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**STATE OF HAWAII**  
**DEPARTMENT OF TAXATION**  
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To: The Honorable John M. Mizuno, Chair  
and Members of the House Committee on Health & Human Services

Date: Tuesday, March 13, 2018  
Time: 8:30 A.M.  
Place: Conference Room 329, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

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

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

S.B. 2298, S.D. 2, creates a nonrefundable healthcare preceptor tax credit for physicians, advanced practice registered nurses, and pharmacists for volunteer-based supervised clinical training rotations. The credit is equal to \$1,000 for each rotation supervised, has a cap of \$5,000 per taxpayer, and an aggregate cap of \$2,000,000 per year. S.B. 2298, S.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 \$2,000,000 cap. The bill is effective upon approval, provided that the tax credit is effective for taxable years beginning after December 31, 2018.

The Department notes that is able to administer this measure with its current effective date. Thank you for the opportunity to provide comments.

# OFFICE OF INFORMATION PRACTICES

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TELEPHONE: 808-586-1400 FAX: 808-586-1412  
EMAIL: oip@hawaii.gov

To: House Committee on Health & Human Services

From: Cheryl Kakazu Park, Director

Date: March 13, 2018, 8:30 a.m.  
State Capitol, Conference Room 329

Re: Testimony on S.B. No. 2298  
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) takes no position on the substance of this bill, but questions a complete Sunshine Law exemption for the proposed Preceptor Credit Assurance Committee and offers an amendment to the bill.**

The proposed Committee is charged with developing and implementing a plan for certifying healthcare preceptor tax credits, including creating the processes for the review and verification of tax credits at the end of each calendar year and for the documentation required to certify a preceptor for the tax credit. The bill does not specifically state that the proposed Committee will be responsible for actually certifying preceptors for the tax credit and verifying tax credits, but those responsibilities may be intended to fall under “implement[ing]” the healthcare preceptor tax credit plan, which the Committee is charged with doing.

The proposed Committee is exempted entirely from the Sunshine Law at bill page 12, lines 6-7. **OIP questions why the Committee requires a**

**complete exemption from the Sunshine Law.** It seems likely that there would be some public interest in the process of **developing the processes** for certifying preceptors to receive tax credits, and verifying those credits, and there is no obvious reason why such discussions should not be open to public attendance and testimony. If the Committee is in fact going to be considering individuals' applications to be certified as health care preceptors, and reviewing their claimed tax credits, OIP recognizes that some of the information considered in that context may be more appropriately considered in a closed session. However, that could be addressed by creating an executive session purpose allowing the Committee to go into closed session to consider information affecting individuals' privacy.

**OIP therefore recommends that this Committee delete the Sunshine Law exemption in subsection 321-\_\_ (d) at bill page 12, lines 6-7. OIP further recommends that, if appropriate, this Committee replace it with the following:**

**“(d) The committee may hold a meeting closed to the public pursuant to section 92-4 for the purpose of considering information affecting the privacy of an individual, provided that information in which an individual has a significant privacy interest as provided in subsection 92F-14(b) shall be considered to be information affecting the privacy of an individual.”**

Thank you for the opportunity to testify.

**PRESENTATION OF THE  
BOARD OF NURSING**

TO THE HOUSE COMMITTEE ON  
HEALTH AND HUMAN SERVICES

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Tuesday, March 13, 2018  
8:30 a.m.

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

TO THE HONORABLE JOHN M. MIZUNO, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Lee Ann Teshima, and I am the Executive Officer of the Hawaii State Board of Nursing ("Board"). Thank you for the opportunity to submit testimony on this measure, which is a companion to H.B. 1967. The Board supports S.B. 2298, S.D. 2, but defers to the Department of Taxation on any possible fiscal impacts to the State.

This measure allows advanced practice registered nurses, physicians, and pharmacists 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 provide testimony on S.B. 2298, S.D. 2.

**PRESENTATION OF THE  
BOARD OF PHARMACY**

TO THE HOUSE COMMITTEE ON  
HEALTH AND HUMAN SERVICES

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Tuesday, March 13, 2018  
8:30 a.m.

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

TO THE HONORABLE JOHN M. MIZUNO, 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 testimony on this measure, which is a companion to H.B. 1967. The Board supports S.B. 2298, S.D. 2 but defers to the Department of Taxation regarding any possible fiscal impacts to the State.

This measure allows advanced practice registered nurses, physicians, and pharmacists 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 provide testimony on S.B. 2298, S.D. 2.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Health and Human Services  
Tuesday, March 13, 2018 at 8:30 a.m.

by

Mary G. Boland, DrPH, RN, FAAN  
Dean and Professor  
School of Nursing and Dental Hygiene

And

Debora Halbert, PhD  
Associate Vice Chancellor for Academic Affairs  
University of Hawai'i at Mānoa

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

Chair Mizuno, Vice Chair Kobayashi, and members of the House Committee on Health and Human Services:

Graduate nursing, as well as the John A. Burns School of Medicine and the Daniel K. Inouye College of Pharmacy are in strong support of SB 2298 SD2. 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 measure:

- Establishes a tax credit for primary care healthcare professionals who engage in preceptor activities for in-state primary care healthcare students.
- Defines primary care healthcare students as students enrolled in in-state, accredited academic programs of medicine, osteopathy and advanced practice nursing and pharmacists.
- 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.

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 1410 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>.

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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.physicianeconomicimpact.org/pdf/FullStateReports/HI-Study.pdf>

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.

Therefore, on behalf of the UH health professions education programs, we respectfully request that SB 2298 SD2 pass as is.

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## SB 2298 SD 2 Testimony for House Committee Health and Human Services

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 SD 2 that would include pharmacists as eligible recipients of the tax credit.

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

1. Decreasing class size
2. Eliminating certain types of clinical rotations
3. Hiring as many Pharmacy Practice faculty as our budget allows

**Our college relies on NON-compensated pharmacist preceptors for our experiential program that comprises 30% of the curriculum. This decrease in offered preceptorships for these required rotations compromises our student's ability to fulfill requirements for graduation.**

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.

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 full enrollment, a 98% graduation rate and is an economic driver in Hilo

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. Our faculty are fully integrated into their practice sites of clinics and hospitals and provide major impact to the healthcare of our state's residents.

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 continued decreased class size.

If our eligible preceptors were included in the bill, the estimated tax credits would amount to approximately \$125K annually. This seems a reasonable amount to incentivize and recruit more non-compensated pharmacists to continue or become preceptors and help this vital health professional college.

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 extendors working in partnership with physicians and APRN's. Expanding scope of practice continues in chronic disease management (diabetes, cardiovascular disease, asthma), medication therapy management, immunizations, antibiotic stewardship and women's health as examples. Unfortunately, the profession is still yet to be recognized as providers and we lack the ability to bill for their services.

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

Written Testimony Submitted to the  
House Committee on Health & Human Services  
March 13, 2018  
By

J. Alan Otsuki, MD

SB 2298, SD2 –RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS

Chair Mizuno, Vice Chair Kobayashi, and members of the committee:

Thank you for the opportunity to provide testimony in support of SB 2298, SD2. SB 2298, SD2 proposes to create a tax credit to encourage preceptors who are licensed physicians and healthcare professionals to offer professional instruction, training, and supervision to residents and students seeking careers as primary care physicians, osteopathic physicians and advanced practice registered nurses throughout Hawaii. The intent of the measure is to build capacity for clinical education for the training of primary care doctors and nurses. SB 2298, SD2 also establishes an assurance committee 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 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.

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



## **HAWAII MEDICAL ASSOCIATION**

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TO:  
COMMITTEE ON HEALTH & HUMAN SERVICES  
Rep. John M. Mizuno, Chair  
Rep. Bertrand Kobayashi, Vice Chair

DATE: Tuesday, March 13, 2018  
TIME: 8:30 a.m.  
PLACE: Conference Room 329

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



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

**House HHS Hearing**

**Tuesday, March 13, 2018 – 8:30 am**

**Room 329**

**Position: Support with Amendments**

Chair Mizuno, Vice Chair Kobayashi, and members of the House HHS 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.

We respectfully request that physical therapists be included in the proposed healthcare preceptor tax credit program, which will be evaluated in June 30, 2024 by the Department of Health for efficacy and recommendations for modification, amendment or repeal.

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.

We respectfully request the following amendments:

Page 3, lines 13-20:

The purpose of this Act is to create a tax credit that encourages preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as primary care physicians and advanced practice registered nurses, and **physical therapist assistants** throughout Hawaii, with the intention of building capacity for clinical education at in-state academic programs that are nationally accredited for the training of

primary care physicians, advanced practice registered nurses, ~~and~~ pharmacy professionals, **and physical therapist assistants.**

Page 8, lines 3-7:

"Eligible professional degree or training certificate" means a degree or certificate that fulfills a requirement to be a physician or osteopathic physician pursuant to chapter 453, an advanced practice registered nurse pursuant to chapter 457, or a pharmacist, pursuant to chapter 461, **or a physical therapist assistant pursuant to chapter 461J.**

Page 8, lines 8-10:

"Eligible student" means an advanced practice registered nurse student, medical student, ~~or~~ pharmacy student, **or physical therapist assistant student** enrolled in an academic program and is a resident of Hawaii.

Page 8, new lines beginning with line 18:

**"Physical therapist assistant student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered physical therapist assistants pursuant to chapter 461J.**

Page 8, lines 19- Page 9, lines 1-5:

"Nationally accredited" means holding an institutional accreditation by name to offer post-secondary medical primary care education. Accreditation for medical students shall be offered by the Liaison Committee on Medical Education or American Osteopathic Association Commission on Osteopathic College Accreditation. Accreditation for advanced practice registered nurse students shall be offered by the Commission on Collegiate Nursing Education. **Accreditation for physical therapist assistants shall be offered by the Commission on Accreditation in Physical Therapy Education.**

Page 9, lines 10 –18:

"Preceptor" means a physician or osteopathic physician licensed pursuant to chapter 453 or an advanced practice registered nurse licensed pursuant to chapter 457, or a pharmacist, licensed pursuant to chapter 461, who is a resident of Hawaii and who maintains a professional primary care practice in this State, **or a physical therapist licensed pursuant to 461J who is a resident of Hawaii and maintains a professional physical therapy practice in this State.**

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

To: The Honorable John M. Mizuno, Chair  
The Honorable Bertrand Kobayashi, Vice Chair  
Members, Committee on Health & Human Services

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

Date: March 9, 2018

Hrg: House Committee on Health & Human Services Hearing; Tuesday, March 13, 2018 at  
8:30 A.M. in Room 329

Re: **Support for SB 2298, SD2, 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, Relating to Healthcare Preceptor Tax Credits. This bill allows advanced practice registered nurses, pharmacists, and physicians to receive income 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.

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/>



**Written Testimony Presented Before the  
House Committee on Health and Human Services  
March 13, 2018 8:30 a.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 RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Chair Mizuno, Vice Chair Kobayashi, and members of the House Committee on Health and Human Services, thank you for this opportunity to provide testimony in strong support of this bill, SB 2298, SD2. 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.

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. Clinical experience is a mandatory component for health professional education. Without it, a student may not graduate, achieve national certification, or become licensed; however, this role is currently voluntary and uncompensated. Historically, providers have engaged in precepting as a re-investment in their profession, however, workload expectations and burnout are at an all-time high.

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 (HSCN) 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 the 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 Georgia, Colorado and Maryland. North Dakota, Utah and New York are currently underway with their own efforts to establish such 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 healthcare profession 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 pass through the House Committee on Health and Human Services, unamended. We appreciate 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>

**Tuesday, March 13, 2018 at 8:30 am**  
**Conference Room 329**

House Committee on Health & Human Services

To: Representative John Mizuno, Chair  
Representative Bertrand Kobayashi, Vice Chair

From: Michael Robinson  
VP, Government Relations

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

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My name is Michael Robinson, VP and Government Relations 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 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 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, they 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.

The University of Hawaii 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 University of 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 Hawai'i Pacific Health, we respectfully request that SB 2298, SD2 be passed.

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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>



**Testimony to the House Committee on Health and Human Services  
Tuesday, March 13, 2018; 8:30 a.m.  
State Capitol, Conference Room 329**

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

Chair Mizuno, Vice Chair Kobayashi, 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, Senate 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, and pharmacist 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, Senate Draft 2**  
**Tuesday, March 13, 2018; 8:30 a.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) 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;
- (8) 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
- (9) Take effect upon approval and apply to taxable years beginning after December 31, 2018.

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.

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.

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

**House HHS Hearing**

**Tuesday, March 13, 2018 – 8:30 am**

**Room 329**

**Position: Support with Amendments**

Chair Mizuno, Vice Chair Kobayashi, and members of the House HHS Committee:

My name is Dana Fong-Reyes and I am currently a clinical instructor also known as a clinical preceptor for Physical Therapist Assistant Students at Kapi'olani Community College. I am writing in support of the amendment to include physical therapist assistants in the tax credit program. It is important because of the limited number of physical therapy clinics in Hawaii and repeated annual request to teach students every year. Increased paperwork, decreased insurance reimbursements, and increased productivity standards have limited our ability to continually teach our local PTA students. If the preceptors were given a tax incentive it would greatly offset lost productivity costs from teaching a PTA student during their 3-4 internships, each lasting 120 to 400 hours.

I support this bill with the attached amendments.

Page 3, lines 13-20:

Adding "**physical therapist assistants**" as one of the professions listed

Page 8, lines 3-7:

Adding "**or a physical therapist assistant pursuant to chapter 461J.**" as an "Eligible professional degree or training certificate"

Page 8, lines 8-10:

Adding "**physical therapist assistant student** enrolled in an academic program and is a resident of Hawaii. As an "Eligible student"

Page 8, new lines beginning with line 18:

Adding "**Physical therapist assistant student**" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered physical therapist assistants pursuant to chapter 461J."

Page 8, lines 19- Page 9, lines 1-5:

Adding "**Accreditation for physical therapist assistants shall be offered by the Commission on Accreditation in Physical Therapy Education.**" As "Nationally accredited"

Page 9, lines 10 –18:

**"a physical therapist licensed pursuant to 461J who is a resident of Hawaii and maintains a professional physical therapy practice in this State."** As a "Preceptor"

As a current Physical Therapist Assistant Instructor, I respectfully request for your support of the amendments to include physical therapists in the preceptor tax credit program. Your support of SB2298sd2 with the suggested amendments is appreciated. Thank you for the opportunity to testify.

Respectfully,

Dr. Dana Fong-Reyes, PT, DPT, CSCS, TPI CGFI, Contact info (808) 674-1142



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

March 12, 2018

COMMITTEE ON HEALTH AND HUMAN SERVICES

Representative John Mizuno, Chair

Representative Bertrand Kobayashi, Vice Chair

DATE: Tuesday, March 13, 2018

TIME: 8:30 AM

PLACE: Conference Room 329

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

**SUBMITTED BY:**

Dr. Stephen Bradley, Chief Medical Officer

WAIANAЕ COAST COMPREHENSIVE HEALTH CENTER

The Waianae Coast Comprehensive Health Center is in full support of **SB2298 SD2** that supports our Health Center's osteopathic medicine training program.

We recognize 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.

Our legislature may not know that **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 **SB2298 SD2** and a long term vision to address the shortage of primary care providers in Hawaii.

**SB-2298-SD-2**

Submitted on: 3/12/2018 8:18:22 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

Written Testimony Submitted to the  
House Committee on Health & Human Services  
March 13, 2018  
By

Kelley Withy, MD, PhD

SB 2298, SD2 –RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS

Chair Mizuno, Vice Chair Kobayashi, and members of the committee:

Thank you for the opportunity to provide testimony in support of SB 2298, SD2. SB 2298, SD2 proposes to create a tax credit to encourage doctor trainers (preceptors) who are licensed physicians and healthcare professionals to offer professional instruction, training, and supervision to residents and students seeking careers as primary care physicians, osteopathic physicians and advanced practice registered nurses throughout Hawaii. The intent of the measure is to build capacity for clinical education for the training of primary care doctors and nurses. SB 2298, SD2 also establishes an assurance committee 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 people who train our future doctors, PAs and APRNs are largely volunteers who do this out of the goodness of their heart, although it adds an hour on every day they teach and there aren't enough of them! Developing sufficient clinical training opportunities requires a sufficient number of preceptors. SB 2298 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.

Thank you for the opportunity to provide testimony.

Kelley Withy, M.D. Ph.D., Professor, Department of Family Medicine and Community Health

Hawaii/Pacific Basin Area Health Education Center (AHEC) Director  
John A. Burns School of Medicine, University of Hawaii

**Tuesday, March 13, 2018 at 8:30 am**  
**Conference Room 329**

House Committee on Health & Human Services

To: Representative John Mizuno, Chair  
Representative Bertrand Kobayashi, Vice Chair

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

**Re: Testimony in Support of SB 2298, SD2 – 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 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 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, they 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.

The University of Hawaii 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 University of Hawai'i's ability to develop and grow

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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>

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 be passed.

**SB-2298-SD-2**

Submitted on: 3/9/2018 6:52:37 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Sydney Barney and I am a student pharmacist. I support this bill WITH amendments specifically the addition of "

"Pharmacy student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered pharmacists pursuant to chapter 461.

"Preceptor" means ... a pharmacist licensed pursuant to chapter 461,...

Thank you for allowing me to testify on SB 2298 SD 2.



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

**SB2298sd2, RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS  
House HHS Hearing  
Tuesday, March 13, 2018 – 8:30 am  
Room 329  
Position: Support with Amendments**

Chair Mizuno, Vice Chair Kobayashi, and members of the House HHS Committee:

I am Michelle Dela Cruz, PT. I am testifying as an Individual, a physical therapist and as a Educator in support of amendments for SB2298sd2, 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 facilities, long term care management services, rehab facilities, and home care facilities to teach our PTA students for a total of 4 internships or 680 hours of clinical education 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. We respectfully request that physical therapists and physical therapist assistants be included in the proposed healthcare preceptor tax credit program, which will be evaluated in June 30, 2024 by the Department of Health for efficacy and recommendations for modification, amendment or repeal.

Physical therapists (PTs) and PTAs volunteer-supervise Kapiolani Community College's PTA students on clinical internships while managing and practicing in private clinics or healthcare institutions similar to advanced practice registered nurses, physicians, dentists, and pharmacists. This year our 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 long term care facilities. If initiated, our program fees would increase by 500% and our students at our state funded program are unable to pay this fee. If our clinical instructor PTs or PTAs received a tax credit incentive, this would greatly offset the stipend charged to our students for clinical education. With 25% of our Hawaii based sites charging our students in 2018, we predict private and state facilities will follow their example.

A tax credit incentive for our Hawaii based PTs or PTAs would also help our state program compete with private PT and PTA schools who are able to pay the stipend fee and also offer preceptors incentive access to their extensive medical libraries or educational classes.

We respectfully request the following amendments:

Page 3, lines 13-20:

The purpose of this Act is to create a tax credit that encourages preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as primary care physicians and advanced practice registered nurses, and **physical therapist assistants** throughout Hawaii, with the intention of building capacity for clinical education at in-state academic programs that are nationally accredited for the training of primary care physicians, advanced practice registered nurses, and-pharmacy professionals, **and physical therapist assistants.**

Page 8, lines 3-7:

"Eligible professional degree or training certificate" means a degree or certificate that fulfills a requirement to be a physician or osteopathic physician pursuant to chapter 453, an advanced practice registered nurse pursuant to chapter 457, or a pharmacist, pursuant to chapter 461, **or a physical therapist assistant pursuant to chapter 461J.**

Page 8, lines 8-10:

"Eligible student" means an advanced practice registered nurse student, medical student, or pharmacy student, **or physical therapist assistant student** enrolled in an academic program and is a resident of Hawaii.

Page 8, new lines beginning with line 18:

**"Physical therapist assistant student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered physical therapist assistants pursuant to chapter 461J.**

Page 8, lines 19- Page 9, lines 1-5:

"Nationally accredited" means holding an institutional accreditation by name to offer post-secondary medical primary care education. Accreditation for medical students shall be offered by the Liaison Committee on Medical Education or American Osteopathic Association Commission on Osteopathic College Accreditation. Accreditation for advanced practice registered nurse students shall be offered by the Commission on Collegiate Nursing Education. **Accreditation for physical therapist assistants shall be offered by the Commission on Accreditation in Physical Therapy Education.**

Page 9, lines 10 –18:

"Preceptor" means a physician or osteopathic physician licensed pursuant to chapter 453 or an advanced practice registered nurse licensed pursuant to chapter 457, or a pharmacist, licensed pursuant to chapter 461, who is a resident of Hawaii and who maintains a professional primary care practice in this State, **or a physical therapist licensed pursuant to 461J who is a resident of Hawaii and maintains a professional physical therapy practice in this State.**

Your support of SB2298sd2 with the suggested amendments 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.

Michelle Dela Cruz, PT

Kapiolani Community College, PTA Program

Academic Coordinator of Clinical Education, ACCE

Phone: [808-352-5222](tel:808-352-5222)

Email: [mdc88@hawaii.edu](mailto:mdc88@hawaii.edu)

**SB-2298-SD-2**

Submitted on: 3/9/2018 6:58:57 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/9/2018 9:02:45 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/10/2018 6:20:49 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**My Matthew Hee and I am a pharmacist/ preceptor. I support this bill WITH amendments specifically the addition of "**

"Pharmacy student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered pharmacists pursuant to chapter 461.

"Preceptor" means ... a pharmacist licensed pursuant to chapter 461,...

Thank you for allowing me to testify on SB 2298 SD 1.

**SB-2298-SD-2**

Submitted on: 3/10/2018 11:06:19 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

As a pharmacist, this bill will help encourage more pharmacists to precept students from the UH Hilo Daniel K Inouye College of Pharmacy and help ensure that student pharmacists get the training they need to be qualified pharmacists to take care of the people of Hawaii.

Written Testimony Presented Before the Senate Committee on  
Commerce, Consumer Protection and Health  
Wednesday, Feb. 28, 2018 at 11:00 am

Robyn Rector  
1105 Kahoa St  
Hilo, HI 96720

SB 2298 SD2 WAM Relating to Healthcare Preceptor Tax Credits

The Honorable: Chair Baker, Vice Chair Tokuda, and members of the Senate Committee on  
Commerce:

I am writing to offer **strong support of SB 2298 SD 2 with amendments** that would include pharmacists as eligible recipients of the tax credit.

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 we do not secure qualified and enthusiastic preceptors to guide student pharmacists, like myself, into well-trained future pharmacists our state's healthcare system will directly be impacted. It is through patient centered soft-skills that pharmacists make a difference in Hawaii residents' lives. This type of education cannot be taught in a classroom, it requires seasoned preceptors. If preceptors are unavailable in Hawaii state, 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-SD-2**

Submitted on: 3/10/2018 3:41:30 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

<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 Health & Human Services**

**March 13, 2018 By - Jerris Hedges, MD**

SB 2298, SD2 –RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS

Chair Mizuno, Vice Chair Kobayashi, and members of the committee:

Thank you for the opportunity to provide testimony in support of SB 2298, SD2. SB 2298, SD2 proposes to create a tax credit to encourage preceptors who are licensed physicians and healthcare professionals to offer professional instruction, training, and supervision to residents and students seeking careers as primary care physicians, osteopathic physicians and advanced practice registered nurses throughout Hawaii. The intent of the measure is to build capacity for clinical education for the training of primary care doctors and nurses. SB 2298, SD2 also establishes an assurance committee 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 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.

Thank you for the opportunity to provide testimony.

Jerris Hedges, MD

Professor & Dean

John A. Burns School of Medicine

University of Hawai'i at MÄ• noa

**SB-2298-SD-2**

Submitted on: 3/11/2018 10:49:27 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Wesley Sumida and I am a pharmacist. I support this bill.

Thank you for allowing me to testify on SB 2298 SD 2

**SB-2298-SD-2**

Submitted on: 3/11/2018 11:16:22 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michael P Hoskins	Individual	Support	No

Comments:

I am a pharmacist and also a preceptor and I support this bill

**SB-2298-SD-2**

Submitted on: 3/11/2018 11:45:35 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Cathlyn Goo and I am a student pharmacist. I support this bill WITH amendments specifically the addition of:

"Pharmacy student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered pharmacists pursuant to chapter 461.

"Preceptor" means ... a pharmacist licensed pursuant to chapter 461,...

Thank you for allowing me to testify on SB 2298 SD 1.

**SB-2298-SD-2**

Submitted on: 3/11/2018 11:56:02 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

As a working pharmacist, who has acted as preceptor for many pharmacy students in my retail pharmacy over the last 17 years here in Honolulu, I support SB 2298 Relating to Healthcare Preceptor Tax Credits.

Thank you for the opportunity to submit testimony.

Sincerely,

Anne Wheelock, R.Ph.

**SB-2298-SD-2**

Submitted on: 3/11/2018 9:15:37 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/11/2018 9:19:28 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/11/2018 9:22:05 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:



**SB-2298-SD-2**

Submitted on: 3/11/2018 9:23:26 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/11/2018 9:40:08 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

SD1 and SD2 removed pharmacist preceptors as eligible recipients of the tax credit. I strongly recommend reversal of those actions by reinsertion of pharmacist preceptors to HD1 and incentivize support for training pharmacy professionals as intended in the original draft of SB 2298. Mahalo.

**SB-2298-SD-2**

Submitted on: 3/11/2018 10:00:22 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/12/2018 9:34:29 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/11/2018 10:02:46 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**My name is Nicole Young and I am a pharmacist and preceptor. I support this bill WITH amendments specifically the addition of:**

"Pharmacy student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered pharmacists pursuant to chapter 461.

"Preceptor" means ... a pharmacist licensed pursuant to chapter 461,...

Thank you for allowing me to testify on SB 2298 SD 2.

**SB-2298-SD-2**

Submitted on: 3/11/2018 10:06:58 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**SB-2298-SD-2**

Submitted on: 3/11/2018 10:36:46 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

I am a Psychiatric Mental Health (PMH) 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. Though their schools do not contribute to the tax revenue in our state, 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 amend this bill to include those of us who precept students from out of state universities.. 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-SD-2**

Submitted on: 3/11/2018 11:33:26 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Kelli Goo and I am a student pharmacist at the Daniel K. Inouye College of Pharmacy at University of Hawai'i at Hilo. I am writing to offer strong support for SB 2298 SD2.

Thank you for this opportunity to provide testimony.



**SB-2298-SD-2**

Submitted on: 3/12/2018 1:09:05 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is **David Cao** and I am a **student pharmacist**. I support this bill WITH amendments specifically the addition of "

"Pharmacy student" means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered pharmacists pursuant to chapter 461.

"Preceptor" means ... a pharmacist licensed pursuant to chapter 461,...

Thank you for allowing me to testify on SB 2298 SD 2

**SB-2298-SD-2**

Submitted on: 3/12/2018 6:54:43 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carol Omura China	Individual	Support	No

Comments:

**SB-2298-SD-2**

Submitted on: 3/12/2018 7:19:15 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Bryce Fukunaga and I am a pharmacist. I support this bill.

**SB-2298-SD-2**

Submitted on: 3/12/2018 8:09:26 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Tehane Han. I am a pharmacist and I fully support this bill.

**SB-2298-SD-2**

Submitted on: 3/12/2018 8:29:00 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

I am pharmacist preceptor and agree that this would help further health care education in Hawaii.

**SB-2298-SD-2**

Submitted on: 3/12/2018 8:34:42 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

Aloha Legislators! Please support this bill authorizing a tax credit for preceptors. Our health care professional schools are trying to train adequate providers for our future and finding preceptors has been a challenge in my work setting for sure. The tax credit would help incentivize participation as a preceptor I think. Mahalo!

**Written Testimony Presented Before the  
Senate Committee on Commerce, Consumer Protection and Health  
March 13, 2018 at 8:30 a.m.  
Amy Thomas, MSN, APRN, FNP, Past President  
American Organization of Nurse Executives—Hawai'i Chapter**

**IN STRONG SUPPORT, WITH AMENDMENTS  
SB 2298 RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Ways and Means Committee, thank you for this opportunity to provide testimony in strong support of this bill, SB 2298, with amendments. This bill aims to address the healthcare provider shortage, particularly in underserved areas, neighbor islands and in primary care, by establishing individual income tax credits for healthcare professionals who voluntarily serve as preceptors.

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. Precepted clinical experience is a mandatory component for health professional education. Without it, a student may not graduate, achieve national certification, or become licensed. Preceptors are licensed and practicing health care professionals who volunteer time during their work hours to oversee a health professional student, like an advanced practice nurse student. The clinical experience preceptors provide to students is in addition to their large patient care workload and is often uncompensated.

Our in-state health professional academic programs rely on community providers to provide over 1,000 preceptor 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.
- 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.

Historically, providers have engaged in precepting as a re-investment in their profession, however workload expectations and burnout are at an all-time high. Research indicates the 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 Georgia, Colorado and Maryland. North Dakota, Utah and New York are currently underway with their own efforts to establish such credits.

This bill aims to address two factors of the preceptor shortage with the aim of helping close the healthcare provider gap in our state.

1. Recognize and incent current preceptors for their current role through individual income tax credits. The intended outcome is to maintain the baseline preceptor population by creating an economic incentive for their voluntary work.
2. Grow the number of healthcare professionals who volunteer as preceptors, increasing the number of clinical rotations which a preceptor volunteers for, or both. The intended outcome is to grow the capacity of health education by expanding the preceptor population, across the state.

To achieve this incentive and goal to increase relieve 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.

To offset this expense, the American Organization of Nurse Executives (AONE)---Hawai'i Chapter respectfully requests the Senate Committee on Commerce, Consumer Protection and Health to consider the economic analysis of full practice authority nurse practitioners in North Carolina<sup>1</sup> which found that, for APRNs, on average:

- “Each full-time APRN generates between \$11,800 and \$22,000 annually in state and local tax revenue across the state.”
- “Each new FTE APRN ... would support a minimum of \$273,000 in output across the state”.

With this consideration, the AONE Hawai'i Chapter posits that this contribution to the healthcare profession 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 in the healthcare professional academic pipeline will help Hawai'i close the gap of needed healthcare professionals, thus ensuring timely access to highly qualified and safe healthcare professionals for all people, in all regions of our state.

Additionally, the AONE Hawai'i Chapter respectfully requests that the Senate Committee on Commerce, Consumer Protection and Health consider the attached amendment recommendations. The proposed language is highlighted in yellow in the attached document. These amendments will:

- Add Social Work as eligible students, residents/trainees and preceptors
- Amend the definition of “Nationally Accredited” to recognize the individual health professional academic accreditation as determined by its respective regulatory board or program.
- Update the report title and description to reflect the above amendments.

Therefore, AONE Hawai'i Chapter respectfully requests that SB 2298 pass amended. We appreciate your continuing support of nursing and healthcare 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.



Page 3, Lines 5-6

Developing sufficient clinical training opportunities **and field placements** in areas of high demand requires a sufficient number of appropriately trained preceptors, but the limited availability of preceptors restricts in-state healthcare academic institutions from expanding healthcare provider training.

Page 3, Lines 19-20

The purpose of this Act is to create a tax credit that encourages preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers throughout Hawaii, with the intention of building capacity for clinical education at in-state academic programs that are nationally accredited for the training of medical, nursing, dental hygiene, **social work, psychology** or pharmacy professionals.

Page 7, Line 14-15

"Eligible professional degree or training certificate" means a degree or certificate that fulfills a requirement to be a dental hygienist pursuant to chapter 447, a physician or osteopathic physician pursuant to chapter 453, an advanced practice registered nurse pursuant to chapter 457, a pharmacist pursuant to chapter 461, ~~or~~ a psychologist pursuant to chapter 465, **or a social worker pursuant to chapter 467E.**

Page 7, Line 18

"Eligible student or trainee" means an advanced practice registered nurse student, dental hygienist student, medical student, pharmacy student, psychology student, **social work student,** or resident or similar health science trainee.

Page 8, Lines 16-17

"Preceptor" means a dentist or dental surgeon licensed pursuant to chapter 448, a physician or osteopathic physician licensed pursuant to chapter 453, an advanced practice registered nurse licensed pursuant to chapter 457, a pharmacist licensed pursuant to chapter 461, ~~or~~ a psychologist licensed pursuant to chapter 465, **or a social worker pursuant to chapter 467E who may be either licensed or unlicensed.**

Page 9, Between content on lines 4-5

"Social worker student" means an individual participating in an academic program in this state that is nationally accredited for the training of social work professionals pursuant to chapter 467E.

Page 10, after line 20

**(5) Deans or directors of each academic program that is nationally accredited for the training of psychology pursuant to chapter 465.**

(6) Deans or directors of each academic program that is nationally accredited for the training of social work pursuant to chapter 467E.

**Report Title:**

Registered Nurses; Doctors; Dentists; Dental Hygienists;  
Pharmacists; Psychologists; Preceptors; Social Workers; Tax  
Credits

**Description:**

Allows advanced practice registered nurses, physicians, dentists, psychologists, and 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.

**SB-2298-SD-2**

Submitted on: 3/12/2018 9:25:56 AM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

My name is Jarred Prudencio and I fully support this bill. I work as a pharmacist in Hilo, HI, and am on faculty with the Daniel K. Inouye College of Pharmacy. I graduated from UH Hilo as well. When I was a student, I received such a great education from the College and the preceptors, which molded me into the clinician I am today. The preceptors take so much time from their schedules to give back to the community and the profession by training student pharmacists. Preceptors, across any discipline, are a critical part of medical education, and I fully support this bill as it supports our preceptors.

**Written Testimony Presented Before the  
House Committee on Health & Human Services  
March 13, 2018 8:30 a.m.**

**by  
Anne Scharnhorst, MN, RN, Allied Health Department Chair  
University of Hawaii Maui College**

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

Chair Mizuno, Vice Chair Kobayashi, and members of the House Committee on Health and Human Services, thank you for this opportunity to provide testimony in strong support of this bill, SB 2298, SD2. 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.

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. Clinical experience is a mandatory component for health professional education. Without it, a student may not graduate, achieve national certification, or become licensed; however, this role is currently voluntary and uncompensated. Historically, providers have engaged in precepting as a re-investment in their profession, however workload expectations and burnout are at an all-time high.

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 (HSCN) 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 the 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 Georgia, Colorado and Maryland. North Dakota, Utah and New York are currently underway with their own efforts to establish such 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 healthcare profession 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, **I, Anne Scharnhorst, on behalf of UHMC Nursing and Allied Health Programs** respectfully requests that SB 2298, SD2 pass through the House Committee on Health and Human Services, unamended. We appreciate 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-SD-2**

Submitted on: 3/12/2018 2:11:59 PM

Testimony for HHS on 3/13/2018 8:30:00 AM

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

Comments:

**IN STRONG SUPPORT**

Hawai'i has a shortage of healthcare providers, with the greatest need on neighbor islands and in specialties including primary care, behavioral health, and geriatrics.

The current cohort of healthcare providers and facilities engaging in preceptor activities are at or near saturation.

SB2298, SD2 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.

Mahalo for the opportunity to provide testimony.

Rhonda Roldan

**Written Testimony Presented Before the  
House Committee on Health & Human Services  
March 13, 2018 8:30 a.m.**

**by  
Beth Hoban, RN, MAOM  
President, Prime Care Services Hawaii**

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

Chair Mizuno, Vice Chair Kobayashi, and members of the House Committee on Health and Human Services, thank you for this opportunity to provide testimony in strong support of this bill, SB 2298, SD2. 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.

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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 (HSCN) conducted a survey of our in-state dental hygiene, graduate nursing, medicine and pharmacy programs which found that:

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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 the 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 Georgia, Colorado and Maryland. North Dakota, Utah and New York are currently underway with their own efforts to establish such credits.

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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 healthcare profession 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, I respectfully request that SB 2298, SD2 pass through the House Committee on Health and Human Services, unamended. We appreciate 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>