 2 allows advanced practice registered nurses, physicians, dentists, psychologists, pharmacists, physical therapist assistants, and social workers to receive tax credits for acting as preceptors in volunteer-based supervised clinical training rotations provided to eligible students that enable the students to obtain an eligible healthcare professional degree or certificate. Additionally, the bill establishes the Preceptor Credit Assurance Committee to issue certificates to volunteer preceptors upon verifying that the volunteer preceptors meet the requirements of the tax credit.

At its meeting on Friday, March 23, 2018, the Board expressed its support of this bill and respectfully proposes the following modification to the definition of "psychology student" on page 9, line 19 to page 10, line 2: "'Psychology student' means an individual participating in an academic program that is accredited for the training of individuals to become psychologists pursuant to chapter 465." The Board proposes this change to more closely align this definition with the language in chapter 465 related to the Board's education requirement.

Thank you for the opportunity to testify in support of S.B. 2298, S.D. 2, H.D. 2.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Healthcare Preceptor Tax Credits

BILL NUMBER: SB 2298, SD-2, HD-2

INTRODUCED BY: House Committee on Consumer Protection & Commerce

EXECUTIVE SUMMARY: This bill provides a credit for doctors who teach other doctors. It is much simpler and much less expensive in administrative costs for the Healthcare Preceptor Working Group, or the agency to which it is attached, to cut a check to any qualifying physician.

SYNOPSIS: Adds a new section to chapter 235, HRS, to allow a healthcare preceptor tax credit for supervising volunteer-based supervised clinical training rotations. The amount of the credit is \$1,000 for each rotation supervised by the taxpayer, to a maximum of \$5,000 per taxable year. The credit is nonrefundable.

Provides that the preceptor credit assurance committee, which is established by the bill, will maintain records of the taxpayers qualifying for credit and certify the credit amount. The certificate of the credit amount would be submitted with the taxpayer's return.

Establishes a statewide aggregate cap on the credit of \$2 million. Credits will be certified on a first come, first served basis.

All claims for tax credits, including any amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credits may be claimed. If not timely claimed, the credit is waived.

Adds a new section to chapter 321, HRS, to establish the healthcare preceptor tax credit working group.

EFFECTIVE DATE: This Act shall take effect on July 1, 3000; provided that the credit provisions apply to taxable years beginning after December 31, 2018.

STAFF COMMENTS: A tax return is one of the most complicated documents for government agencies to process. The administrative costs associated with each one can quickly make heads spin. If the only action that is going to be requested of the tax system is to credit the account of a participating doctor in an amount previously determined by the new working group, it is questionable why the tax system needs to be involved. Write the participating doctor a check! The participating doctor gets a financial benefit more quickly (upon receipt of the check, as opposed to a tax refund issued in the middle or end of the following year) and state government is spared the gargantuan effort needed to issue a refund (working group certifies credit, taxpayer submits credit to DOTAX, DOTAX asks DAGS to cut a refund check, DAGS issues the check).

Digested 3/27/2018



## HAWAII CHAPTER - AMERICAN PHYSICAL THERAPY ASSOCIATION

(800) 554-5569 x13 • [www.hapta.org](http://www.hapta.org) • [info@hapta.org](mailto:info@hapta.org)

### **SB2298sd2, hd2, RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

**House FIN Hearing – Agenda 1**

**Wednesday, March 28, 2018 – 2:00 pm**

**Room 308**

**Position: Support**

Chair Luke, Vice Chair Cullen, and members of the House FIN Committee:

I am Gregg Pacilio, physical therapist and Board President of the Hawaii Chapter of the American Physical Therapy Association (HAPTA), a non-profit professional organization serving more than 340 member Physical Therapists and Physical Therapist Assistants. We are movement specialists and are part of the spectrum of care for Hawaii, and provide rehabilitative services for infants and children, youth, adults and the elderly. Rehabilitative services are a vital part of restoring optimum functioning from neuromusculoskeletal injuries and impairments.

We agree that Hawaii, as well as the rest of the nation, faces a widening gap between healthcare supply and demand, which will affect patients who may have longer wait times to see providers and may result in poorer and more costly health outcomes.

Many healthcare professions are currently facing shortages in clinical education sites for students. This bill attempts to address one aspect of this dilemma by offering tax credits to preceptors.

HAPTA appreciates the inclusion of physical therapist preceptors for physical therapist assistant interns. With direct access, physical therapists are part of the primary healthcare provider network and can alleviate delays in treatment and increase rehabilitation while reducing medical costs. Physical therapists (PTs) volunteer-supervise students on internships while managing and practicing in private clinics or healthcare institutions similar to advanced practice registered nurses, physicians, and pharmacists.

HAPTA supports in-state programs such as Kapiolani Community College's Physical Therapist Assistant Program, whose clinical education has recently been affected by preceptor clinical sites requiring the school to pay a stipend of up to \$500 before they accept students. This has resulted in KCC losing 100% of their skilled nursing facility sites, which is a 25% reduction in total clinical sites. If added, the proposed tax credit incentive would facilitate more PTs to train students, thus offsetting this loss.

Your support of SB2298sd2, hd2 is appreciated. Thank you for the opportunity to testify. Please feel free to contact Justin Ledbetter, DPT, at (334) 740-0323 for further information.



**WAIANAE COAST  
COMPREHENSIVE  
HEALTH CENTER**  
www.wcchc.com

March 27, 2018

**COMMITTEE ON FINANCE**

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

DATE: Wed, March 28

TIME: 2:00 PM

PLACE: Conference Room 308

**TESTIMONY in SUPPORT of SB2298 SD2 HD2, Relating to Healthcare Preceptor Tax Credits**

**SUBMITTED BY:** Dr. Stephen Bradley, Chief Medical Officer, WAIANAE COAST COMPREHENSIVE HEALTH CENTER

The Waianae Coast Comprehensive Health Center would like to recommend that the Finance Committee **preserve the amendment currently in SB2298 SD2, HD2 : “Academic program” means an academic degree granting or graduate medical education program that holds either its principal accreditation or a physical location in Hawaii and provides education to students of whom more than fifty per cent are residents of Hawaii.**

**This language supports our Health Center’s osteopathic medicine training program that we have had in place since 2011, graduating 62 doctors and contributing to address the shortage of primary care providers in Hawaii.**

**BACKGROUND ON THE HEALTH CENTER’S COMMITMENT TO TRAINING:**

The Health Center recognizes that there is worsening shortage of Primary Care Providers (PCP’s) in Hawaii. This situation is particularly acute in medically underserved areas (MUA’s) of our State. In these MUA’s, medical complexity and social conditions combine to create the need for enhanced recruitment strategies, to shift some professional education to community based settings, and to structure this training around comprehensive team based care. In an effort to address this shortage, we have been partnered with educational institutions for many years to train at our facility.

**Each year at the Health Center we are training approximately 83 health care professionals. We provide these programs at little or no cost to our State.** Our students and their training programs are as follows:



- 5 psychology interns from various programs in Hawaii.
- 10 Bachelor of Science in Nursing under UH – Hilo School of Nursing.
- 24 nurse practitioner students from UH School of Nursing and Hawaii Pacific University.
- 2 social work Interns from UH-School of Social Work.
- 2 pharmacy Interns from UH-Hilo School of Pharmacy.
- 6 Nurse Practitioner Residents under the CHC, Inc. in Connecticut.
- 4 dental residents under the Lutheran Medical Center-New York.
- **30 osteopathic medical students under the A.T. Still University (ATSU) School of Osteopathic Medicine program from Mesa, Arizona (*no cost to State*).**

In July 2007, the Health Center was selected as one of 11 ATSU “hub sites” located at community health center campuses across the country. This innovative program was developed in response to the critical nationwide shortage of primary care doctors. The medical students spend their second, third and fourth year of training at the Health Center. We are unique in the fact that our medical students stay in the same rural community for three years. Our Waianae doctors, and other professionals, serve as faculty.

**Since 2011, 62 doctors have graduated from the Waianae Campus of ATSU-SOMA with 76% choosing primary care for their residency.**

Thank you for supporting the language change in **SB2298 SD2 HD2** and a long term vision to address the shortage of primary care providers in Hawaii.



## HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814  
Phone (808) 536-7702 Fax (808) 528-2376  
www.hawaiimedicalassociation.org

TO:

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

DATE: Wednesday, March 28, 2018

TIME: 2:00 P.M.

PLACE: Conference Room 308

FROM:

Hawaii Medical Association

Dr. Christopher Flanders, DO, Executive Director

Lauren Zirbel, Community and Government Relations

**Re: SB 2298 RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

**Position: SUPPORT**

On behalf of the physician and medical student members of the Hawaii Medical Association, we are writing regarding our ongoing commitment to reform of the health care system.

This measure would allow healthcare providers to receive tax credits for acting as preceptors in volunteer-based supervised clinical training rotations provided to eligible students that enable the students to obtain an eligible healthcare professional degree or certificate.

The University of Hawaii's Physician Workforce Assessment found Oahu needs 381 physicians, up from 339 last year, while the Big Island is short 196 providers, compared with the 183 needed last year. Maui County has a deficit of 139, up from 125, while Kauai needs 53 doctors, down from 62.

Primary care providers are the largest group in short supply, followed by infectious disease specialists on Oahu and Kauai, colorectal surgeons on the Big Island and geriatric doctors in Maui County.

The health care industry for years has struggled to recruit doctors, particularly to rural communities on the neighbor islands. To improve our severe shortage we must train, recruit and improve our medical practice climate. This measure is a small step towards achieving this very necessary goal.

**HMA OFFICERS**

President – William Wong, Jr., MD    President-Elect – Jerry Van Meter, MD    Secretary – Thomas Kosasa, MD  
Immediate Past President – Bernard Robinson, MD    Treasurer – Elizabeth A. Ignacio, MD  
Executive Director – Christopher Flanders, DO



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii  
House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association

March 27, 2018

S.B. 2298, SD2, HD2 – RELATING TO  
HEALTHCARE PRECEPTOR TAX CREDITS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the intent of S.B. 2298, SD2, HD2 which would allow healthcare professionals to receive tax credits for acting as preceptors in a volunteer-based training program for eligible students to obtain a professional degree or certificate in healthcare.

The Hawaii Government Employees Association recognizes that the current shortage of healthcare providers and access to healthcare is a prevalent issue. There must be a balance between healthcare workforce supply and demand in order to ensure that there is an adequate workforce of qualified healthcare providers for the people of Hawai'i. Establishing tax exemptions for preceptor programs would encourage preceptors to participate in the training and instruction of students and residents seeking careers as healthcare providers in Hawaii.

Thank you for the opportunity to testify in support of S.B. 2298, SD2, HD2.

Respectfully submitted,

Randy Perreira  
Executive Director

**SB-2298-HD-2**

Submitted on: 3/27/2018 8:37:38 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marissa Huang	Kapi'olani Community College Physical Therapist Assistant Program	Support	No

Comments:

**Wednesday, March 28, 2018 at 2:00 pm**  
**Conference Room 308**

House Committee on Finance

To: Representative Sylvia Luke, Chair  
Representative Ty Cullen, Vice Chair

From: Michael Robinson  
VP, Government Relations

**Re: Testimony in Support of SB 2298, SD2, HD2 – Relating to Healthcare  
Preceptor Tax Credits**

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My name is Michael Robinson, VP of Government Relations and Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. Its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox – specialize in innovative programs in women's health, pediatric care, cardiovascular services, cancer care, bone and joint services and more. Hawai'i Pacific Health is recognized nationally for its excellence in patient care and the use of electronic health records to improve quality and patient safety.

I write in strong support of SB 2298, SD2, HD2 which will support workforce development by establishing individual income tax credits for professionals who serve as uncompensated preceptors to students studying to become primary care physicians, osteopathic physicians and advanced practice registered nurses.

Preceptors are licensed and practicing health care professionals who oversee a health professional student in gaining the clinical experience required by national accreditors and State of Hawai'i licensing boards. The uncompensated, voluntary precepting takes place at their place of employment and is above and beyond their patient care workload and employment responsibilities. Also, the preceptor must develop a set of coaching or teaching skills above and beyond that required for their employment. Such preceptors are committed to educating the next generation but are reporting increasing fatigue and burnout due to the competing demands on their time and we are facing a shortage of preceptors for all the health professions students. This shortage impacts the University of Hawai'i's ability to accept Hawai'i students into our programs and prepare an adequate number of future professionals to meet the demands for healthcare providers for the people of Hawai'i. As demands increase on health care providers, they are

requesting recognition for their preceptor activities to offset longer hours worked or fewer patient visits.

A state investment in the healthcare professions academic pipeline through preceptor income tax-credits will improve Hawai'i's ability to develop and grow future healthcare professionals in this state, close the gap on the shortage of health care professionals, and increase economic revenues statewide.

Thank you for the opportunity to provide testimony on this measure.



**Testimony to the House Committee on Finance  
Wednesday, March 28, 2018; 2:00 p.m.  
State Capitol, Conference Room 308**

**RE: SUPPORTING THE INTENT OF SENATE BILL NO. 2298, HOUSE DRAFT 2, RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS.**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS THE INTENT** of Senate Bill No. 2298, House Draft 2, RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS.

The bill, as received by your Committee, would, among other things:

- (1) Establish an income tax credit to any taxpayer in an amount up of to \$1,000 for volunteer-based supervised clinical rotations for primary care physician students, advanced practice registered nurse students, pharmacist students, psychologist students, and social worker students;
- (2) Provide that the credit not exceed \$5,000 for any one income tax year regardless of the number of volunteer-based supervised clinical training rotations undertaken by the taxpayer during the applicable income tax year or the number of eligible students or trainees the taxpayer instructs;
- (3) Provide that the total amount of tax credit certificates that may be issued for each taxable year not exceed \$2,000,000;
- (4) Establish a Preceptor Credit Assurance Committee (Committee) to maintain records of the names, addresses and license numbers of qualified taxpayers claiming credits, and certifying the number of volunteer-based supervised clinical training rotations each taxpayer conducted, and issuing certificates to taxpayers verifying the number of volunteer-based supervised clinical training rotations that are supervised by the taxpayer;

**Testimony on Senate Bill No. 2298, House Draft 2**  
**Wednesday, March 28, 2018; 2:00 p.m.**  
**Page 2**

- (5) Provide that the Committee be established within the Department of Health (DOH) and convened by the University of Hawaii Hawaii/Pacific Basin Area Health Education Center, the Center for Nursing, and academic programs with eligible students;
- (6) Direct the Committee to develop a process to ensure that requests for credit are reviewed and verifications are processed no later than thirty days following the close of each calendar year;
- (7) Allow the Committee to hold a meeting closed to the public for the purpose of considering information affecting the privacy of an individual, provided that information in which an individual has a significant privacy interest be considered information affecting the privacy of an individual;
- (8) Clarify that the tax credit be nonrefundable but may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted;
- (9) Require the DOH to report to the Legislature not later than June 30, 2024, including findings and a recommendation of whether the tax credit should be retained; and
- (10) Take effect on July 1, 3000, and apply to taxable years beginning after December 31, 2018, to facilitate continued discussion.

Senate Bill No. 2298, House Draft 1, is substantively similar to House Bill No. 1967, House Draft 2.

Federally Qualified Health Centers (FQHCs) provide desperately needed medical services at the frontlines in rural communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of health.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.



**Testimony on Senate Bill No. 2298, House Draft 2**  
**Wednesday, March 28, 2018; 2:00 p.m.**  
**Page 3**

This bill would create a financial incentive to enhance the quality and stock of Hawaii's future healthcare workforce. Accordingly we commend this effort and wish to participate in any and all discussions concerning workforce development.

For these reasons, we **SUPPORT THE INTENT** of this measure and urge your favorable consideration to facilitate continued discussion on this very important issue.

In advance, thank you for your consideration of our testimony.

**Written Testimony Presented Before the  
House Committee on Finance  
March 28, 2018 2:00 p.m.**

by

**Dr. Linda Beechinor, APRN**

**“American Nurses Association (ANA) in Hawaii”**

**IN STRONG SUPPORT  
SB 2298, SD2, HD2 RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Chair Luke, Vice Chair Cullen, and members of the House Committee on Finance, thank you for this opportunity to provide testimony in strong support of this bill, SB 2298, SD2, HD2 with suggested amendments. This bill aims to address the primary care healthcare provider shortage, by establishing individual income tax credits for primary care healthcare professionals who voluntarily serve as preceptors.

In SB 2298, SD2, HD2:

- Focuses the preceptor tax credits on healthcare providers including advanced practice nursing, pharmacy, medicine, social work, psychology, dental hygiene, and physical therapy assistants;
- Clarifies in-state criteria for academic programs to ensure maximal impact to remain in this state;
- Establishes clear definitions for residency of students and preceptors; and
- Establishes a clear maximum of \$2,000,000 aggregate of tax credits to be distributed, annually.

The Hawai'i State Center for Nursing (HSCN) urges the House Committee on Finance to consider limiting this preceptor tax credit to primary care providers including advanced practice nursing, medicine, and pharmacy for the following reasons:

- Ensures that the maximum allowable tax credit of \$2,000,000 will not be exceeded before preceptor supply improvement is achieved;
- Enables the preceptor credit assurance committee to focus initial efforts on a high in-demand and low in-supply segment of healthcare; and
- Enables the state to demonstrate efficacy of this concept prior to aiming to expand the breadth and depth of this program to the broader health professional programs.

It is apparent in today's health care environment that a bottleneck to developing adequate numbers of healthcare providers, including advanced practice registered nurses, is the lack of qualified health provider preceptors. A focused, deliverable approach to demonstrate efficacy of this concept will increase the likelihood of success and enable this innovative concept to be expanded to other health professions, once proof of concept is established.

Our in-state health professional academic programs rely on community providers to provide over 1,200 precepted rotations each year; however the need for preceptors is greater than the number of providers currently volunteering for this role. The Hawai'i State Center for Nursing conducted a survey of our in-state dental hygiene, graduate nursing, medicine, and pharmacy programs which found that:

- 100% of our programs are moderately or very concerned about the number of clinical training sites available for their students;
- More than 80% of in-state health profession schools had more difficulty finding clinical training sites in 2017 than in 2015; and
- Over half of these programs have limited enrollment due to the lack of training sites.

Outcomes of this preceptor shortage include health professional schools increasing the workload on their faculty to meet preceptor demands, increasing the number of students a preceptor oversees, and utilizing simulation in lieu of patient experience.

Research indicates that financial incentive is one way to support, develop and grow the preceptor population of healthcare professionals. The concept of providing individual state income tax credits to

healthcare professionals serving in voluntary, uncompensated preceptor roles has been passed in several states:

- Maryland for medicine and advanced practice nurse preceptors;
- Georgia for medicine and advanced practice nurse preceptors; and
- Colorado for medicine, advanced practice nurse, and dentistry preceptors.

North Dakota, Utah and New York are currently underway with their own efforts to establish such healthcare provider preceptor tax credits.

With the goal of relieving the preceptor shortage, this bill proposes a \$1,000 individual income tax credit per in-state health professional student a health professional oversees in a preceptor role, with a maximum of \$5,000 tax credits per year per health professional and a maximum of \$2,000,000.00 in tax credits, total.

In Academic Year (AY) 2018-2019, there is a projected need of 1,410 supervised clinical rotations for students and trainees in medicine, osteopathy, pharmacy and graduate nursing programs in Hawai'i. Estimating between a 2% and 7% growth in academic programs to meet the future healthcare demands, over six years, the expected need is 1,500-1,900 supervised clinical rotations. According to the preceptor tax credit allocation of \$1,000 per supervised clinical rotation, this equates to a \$1.56-\$1.98 million dollar budget by 2024.

Economic advantages when health professionals reside and practice in localities have been established. Research shows that each full time APRN in their state can contribute, minimally, \$273,000 in direct economic output and between \$11,800 and \$22,000 in state and local tax revenue<sup>1</sup>. Physicians in Hawai'i contribute, on average, \$2,282,615 in direct economic output and \$110,494 in state and local tax revenue<sup>2</sup>.

With this consideration, HSCN posits that this contribution to the primary care provider academic pipeline through preceptor income tax-credits may be offset with greater revenue gains to the state as new healthcare professionals, such as APRNs, enter practice in Hawai'i. Simultaneously, this investment will help Hawai'i close the gap of needed primary care healthcare professionals, thus ensuring timely access to highly qualified and safe healthcare professionals for all people, in all regions of our state.

Therefore, **Dr. Linda Beechinor, APRN, and members of American Nurses Association in Hawaii** respectfully requests that SB 2298, SD2, HD2 with recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy through the House Committee on Finance. HSCN appreciates your continuing support of nursing and access to safe, quality, and community-based health care in Hawai'i. Thank you for the opportunity to testify.

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<sup>1</sup> Conover, C., & Richards, R. (2015). Economic benefits of less restrictive regulation of advanced practice nurses in North Carolina. *Nursing Outlook*, 63(5), 585–592.

<sup>2</sup> American Medical Association [AMA]. (2018). The economic impact of physicians in Hawaii: State report. Retrieved from <https://www.physicianseconomicimpact.org/pdf/FullStateReports/HI-Study.pdf>

**SB-2298-HD-2**

Submitted on: 3/27/2018 7:03:36 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Thu Nguyen	Daniel K. Inouye College of Pharmacy	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a student pharmacist and writing to offer strong support for SB 2298 SD2 HD1 with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

Sincerely,  
Thu Nguyen  
Student Pharmacist, Class of 2019  
The Daniel K. Inouye College of Pharmacy  
University of Hawai'i at Hilo  
thutn@hawaii.edu | (408) 726-2094

To: The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair  
Members, Committee on Finance

From: Joan Maeshiro, Advanced Practice Registered Nurse, The Queen's Medical Center

Date: March 27, 2018

Hrg: House Committee on Finance Hearing; Thursday, March 28, 2018 at 2:00PM in Room 308

Re: **Support for SB 2298, SD2, HD2, Relating to Healthcare Preceptor Tax Credits**

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My name is Joan Maeshiro and I am an Advanced Practice Registered Nurse (APRN) at The Queen's Medical Center. I am in **support** of SB 2298, SD2, HD2, Relating to Healthcare Preceptor Tax Credits. This bill allows advanced practice registered nurses, physicians, dentists, psychologists, pharmacists, and social workers to receive tax credits for acting as preceptors in volunteer-based supervised clinical training rotations provided to eligible students that enable the students to obtain an eligible healthcare professional degree or certificate. It also establishes the Preceptor Credit Assurance Committee to issue certificates to volunteer preceptors upon verifying that the volunteer preceptors meet the requirements of the tax credit.

As you know, there is a shortage of primary, community-based and acute care providers in the state of Hawaii that is anticipated to worsen. It is important to support our up-and-coming advance practice nurse providers pursuing advance degrees at University of Hawaii in Manoa and Hawaii Pacific University. These students are preparing to fill these collaborative roles in our community and will need quality clinical education opportunities to complete their training.

I have been working closely with the School of Nursing and Dental Hygiene at Manoa, Hawaii Pacific University and the Hawaii State Center for Nursing representing The Queen's Medical Center. Every semester, there are about 20 to 30 students that look for preceptors in either primary or acute care settings. We have been able to match about 15 students per semester.

Although payments from Medicare exist to support the graduate training in medical education, graduate education for nursing is supported only through student tuition, scholarships and grants. One successful avenue to incentivize providers to participate is a tax credit for practitioners willing to volunteer their time and provide their expertise as mentors. Maryland<sup>1</sup> and Georgia already have similar tax incentive programs. I feel that having a tax credit would be a strong benefit that would help make graduate clinical precepting more inviting and rewarding to future preceptors.

Thank you for your time and attention to this important matter.

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<sup>1</sup> <http://www.mdruralhealth.org/2017/01/05/income-tax-credit-for-preceptors/>

**Kapi'olani Community College**  
**Physical Therapy Assistant Program**

**SB2298sd2, hd2, RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

**Committee on Finance Hearing**

**Wednesday, March 28, 2018 – 2:00 pm**

**Room 308**

**Position: Support**

Chair Sylvia Luke, Vice Chair Ty JK Cullen, and members of the Committee on Finance:

I am Michelle Dela Cruz, PT. I am testifying as an individual, a physical therapist, and as an educator in support of SB2298sd2,hd2 relating to healthcare preceptor tax credits. I am the Academic Coordinator of Clinical Education (ACCE) at Kapi'olani Community College's Physical Therapy Assistant Program. We are a CAPTE accredited program with a PTA licensure pass rate of 92% + and a 100% employment rate. Our PTA program works closely with Hawaii's private and state hospitals, private outpatient and rehab facilities, long term care management services, and home care facilities to teach our Hawaii-based PTA students for a total of 4 internships or 680 hours of clinical education in Hawaii for each PTA student.

We agree that Hawaii, as well as the rest of the nation, faces a widening gap between healthcare supply and demand, which will affect patients who may have longer wait times to see providers and may result in poorer and more costly health outcomes. With direct access, physical therapists are part of the primary healthcare provider network and can alleviate delays in treatment and increase rehabilitation while reducing medical costs. Physical therapists (PTs) volunteer-supervise students on internships while managing and practicing in private clinics or healthcare institutions similar to advanced practice registered nurses, physicians, and pharmacists.

I and Kapi'olani Community College's PTA program appreciates the inclusion of physical therapist preceptors for our physical therapist assistant students. Kapi'olani Community College's PTA program lost 25% of our clinical affiliation sites due to a \$250 to \$500 stipend charged per internship by 100% of our Hawaii based skilled nursing facilities. This preceptor tax credit incentive for Hawaii's Physical Therapist would help Kapi'olani Community College's in-state program compete with private PT and PTA schools who are able to pay the stipend fee and also offer incentive access to extensive medical libraries or educational classes. The proposed tax credit incentive would facilitate more Hawaii based PTs to train our nearly 90% in-state PTA students, thus offsetting this loss.

Your support of SB2298sd2, hd2 is appreciated. Thank you for the opportunity to testify. Please feel free to contact Michelle Dela Cruz, PT, at (808) 352-5222 for further information.

**Written Testimony Presented Before the  
House Committee on Finance  
March 28, 2018 2:00 p.m.**

**by  
Laura Reichhardt, MS, APRN, NP-C, Director  
Hawai'i State Center for Nursing  
University of Hawai'i at Mānoa**

**IN STRONG SUPPORT  
SB 2298, SD2, HD2 RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Chair Luke, Vice Chair Cullen, and members of the House Committee on Finance, thank you for this opportunity to provide testimony in strong support of this bill, SB 2298, SD2, HD2 with suggested amendments. This bill aims to address the primary care healthcare provider shortage, by establishing individual income tax credits for primary care healthcare professionals who voluntarily serve as preceptors.

In SB 2298, SD2, HD2:

- Focuses the preceptor tax credits on healthcare providers including advanced practice nursing, pharmacy, medicine, social work, psychology, dental hygiene, and physical therapy assistants;
- Clarifies in-state criteria for academic programs to ensure maximal impact to remain in this state;
- Establishes clear definitions for residency of students and preceptors; and
- Establishes a clear maximum of \$2,000,000 aggregate of tax credits to be distributed, annually.

The Hawai'i State Center for Nursing (HSCN) urges the House Committee on Finance to consider limiting this preceptor tax credit to primary care providers including advanced practice nursing, medicine, and pharmacy for the following reasons:

- Ensures that the maximum allowable tax credit of \$2,000,000 will not be exceeded before preceptor supply improvement is achieved;
- Enables the preceptor credit assurance committee to focus initial efforts on a high in-demand and low in-supply segment of healthcare; and
- Enables the state to demonstrate efficacy of this concept prior to aiming to expand the breadth and depth of this program to the broader health professional programs.

It is apparent in today's health care environment that a bottleneck to developing adequate numbers of healthcare providers, including advanced practice registered nurses, is the lack of qualified health provider preceptors. A focused, deliverable approach to demonstrate efficacy of this concept will increase the likelihood of success and enable this innovative concept to be expanded to other health professions, once proof of concept is established.

Our in-state health professional academic programs rely on community providers to provide over 1,200 precepted rotations each year; however the need for preceptors is greater than the number of providers currently volunteering for this role. The Hawai'i State Center for Nursing conducted a survey of our in-state dental hygiene, graduate nursing, medicine, and pharmacy programs which found that:

- 100% of our programs are moderately or very concerned about the number of clinical training sites available for their students;
- More than 80% of in-state health profession schools had more difficulty finding clinical training sites in 2017 than in 2015; and
- Over half of these programs have limited enrollment due to the lack of training sites.

Outcomes of this preceptor shortage include health professional schools increasing the workload on their faculty to meet preceptor demands, increasing the number of students a preceptor oversees, and utilizing simulation in lieu of patient experience.

Research indicates that financial incentive is one way to support, develop and grow the preceptor population of healthcare professionals. The concept of providing individual state income tax credits to healthcare professionals serving in voluntary, uncompensated preceptor roles has been passed in several states:

- Maryland for medicine and advanced practice nurse preceptors;
- Georgia for medicine and advanced practice nurse preceptors; and
- Colorado for medicine, advanced practice nurse, and dentistry preceptors.

North Dakota, Utah and New York are currently underway with their own efforts to establish such healthcare provider preceptor tax credits.

With the goal of relieving the preceptor shortage, this bill proposes a \$1,000 individual income tax credit per in-state health professional student a health professional oversees in a preceptor role, with a maximum of \$5,000 tax credits per year per health professional and a maximum of \$2,000,000.00 in tax credits, total.

In Academic Year (AY) 2018-2019, there is a projected need of 1,410 supervised clinical rotations for students and trainees in medicine, osteopathy, pharmacy and graduate nursing programs in Hawai'i. Estimating between a 2% and 7% growth in academic programs to meet the future healthcare demands, over six years, the expected need is 1,500-1,900 supervised clinical rotations. According to the preceptor tax credit allocation of \$1,000 per supervised clinical rotation, this equates to a \$1.56-\$1.98 million dollar budget by 2024.

Economic advantages when health professionals reside and practice in localities have been established. Research shows that each full time APRN in their state can contribute, minimally, \$273,000 in direct economic output and between \$11,800 and \$22,000 in state and local tax revenue<sup>1</sup>. Physicians in Hawai'i contribute, on average, \$2,282,615 in direct economic output and \$110,494 in state and local tax revenue<sup>2</sup>.

With this consideration, HSCN posits that this contribution to the primary care provider academic pipeline through preceptor income tax-credits may be offset with greater revenue gains to the state as new healthcare professionals, such as APRNs, enter practice in Hawai'i. Simultaneously, this investment will help Hawai'i close the gap of needed primary care healthcare professionals, thus ensuring timely access to highly qualified and safe healthcare professionals for all people, in all regions of our state.

Therefore, the HSCN respectfully requests that SB 2298, SD2, HD2 with recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy through the House Committee on Finance. HSCN appreciates your continuing support of nursing and access to safe, quality, and community-based health care in Hawai'i. Thank you for the opportunity to testify.

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<sup>1</sup> Conover, C., & Richards, R. (2015). Economic benefits of less restrictive regulation of advanced practice nurses in North Carolina. *Nursing Outlook*, 63(5), 585–592.

<sup>2</sup> American Medical Association [AMA]. (2018). The economic impact of physicians in Hawaii: State report. Retrieved from <https://www.physicianseconomicimpact.org/pdf/FullStateReports/HI-Study.pdf>



**SB-2298-HD-2**

Submitted on: 3/25/2018 11:38:40 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dr. Kelley Withy	Individual	Support	Yes

Comments:

**SB-2298-HD-2**

Submitted on: 3/24/2018 12:55:55 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jerris Hedges	Individual	Support	No

Comments:

Written Testimony Submitted to the

House Committee on Finance

March 28, 2018

By

Jerris Hedges, MD

**SB 2298, SD2, HD2 –RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Chair Luke, Vice Chair Cullen, and members of the committee:

Thank you for the opportunity to provide testimony in support of SB 2298, SD2, HD2. SB 2298, SD2, HD2 proposes to create a tax credit to encourage preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers throughout Hawaii. The intent of the measure is to build capacity for clinical education for the training of medical, nursing, dental hygiene and pharmacy professionals. SB 2298, SD2, HD2 also establishes a working group within the Department of Health which will be convened by the University of Hawaii/Pacific basin area health education center and center for nursing to create a comprehensive plan to address the preceptor shortages in Hawaii and to develop and implement a plan for allocating and distributing the healthcare preceptor tax credits.

Hawaii is facing a critical shortage of primary care healthcare providers. In the case of primary care physicians, the shortage is now calculated at 282 physicians statewide. This shortfall is projected to worsen with the increased demand for health care from an aging population and the retirement of an aging physician population creating access issues on Oahu and the neighbor islands. The need to educate and train more doctors to care for our citizens is now a key component to meeting the healthcare needs of our

communities. However, the lack of clinical education sites in Hawaii and the inadequate supply of qualified physician preceptors are limiting factors in our efforts to educate future doctors and other healthcare providers. The cohort of preceptors consists of volunteers who share the responsibility and burden of training the future healthcare workforce. Developing sufficient clinical training opportunities requires a sufficient number of preceptors. SB 2298, SD2, HD2 is a means of encouraging preceptors to begin offering as well as continuing to offer training and supervision to students (students includes newly graduated physicians, often referred to as residents or fellows who are receiving the additional training needed for state medical licensure and specialty certification through residency and fellowship programs) in the healthcare professions.

We find that SB 2298, SD2, HD2 expands the professions whose preceptors may be eligible for the tax credit to include psychologists, physical therapy assistants and social workers. While we recognize that these professions play a vital role in the provision of healthcare in the state, we are concerned that the expansiveness of the program initially may make the certification process burdensome and may exhaust the amount of tax credits allowed.

Further, we recommend that when addressing academic program eligibility, the bill explicitly state that ***“a majority of students (or a minimum of 50 enrolled students at any time) in an eligible academic program must be from Hawaii”***. Mainland students are far less likely to settle permanently in Hawaii.

Thank you for the opportunity to provide testimony.

Jerris Hedges, MD

Professor & Dean

John A. Burns School of Medicine

University of Hawai'i at Mānoa

**SB2298sd2, hd2, RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**  
**Committee on Finance Hearing**  
**Wednesday, March 28, 2018 - 2:00 pm**  
**Room 308**  
**Position: Support**

Chair Sylvia Luke, Vice Chair Ty JK Cullen, and members of the Committee on Finance:

My name is Tiffany Patricio-Huddy and I am currently a Physical Therapy Assistant Student at Kapi'olani Community College. I am writing on behalf of myself, as a student, my colleagues and the clinical instructors that have helped to progress my education towards becoming a health professional.

We agree that Hawaii, as well as the rest of the nation, faces a widening gap between healthcare supply and demand, which will affect patients who may have longer wait times to see providers and may result in poorer and more costly health outcomes. Many healthcare professions are currently facing shortages in clinical education sites for us students. This bill attempts to address one aspect of this dilemma by offering tax credits to preceptors.

I and Kapi'olani Community College's PTA program appreciates the inclusion of physical therapist preceptors. With direct access, physical therapists are part of the primary healthcare provider network and can alleviate delays in treatment and increase rehabilitation while reducing medical costs. Physical therapists (PTs) volunteer-supervise students on internships while managing and practicing in private clinics or healthcare institutions similar to advanced practice registered nurses, physicians, and pharmacists.

I support in-state programs such as Kapi'olani Community College's Physical Therapist Assistant Program, whose clinical education has recently been affected by preceptor clinical sites requiring the school to pay a stipend of up to \$500 before they accept students. This has resulted in KCC losing 100% of their skilled nursing facility sites, which is a 25% reduction in total clinical sites. The proposed tax credit incentive would facilitate more PTs to train students, thus offsetting this loss.

As a current Physical Therapy Assistant student, Your support of SB2298sd2, hd2 is appreciated. Thank you for the opportunity to testify. Thank you for the opportunity to testify.

Respectfully,

Tiffany Patricio-Huddy  
Contact info \_\_\_\_\_

**SB-2298-HD-2**

Submitted on: 3/25/2018 10:34:02 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Deb	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

As a health economist and UH professor, I strongly support SB 2298 SD2 HD 1.

This measure will enhance primary care by supporting preceptors of advanced practice nurses, physicians, and pharmacists.

Thank you for the opportunity to testify.

Deborah Taira

**SB-2298-HD-2**

Submitted on: 3/25/2018 10:43:30 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Cao	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Vice Chair Cullen and Members of the Committee on Finance.

My name is David Cao. I am a student pharmacist and I am writing to offer strong support for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

**SB-2298-HD-2**

Submitted on: 3/25/2018 11:11:04 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Camlyn Masuda	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a pharmacist and preceptor and I am writing to offer strong support for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

Sincerely,

Camlyn Masuda, PharmD, CDE, BCACP

**Wednesday, March 28, 2018 at 2:00 pm**  
**Conference Room 308**

House Committee on Finance

To: Representative Sylvia Luke, Chair  
Representative Ty Cullen, Vice Chair

From: Art Gladstone  
CEO, Straub, and Chief Nurse Executive, HPH

**Re: Testimony in Support of SB 2298, SD2, HD2 – Relating to Healthcare  
Preceptor Tax Credits**

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My name is Art Gladstone, CEO of Straub and Chief Nurse Executive, HPH. Founded in 1921, Straub Medical Center includes a 159-bed hospital in Honolulu, a network of neighborhood clinics and a visiting specialist program that reaches throughout the state of Hawai'i. With over 200 physicians who are leaders in their fields, Straub provides its patients with diagnoses and treatments for more than 32 different medical specialties, including bone and joint, heart, cancer, endocrinology/diabetes, family medicine, gastroenterology, geriatric medicine, internal medicine, vascular and urology. Straub is home to the Pacific Region's only multidisciplinary burn treatment center. The hospital consistently brings new technologies and innovative medical practices to Hawai'i, such as minimally invasive cardiac surgery and total joint replacement. Straub is an affiliate of Hawai'i Pacific Health, one of the state's largest health care providers and a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. In addition to Straub, Hawai'i Pacific Health includes Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center and Wilcox Medical Center.

I write in strong support of SB 2298, SD2, HD2 which will support workforce development by establishing individual income tax credits for professionals who serve as uncompensated preceptors to students studying to be primary care physicians, osteopathic physicians, and advanced practice registered nurses.

Preceptors are licensed and practicing health care professionals who oversee a health professional student in gaining the clinical experience required by national accreditors and State of Hawai'i licensing boards. The uncompensated, voluntary precepting takes place at their place of employment and is above and beyond their patient care workload



and employment responsibilities. Also, the preceptor must develop a set of coaching or teaching skills above and beyond that required for their employment. Such preceptors are committed to educating the next generation but are reporting increasing fatigue and burnout due to the competing demands on their time and we are facing a shortage of preceptors for all the health professions students. This shortage impacts the University of Hawai'i's ability to accept Hawai'i students into our programs and prepare an adequate number of future professionals to meet the demands for healthcare providers for the people of Hawai'i. As demands increase on health care providers, they are requesting recognition for their preceptor activities to offset longer hours worked or fewer patient visits.

A state investment in the healthcare professions academic pipeline through preceptor income tax-credits will improve Hawai'i's ability to develop and grow future healthcare professionals in this state, close the gap on the shortage of health care professionals, and increase economic revenues statewide.

Therefore, on behalf of Straub Medical Center, we respectfully request that SB 2298, SD2, HD2 be passed.

**SB-2298-HD-2**

Submitted on: 3/25/2018 11:22:38 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nichole Chaffin	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a student pharmacist and writing to offer strong support for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

**SB-2298-HD-2**

Submitted on: 3/25/2018 3:56:19 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Nguyen	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a student pharmacist, and am writing to offer strong support for SB 2298 SD2 HD 1, but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

Sincerely,

Jennifer Nguyen

**SB-2298-HD-2**

Submitted on: 3/25/2018 4:38:19 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ronald Taniguchi, Pharm.D.	Individual	Support	No

Comments:

**SB-2298-HD-2**

Submitted on: 3/25/2018 8:14:20 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wailua Brandman	Individual	Support	No

Comments:

Aloha Representative Luke, Chair, Representative Cullen and Members of the House Committee on Finance, Mahalo for this opportunity to testify in SUPPORT of this bill. According to the Committee Report of the House Committee on Consumer Protection & Commerce, S.B. No. 2298 S.D. 2 H.D. 2 has been amended by:

(1) Expanding the eligible academic programs in which a preceptor may supervise rotations to include programs that may not have their principal accreditation in Hawaii, but have a physical location in Hawaii;

“(2) Requiring an academic program in which a preceptor supervises a rotation to provide education to students of whom more than fifty per cent are residents of Hawaii;

(3) Removing the requirement that an eligible student must be a resident of Hawaii”

The available draft still does not reflect those amendments in full clarity and still requires the program have a physical location in Hawai`i. :

"Academic program" means an academic degree granting or graduate medical education program that holds either its principal accreditation or a physical location in Hawaii that provides education to students of whom more than fifty per cent are residents of Hawaii.”

Does my office in Honolulu while I am precepting said student qualify as a “physical location” of said academic program? If not, it should, as I am contributing my skills and knowledge toward increased tax revenues for the state of Hawai`i. My students are 100% residents of Hawai`i. Since our state became a Full Practice state for APRNs, a large number of APRNs have moved here from the mainland to practice here and contribute to our state’s tax revenues. If a student who lives here and plans to practice here after graduation chooses an online program from a university on the mainland (the only option for the psychiatric mental health specialty as there are no longer any of those programs in existence in our state anymore), can you see how the student would feel discriminated? Can you see how the preceptor would feel discriminated? It is not necessary to remind you of the shortage of psychiatric mental health APRNs and other providers of this specialty in our state, of the need to educate and produce graduates of those programs here to care for our citizens.

As I wrote in my last testimony:

“I am a Psychiatric Mental Health Clinical Nurse Specialist and Nurse Practitioner in private practice. We have no graduate programs in Hawaii to prepare APRNs in psychiatry and mental health. All the students I precept are residents of Hawaii who have to acquire their advanced degrees in this specialty from programs at accredited schools on the mainland. I have precepted students from Frontier University, Rush University, University of Arizona, and have students waiting for upcoming semesters from Johns Hopkins University and St. Louis University, all of whom are Hawaii residents and plan to practice in Hawaii, on Oahu, Maui and Hawaii Island. My graduate degree is from Yale University and my post-masters certificate is from California State University Long Beach. We desperately need PMH practitioners in Hawaii. It seems discriminatory to exclude those of us who are contributing to the PMH workforce in Hawaii when we precept students from mainland universities. It also seems unwise to disallow highly, top notch schools with online programs for Hawaii residents that require the student obtain a local preceptor. (see:

(g) For the purpose of this section:

"Academic program" means an academic program that holds its principal accreditation in Hawaii.

"Advanced practice registered nurse student" means an individual participating in a degree-granting academic program that is nationally accredited by the Commission on Collegiate Nursing )

Though their out of state schools do not contribute to the tax revenue in our state now, their students will greatly contribute to future tax revenues when they enter practice in our state. It appears to be a win/win situation to offer tax deductions to practitioners who precept these students who will contribute greater tax revenues over the course of their practice careers than the perceived loss of revenues the state will incur by offering the tax deductions to their preceptors.

Please make sure that the amended bill will include those of us who precept students from out of state universities whether they have a physical location here other than the clinical site of their rotation.

Mahalo for the opportunity to testify, and for your enduring support of APRNs and improved access to healthcare for our citizens.

Wailua Brandman APRN FAANP

Ke`ena Mauiola Nele Paia, LLC”

**SB-2298-HD-2**

Submitted on: 3/25/2018 8:21:38 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kelli Goo	Individual	Support	No

Comments:

To the Honorable: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen, Vice Chair, and Members of the Committee on Finance

My name is Kelli Goo and I am a student pharmacist at the Daniel K. Inouye College of Pharmacy at University of Hawaii at Hilo. I am writing to offer **strong support** for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy.

Thank you for the opportunity to provide testimony.

**SB-2298-HD-2**

Submitted on: 3/26/2018 7:39:07 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan Otsuki	Individual	Support	No

Comments:

Written Testimony Submitted to the

House Committee on Finance

March 28, 2018

By

J. Alan Otsuki, MD

**SB 2298, SD2, HD2 –RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Chair Luke, Vice Chair Cullen, and members of the committee:

Thank you for the opportunity to provide testimony in support of SB 2298, SD2, HD2. SB 2298, SD2, HD2 proposes to create a tax credit to encourage preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers throughout Hawaii. The intent of the measure is to build capacity for clinical education for the training of medical, nursing, dental hygiene and pharmacy professionals. SB 2298, SD2, HD2 also establishes a working group within the Department of Health which will be convened by the University of Hawaii/Pacific basin area health education center and center for nursing to create a comprehensive plan to address the preceptor shortages in Hawaii and to develop and implement a plan for allocating and distributing the healthcare preceptor tax credits.



Hawaii is facing a critical shortage of primary care healthcare providers. In the case of primary care physicians, the shortage is now calculated at 282 physicians statewide. This shortfall is projected to worsen with the increased demand for health care from an aging population and the retirement of an aging physician population creating access issues on Oahu and the neighbor islands. The need to educate and train more doctors to care for our citizens is now a key component to meeting the healthcare needs of our communities. However, the lack of clinical education sites in Hawaii and the inadequate supply of qualified primary care preceptors are limiting factors in our efforts to educate future doctors and other healthcare providers. The cohort of preceptors consists of volunteers who share the responsibility and burden of training the future healthcare workforce. Developing sufficient clinical training opportunities requires a sufficient number of preceptors. SB 2298, SD2, HD2 is a means of encouraging preceptors to begin offering as well as continuing to offer training and supervision to students (students includes newly graduated physicians, often referred to as residents or fellows who are receiving the additional training needed for state medical licensure and specialty certification through residency and fellowship programs) in the healthcare professions.

My colleagues and I find that SB 2298, SD2, HD2 expands the professions whose preceptors may be eligible for the tax credit to include psychologists, physical therapy assistants and social workers. While we recognize that these professions play a vital role in the provision of healthcare in the state, we are concerned that the proposed expansiveness of the program initially may make the certification process burdensome and may exhaust the amount of tax credits allowed. ***Thus, we recommend that the bill be limited at this time to sustaining and growing preceptors needed for medical, pharmacy and nursing practices.***

Further, we recommend that when addressing academic program eligibility, the bill explicitly state that ***“a majority of students (or a minimum of 50 enrolled students at any time) in an eligible academic program must be from Hawaii”***. Mainland students are far less likely to settle permanently in Hawaii.

Thank you for the opportunity to provide testimony.

J. Alan Otsuki, MD

Associate Dean of Academic Affairs

John A. Burns School of Medicine

University of Hawai'i at Mānoa

**SB-2298-HD-2**

Submitted on: 3/26/2018 8:54:25 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Goody Cacal	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a student pharmacist and writing to offer strong support for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

**SB-2298-HD-2**

Submitted on: 3/26/2018 10:56:29 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Veronica Wong	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a student pharmacist and am writing to offer strong support for SB 2298 SD2 HD2 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

**SB-2298-HD-2**

Submitted on: 3/26/2018 8:59:04 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Imai Chock	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a student pharmacist at the University of Hawaii at Hilo, Daniel K. Inouye College of Pharmacy and I am writing to offer strong support for SB 2298 SD2 HD2 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

**SB-2298-HD-2**

Submitted on: 3/26/2018 11:15:02 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jessica Harrell-Cooper	Individual	Support	No

Comments:

As a veteran NCO I know how unnerving it can be to having another person to watch out for. Having a student work at your clinic under your license is a risk, and with nothing more than a thank you, I would be weary of sponsoring a student myself. With this new credit, it gives the clinical Instructor a nice insentive to sponsor a student and continue to sponsor students in the future.

**SB-2298-HD-2**

Submitted on: 3/27/2018 8:14:09 AM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nicole young	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a "pharmacist" and "preceptor," writing to offer strong support for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy. Thank you for the opportunity to testify.

Written Testimony Presented Before the Senate Committee on Finance  
Tuesday, March. 28, 2018 at 2:00 pm

Robyn Rector  
1105 Kahoa St  
Hilo, HI 96720

SB 2298 SD2 HD2 Relating to Healthcare Preceptor Tax Credits

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am writing to offer **strong support of SB 2298 SD2 HD2** with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy.

I am a student pharmacist at Daniel K. Inouye College of Pharmacy (DKICP) at UH Hilo. The experiential program teaches students how to apply our didactic training directly to patient care and hinges upon NON-compensated pharmacist preceptors volunteering. The enormous contribution of time, energy, patience, and altruism by the preceptors should be recognized and supported by our state. If preceptors are unavailable within the State of Hawaii students are forced to secure out of state experiential opportunities. This creates a burden on the DKICP faculty and students and may potentially remove students from the state that would have stayed to practice after graduation.

Thank you for allowing me to testify.

Sincerely,  
Robyn Rector



**SB-2298-HD-2**

Submitted on: 3/27/2018 1:17:59 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chad Kawakami	Individual	Support	No

Comments:

To the Honorable: Chair Luke, Chair, Vice Chair Cullen and Members of the Committee on Finance.

I am a "pharmacist". "preceptor" "student pharmacist" and writing to offer strong support for SB 2298 SD2 HD 1 but with respectful recommendations to focus this initial effort, as proposed in this measure, to primary care including advanced practice nursing, medicine, and pharmacy.

Thank you for the opportunity to testify.

Very Humbly Submitted,

Chad Kawakami Pharm.D., BCPS, CDE

**SB-2298-HD-2**

Submitted on: 3/27/2018 3:55:54 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Anne Scharnhorst	Individual	Support	No

Comments:

Please support this important bill!

**SB-2298-HD-2**

Submitted on: 3/27/2018 4:11:35 PM

Testimony for FIN on 3/28/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Yvonne Geesey	Individual	Support	No

Comments:

Great incentive hope we can make this work. Have been precepting for local school of nursing for years and haven't had anyone keeping track of hours or even saying mahalo for a decade or so. Don't think a cmte within DOH will do better. How about doing our own record keeping subject to audit and verification by institutions that we are precepting for?

**LATE**

**Chair Sylvia Luke**  
**Vice-Chair Ty J.K. Cullen**

**House Committee on Finance**

**28 March 2018**

**TESTIMONY IN SUPPORT OF SB 2298 RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Dear Chair Luke, Vice-Chair Cullen, and Members of the Committee,

My name is Clementina D. Ceria-Ulep and I am the Associate Dean for Academic Affairs at the University of Hawaii at Manoa (UHM) School of Nursing & Dental Hygiene. I want to express my **support for SB 2298**. This bill will provide the needed preceptors for students who are training to be health care providers as advanced practice nurses, physicians, dental hygienists, and pharmacists.

As the former Department Chair for Nursing and presently the Associate Dean for Academic Affairs at UHM School of Nursing and Dental Hygiene, I have witnessed students in our graduate programs struggle securing clinical sites due to inadequate availability of preceptors. Consequently, in some cases, it has impacted their ability to graduate in a timely manner. Moreover, due to the limited number of preceptors, it has affected our School's ability to admit qualified applicants to our Doctorate in Nursing Practice (DNP) specializing in Family Nurse Practitioner (FNP) and Adult Gerontology Primary Care Nurse Practitioners (AGPCNP). These are the students who will provide the much needed leadership to address systemic local, national, and even global issues in healthcare.

I humbly ask all Committee members to support this bill because this measure will provide the needed preceptors to train the future health care providers of Hawaii!

Thank you for considering my testimony.

Sincerely,

*Clementina D. Ceria-Ulep*

**Clementina D. Ceria-Ulep**  
**211 Hoomalu Street; Pearl City, HI 96782**