



**Testimony Presented Before the
House Committee on Health
Thursday, March 12, 2020 at 9:00 a.m.
by
Laura Reichhardt, MS, AGNP-C, APRN
Director, Hawai'i State Center for Nursing
University of Hawai'i at Mānoa**

TESTIMONY IN STRONG SUPPORT on SB 31, SD3

Chair Mizuno, Vice Chair Kobayashi, and members of the Committee on Health, thank you for the opportunity to testify **in strong support of this measure.**

This measure, SB 31, SD3, proposes to clarify the definition of preceptor to allow a broader array of specialties that help develop a future primary care provider, to clarify the definition of “volunteer-based supervised clinical training rotation” related to both time spent teaching students and what constitutes compensation for precepting, as well as making amendments to the Preceptor Credit Assurance Committee to improve administration and roles.

In 2018, the Hawai'i Legislature, in their great wisdom, enacted Act 43, which authorized and funded \$1.5 million in tax credits, annually for five years, tax credits for advanced practice registered nurse, physician and pharmacist professionals who train in-state students in the same practice areas. This program was intended to help alleviate the bottleneck within health education programs related to a shortage of clinical education sites and preceptors. To support the area of greatest need in health care, this tax credit was restricted to primary care providers only.

In 2019, this program was launched. As of the end of 2019, 375 individuals have registered for the program and 66,298 hours were recorded over 1,029 unique clinical training rotations. Despite 375 unique preceptors being entered into the system, only 197 preceptors were awarded a total of 367 tax credits. This is far below the estimated 1,200 tax credits estimated for 2019. After many conversations with providers and the academic programs included in the Preceptor Credit Assurance Committee, it is clear that there is a much larger population of preceptors and clinical rotations that support the development of a primary care provider, but were not eligible for the preceptor tax credit. The main barriers identified were 1) uncertainty about what uncompensated for precepting means and 2) specializing in supportive role to primary care, not primary care itself.

The Hawai'i State Center for Nursing respectfully asks the Committee on Health to pass SB 31, SD3 through your committee. The Center thanks your committee for its commitment to the people of Hawai'i and ensuring access to high-quality health care by supporting local healthcare education and training initiatives.

The mission of the Hawai'i State Center for Nursing is that through collaborative partnerships, the Center provides accurate nursing workforce data for planning, disseminates nursing knowledge to support excellence in practice and leadership development; promotes a diverse workforce and advocates for sound health policy to serve the changing health care needs of the people of Hawai'i.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Health
Thursday, March 12, 2020 at 9:00 a.m.

By

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

and

Jerris Hedges, MD, Dean and Professor
John A. Burns School of Medicine

and

Michael Bruno, PhD

Provost

University of Hawai'i at Mānoa

Bonnie Irwin, Chancellor

and

Carolyn Ma, PharmD, BCOP

Dean, Daniel K. Inouye College of Pharmacy

University of Hawai'i at Hilo

SB 31 SD3 – RELATING TO HEALTH

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

Thank you for the opportunity to testify in strong support of this measure. This measure, SB 31 SD3, amends the definition of preceptor to include preceptors who work in health specialties that support primary care as well as clarifying the definition of clinical rotation and compensation.

In 2017, UH Mānoa School of Nursing and Dental Hygiene (SONDH) identified a preceptor shortage. Preceptors are volunteer Advanced Practice Registered Nurses (APRN), physicians (MD), pharmacists (PH), and other healthcare professionals who volunteer their clinical time to teach our students. In speaking to fellow health professional programs, it became evident that the preceptor shortage was not ours alone, but a shared crisis among many the UH programs in nursing, medicine and pharmacy. In 2018, the Legislature passed Act 43 with the goal to help our state health profession training programs alleviate this crisis by offering state income tax credits for APRN, MD, DO, and PH providers who volunteer as preceptors.

In spite of the appreciation of the preceptor tax credit program, primary care and specialty providers voiced concerns related to compensation and specialty practice.

Employed clinical providers who teach students during their workday, with no change to their workload, and no additional compensation for teaching, worry that their existing clinical salary equates compensation under the preceptor tax credit provision. Similarly, because over 90% of APRNs are employed, this worry affected our existing preceptors and potential new preceptors alike. Second, as all of our programs lead to primary care certifications and prepare future primary care practitioners, the educational programs require students to complete specialty rotations to deepen their ability to address common primary care conditions. These specialties include but are not limited to cardiology, endocrinology, pulmonology, and mental and behavioral health. These specialty rotations help the future provider learn when referral to specialists is necessary for a patient and to whom they can refer. The John A. Burns School of Medicine (JABSOM) as well as other healthcare professions rely on volunteer preceptors who provide training and supervision to our students and residents. These preceptors play a vital role in educating the next generation of physicians, APRNs, pharmacists and other healthcare professions. The amendments contained in SB 31, SD2 would expand the field of preceptors so that we may grow our training programs for primary care providers.

In addition, Clinical Pharmacy practitioners work differently than medical specialties. Although a pharmacist may receive a referral for a specific area of care, in order to help a patient in that specific area, they must deliver care to the patient from an overall standpoint. For example, if the primary care physician refers a patient to a certified diabetes pharmacist to initiate diabetes medication, this patient becomes part of the pharmacist's panel for ongoing medication management. In order to address the diabetes itself, it would be negligent for a pharmacist to not address the entire medication profile and the disease states prescribed for that condition. Ongoing management of all medications and diseases would have to be performed, thus this pharmacist is the primary care provider in regards to medication related diseases. Often times, this would mean managing cardiac conditions like hypertension, congestive heart failure and other types of chronic diseases. Many of our students will take primary care types of rotations, but may elect to take an area of specialty pharmacy practice. These rotations not only emphasize the specialty area, but would also concentrate on care on the chronic diseases or primary care areas.

The UH thanks your committee for hearing this measure and humbly asks you to pass this measure through your committee. Thank you for your longstanding support for state healthcare workforce development, healthcare education, nursing, medicine, pharmacy and improving access to care for the people in our state.

DAVID Y. IGE
GOVERNOR
JOSH GREEN M.D.
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

RONA M. SUZUKI
DIRECTOR OF TAXATION
DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

LATE

To: The Honorable John M. Mizuno, Chair;
The Honorable Bertrand Kobayashi, Vice Chair;
and Members of the House Committee on Health

From: Rona M. Suzuki, Director
Department of Taxation

Re: **S.B. 31, S.D. 3, Relating to Health**

Date: Thursday, March 12, 2020

Time: 9:00 A.M.

Place: Capitol Auditorium, State Capitol

The Department of Taxation (Department) **supports the intent** of S.B. 31, S.D. 3.

S.B. 31, S.D. 3, makes several amendments to the Healthcare Preceptor Tax Credit by amending section 235-110.25(g), Hawaii Revised Statutes. This measure expands the definition of "preceptor" to include more medical professionals whom the credit was initially intended to include. It is the Department's understanding that the Preceptor Credit Assurance Committee (PCAC) believes many otherwise qualified medical professionals would have been eligible for this credit but for the narrow definition of the term "preceptor." S.D. 3 has a defective effective date of July 1, 2050.

The Department defers to the PCAC about the policy need for this change.

Thank you for the opportunity to testify in support of this measure.

Thursday, March 12, 2020 at 9:00 AM
Capital Auditorium

House Committee on Health

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

From: Michael Robinson
Vice President, Government Relations & Community Affairs

Re: **Testimony in Support of SB 31, SD3
Relating to Health**

My name is Michael Robinson, Vice President, Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

I write in support of SB 31, SD3 which revises the definition of “primary care providers” and “volunteer based supervised clinical training rotation” to improve accessibility for providers to receive income tax credits for acting as preceptors.

Preceptors are volunteer Advanced Practice Registered Nurses (APRN), physicians (MD), pharmacists (PH), and other healthcare professionals who volunteer their clinical time to teach students in the healthcare fields. In 2018, the Legislature passed Act 43 with the goal to help our state health profession training programs alleviate this crisis by offering state income tax credits for APRN, MD, DO, and PH providers who volunteer as preceptors.

While the tax credit provides an incentive to the preceptors, the current statutory definitions have limited the number of preceptors who are eligible for the credit. The various healthcare professions rely on volunteer preceptors who provide training and supervision to medical students and residents, as well as a host of allied healthcare trainees. These preceptors play a vital role in educating the next generation of healthcare workers. The amendments contained in SB 31, SD2 would allow for the expansion of the field of preceptors so that we may grow our training programs for primary care providers.

Preceptors who work for hospitals or practice groups may have language in their contract that allows "employment" by UH to teach learners in their clinical settings. The "employment" is actually paid using "pass through money" from the hospital or practice

group (not state support). If these preceptors are excluded from receiving benefit from the tax credits, they may resign as faculty members for the state-based educational program and thus create accreditation challenges for these programs.

Thus, for those preceptors who hold faculty appointments paid by clinical practice activity, the new language spells out the type of state money which if being used to employ the faculty member would preclude participation in the tax credit program.

Thank you for the opportunity to testify.

SB-31-SD-3

Submitted on: 3/10/2020 4:26:24 PM

Testimony for HLT on 3/12/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Rantz	Hawaii State Rural Health Association	Support	No

Comments:



**Testimony to the House Committee on Health
Thursday, March 12, 2020; 9:00 a.m.
State Capitol, Auditorium**

RE: SENATE BILL NO. 0031, SENATE DRAFT 3, RELATING TO HEALTH.

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** Senate Bill No. 0031, Senate Draft 3, RELATING TO HEALTH.

The bill, as received by your Committee, would strengthen the Preceptor Tax Credit as a means of incentivizing volunteer preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers by:

- (1) Improving accessibility for providers to receive income tax credits for acting as preceptors; and
- (2) Adjusting the membership of the Preceptor Credit Assurance Committee.

The bill would also take effect on July 1, 2050.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved 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 healthcare.

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,

Testimony on Senate Bill No. 0031, Senate Draft 3

Thursday, March 12, 2020; 9:00 a.m.

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rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

This bill will insure that the Preceptor Tax Credit is able 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.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.

Hawai'i Association of Professional Nurses (HAPN)



To: The Honorable Representative John M. Mizuno, Chair of
the House Committee on Health and Human Services

From: Hawaii Association of Professional Nurses (HAPN)

Subject: SB31 – Relating to Health

Hearing: March 12, 2020, 9:00 a.m. House Conference Auditorium, State Capitol

Aloha Representative Mizuno, Chair; Representative Kobayashi, Vice Chair; Committee Members Representative Au Belatti, Representative Nakamura, Representative Buenaventura, Representative Say, Representative Tokioka, and Representative Ward

Thank you for the opportunity to submit testimony regarding SB31. HAPN is in **strong support** of broadening the array of specialists who contribute to the education and development of Hawaii's future healthcare providers through clarifying the definition of "volunteer-based supervised clinical training rotation". This measure is supported by a wide coalition of community and academic entities and HAPN joins in the support for this bill. Our interest is to ensure that all APRNs who participate in the education and training of APRN students experience the same benefits as a result of precepting students and mentoring them while they continue their education.

APRNs have played an important role in the healthcare of our communities and have a vast base of knowledge and experience that we can share with tomorrow's new professionals. While precepting students is important, it is also something that takes time. Sharing with these preceptors these benefits could ensure that more preceptors are available to help train our students. This will in turn improve access to care for all patients as we have competent providers in our communities providing much needed care.

Thank you for the opportunity to share the perspective of HAPN with your committee. Thank you for your enduring support of the nursing profession in the Aloha State.

Respectfully,

John Paul Moses, APRN
HAPN President

Dr. Bradley Kuo, APRN
HAPN Legislative Committee, Chair
HAPN Immediate Past President



**THE QUEEN'S
HEALTH SYSTEMS**

LATE

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

From: Rowena Buffett Timms, Executive Vice President & Chief Administrative Officer, The Queen's Health Systems
Colette Masunaga, Manager, Government Relations & External Affairs, The Queen's Health Systems

Date: March 11, 2020

Hrg: House Committee on Health Hearing; Thursday, March 12, 2020 at 9:00 AM in Capitol Auditorium

Re: **Support for SB31 SD3, Relating to Health**

The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals and more than 1,500 physicians statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide testimony in support of SB31 SD3, relating to health. The proposed measure revises the definition of "primary care providers" and "volunteer based supervised clinical training rotation" and revises the membership of the preceptor credit assurance committee to include the director of health.

Every semester, there are about 20 - 30 students that look for preceptors in either primary or acute care settings. By improving accessibility for more providers to receive the tax credit, this bill will benefit graduate clinical precepting by incentivizing providers to participate in graduate training and volunteer their time and provide their expertise as mentors

Thank you for the opportunity to testify on this measure.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

**State of Hawaii House of Representatives
Committee on Health**

**SB31 Relating to Health
TESTIMONY IN SUPPORT**

LATE

TESTIFIER: Palani Smith - Liberty Dialysis/FMC
DATE: Thursday, March 12, 2020
TIME: 9:00 AM
PLACE: Capitol Auditorium

Good morning Chair Mizuno, Vice-Chair Kobayashi and members of the Committee on Health:

My name is Palani Smith and I am the Director of Market Development for Liberty Dialysis-Hawaii, a Fresenius organization. Thank you for allowing me to provide testimony IN STRONG SUPPORT of the SB31 related to Health and addressing the concerns of our chronic healthcare workforce shortage in the State of Hawaii.

Let me start by stating that we are pro-development in accordance to meeting the healthcare needs of communities and we fully support the Certificate of Need (CON) process. However, because of the severe shortage of healthcare workers and nephrologists, we find it necessary to address changes in the CON vetting criteria to specifically address workforce shortages especially in the rural areas of the state.

We appreciate the efforts of the State Health Planning Department Agency's (SHPDA) and Attorney General's amendment to HB2502 in providing the language being heard today. We also appreciate previous oral testimony provided by Kaiser Permanente not objecting to the amended language should legislators move to pass this measure.

Liberty Dialysis-Hawaii, with its 27 statewide clinics, 675 employees and 2,500 patients and their families, works tenaciously everyday to be a provider of sustainable, high-quality dialysis care. This legislation addresses a series of critical challenges facing our rural clinics. With a growing chronic kidney disease (CKD) population in Hawaii, the need to provide life-sustaining treatment for End Stage Renal disease (ESRD) patients is also on the rise.

However, the number of existing and new patients do not correspond in proportion to the rate of required healthcare workers currently employed and entering the workforce. While Liberty Dialysis-Hawaii enjoys a 90% employee retention rate, according to the Healthcare Association of Hawaii, there is a shortage of 2,200 healthcare workers across our state in various disciplines. With rural areas being hit the hardest with this crisis, and some of our clinics intermittently mandating 16-hour work schedules to continue treating patients, we are at a tipping point.

A focus on the workforce shortage issue, through an added provision in the CON application criteria, allows for critical fact-finding in the SHPDA decision-making process. This does not restrict new

development, nor does it prevent patients access to care. What it does do, however, is to ensure that the needs of the community are met while not causing undue hardship to existing patients and services.

While the current CON process lightly touches upon the issue of impact to the existing healthcare system of the areas it does not specifically, as a part of a category, cover the topic of workforce shortages. Therefore, it is our contention that this is not redundant with the current rules. The following are the established criteria the State Health Planning Department Agency uses for CON applications:

- The relationship of the proposal to the Health Services and Facilities Plan.
- Need for and accessibility of the proposal.
- Quality of the service or care that is proposed
- Cost and financial impact of the proposal
- Relationship of the proposal to the existing health care system
- The availability of resources for the proposed service.

In 2002, St. Francis Healthcare system had 2 hospitals and was considered by the Centers for Medicare and Medicaid Services (CMS) to be the largest dialysis acute care system in the nation. To that point, then Administrator of CMS, Tom Scully, stated to the St. Francis Sisters of Syracuse, “I don’t know how you have been able to survive for so long” As we know, 4 years later, the sisters reorganized their system by selling their dialysis facilities and hospitals because it was no longer sustainable.

The reason I mention this, is because of the consequential impact of this issue. If we are not able to provide high quality of care to our patients, they may end up in one of our hospitals. If that happens, then these patients have an average length of stay anywhere from 3-7 days. Each day a dialysis patient is in the hospital, not only is a bed occupied, but the hospital sustains a loss because of reimbursement issues. So, this issue not just impacts our clinics on the front-end but also the hospital systems as well.

In closing, I reiterate our position, that we support development to address the growing healthcare needs of our communities. This legislation addresses this because it puts forth another key element regarding workforce shortages for consideration of new development, which as a matter of course, will meet the community’s needs regarding access to care. Secondly, we support the CON process as it is a needed function to ensure a system is in place to manage Hawaii’s overall healthcare system and the impact development, or lack thereof, affects our communities. However, because of the severity of the shortages in our healthcare workforce, we need to more closely scrutinize this issue and the impact new healthcare development has on our existing healthcare providers and the healthcare system within this state.

The net result, of which, is to ensure a sustainable and robust healthcare network in our state for years to come. Thank you again for allowing me to share our perspective on this issue.

SB-31-SD-3

Submitted on: 3/10/2020 5:17:21 PM

Testimony for HLT on 3/12/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Yokouchi	Individual	Support	No

Comments:

SB-31-SD-3

Submitted on: 3/10/2020 3:05:30 PM

Testimony for HLT on 3/12/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Annette Manant	Individual	Support	No

Comments:

I am currently an unpaid preceptor for nursing students and, as a nursing student, had many unpaid providers precept me. Precepting involves extra clinical time. By providing incentive to do this work, preceptors are shown how valued they are. Thus, preceptors would be incentivized to precept more often or for longer periods of time. This bill supports the health needs of our communities by incentivizing training for the healthcare work force.

Testimony Presented Before the
Committee on Health
Thursday, March 12, 2020

SB 31 - Relating to Preceptor Tax Credit

Chair Mizuno, Vice-Chair Kobayashi and Members of the committee:

I am writing in **strong support** of SB 31, which changes the Preceptor Tax Credit law to revise the definition of "primary care providers" and "volunteer based supervised clinical training rotation" to improve accessibility for providers to receive income tax credits for acting as preceptors.

Hawaii has a shortage of over 800 doctors, and almost all other types of primary care and behavioral healthcare workers. The loan repayment program is one of the best methods of encouraging providers to work in the areas of need.

In the first year, only 191 providers met the Preceptor Tax Credit criteria. The changes will help to recruit additional providers to teach our Hawaii students. This is essential to build our workforce.

Mahalo!

Thank you for the opportunity to provide testimony.

Kelley Withy, MD, PhD