

**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB1975 HD1  
RELATING TO HEALTHCARE PRECEPTORS.**

REP. AARON LING JOHANSON, CHAIR  
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

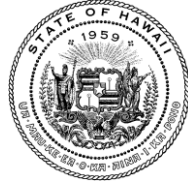
Hearing Date: February 17, 2022

Room Number: Videoconference

- 1 **Fiscal Implications:** N/A.
- 2 **Department Testimony:** The Department of Health (DOH) currently cooperates with partners
- 3 such as the University of Hawaii John A. Burns School of Medicine and Hawaii State Center for
- 4 Nursing on the healthcare preceptor tax credit. DOH supports the amendment to codify the
- 5 Director of Health or the director's designee as a formal member of the preceptor credit
- 6 assurance committee, and other amendments.
- 7 Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



ISAAC W. CHOY  
DIRECTOR OF TAXATION

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

To: The Honorable Aaron Ling Johanson, Chair;  
The Honorable Lisa Kitagawa, Vice Chair;  
and Members of the House Committee on Consumer Protection & Commerce

From: Isaac W. Choy, Director  
Department of Taxation

Date: Thursday, February 17, 2022  
Time: 2:00 P.M.  
Place: Via Video Conference, State Capitol

**Re: H.B. 1975, H.D. 1, Relating to Healthcare Preceptors**

The Department of Taxation (Department) appreciates the intent of H.B. 1975, H.D. 1, and offers the following comments.

H.B. 1975, H.D. 1, amends section 235-110.25, Hawaii Revised Statutes (HRS), specifically the definition of “preceptor” to remove the “primary care” requirement from the professional practice designation of eligible preceptors. The purpose of this amendment is to improve accessibility for providers to receive the tax credit, thus incentivizing volunteers to participate in the instruction, training, and supervision of student seeking careers in healthcare.

Additionally, this measure revises membership of the preceptor credit assurance committee to include the Director of the Department of Health or the Director’s designee. The measure has a defective effective date of July 1, 2060, with changes to the tax credit applying to taxable years beginning after December 31, 2021.

The Department is able to administer this measure as currently as the proposed amendments will not have a significant administrative impact.

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

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
ON  
HOUSE BILL NO. 1975, H.D. 1

**February 17, 2022**  
**2:00 p.m.**  
**Room 329 and Videoconference**

RELATING TO HEALTHCARE PRECEPTORS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1975, H.D. 1, amends: Subsection 235-110.25(b), HRS, to clarify the limits of when a preceptor may be compensated for standard clinical services while providing a volunteer-related supervised clinical training rotation;

Subsection 235-110.25(g), HRS, to change the definition of "preceptor" to improve accessibility for providers to receive income tax credits for acting as preceptors; and

Section 321-2.7, HRS, to include the Director of the Department of Health or the director's designee on the Preceptor Credit Assurance Committee.

B&F notes that the federal American Rescue Plan (ARP) Act restricts states from using ARP Coronavirus State Fiscal Recovery Funds (CSFRF) to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the CSFRF have been spent. If a state cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than the CSFRF, such as:

- By enacting policies to raise other sources of revenue;
- By cutting spending; or
- Through higher revenue due to economic growth.

If the CSFRF provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the U.S. Treasury.

The U.S. Department of Treasury has issued rules governing how this restriction is to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with this ARP restriction.

Thank you for your consideration of our comments.

Testimony of  
Jonathan Ching  
Government Relations Director

Before:  
House Committee on Consumer Protection & Commerce  
The Honorable Aaron Ling Johanson, Chair  
The Honorable Lisa Kitagawa, Vice Chair

February 17, 2022  
2:00 p.m.  
Via Videoconference

**Re: HB 1975 HD1, Relating to Healthcare Preceptors**

Chair Johanson, Vice Chair Kitagawa, and committee members, thank you for this opportunity to provide testimony on HB 1975 HD1, which amends the definition of "preceptor" and "volunteer-based supervised clinical training rotation" to improve accessibility for providers to receive income tax credits for acting as preceptors.

**Kaiser Permanente Hawai'i SUPPORTS HB 1975 HD1.**

Kaiser Permanente Hawai'i is Hawai'i's largest integrated health system that provides care and coverage for approximately 265,000 members. Each day, more than 4,400 dedicated employees and more than 650 Hawai'i Permanente Medical Group physicians and providers come to work at Kaiser Permanente Hawai'i to care for our members at our 20 medical facilities, including Moanalua Medical Center, providing high-quality care for our members and delivering on our commitment to improve the health of the 1.4 million people living in the communities we serve.

Kaiser Permanente Hawai'i supports HB 1975 HD1 because it would expand the definition of "preceptor" to acknowledge the many medical specialists that support the training of primary care students and who would be eligible for the credit but for the narrow definition of the term. Training for primary care requires precepting experiences with both primary care providers and specialist providers. In 2021, our preceptors supported over 367 individual rotations in internal medicine, family medicine, pediatrics, obstetrics and gynecology, geriatrics, continuing care, and sports medicine. Since the enactment of Act 43, Session Laws of Hawai'i 2018, fewer advanced practiced registered nurses, physicians and pharmacists are eligible for the tax credit than the number that are teaching our local students.

Mahalo for the opportunity to testify on this important measure.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Healthcare Preceptor Tax Credit Clarifications

BILL NUMBER: HB 1975 HD 1

INTRODUCED BY: Senate Committee on Health, Human Services & Homelessness

EXECUTIVE SUMMARY: Amends the definition of "preceptor" and "volunteer-based supervised clinical training rotation" to improve accessibility for providers to receive income tax credits for acting as preceptors. Includes the Director of Health on the Preceptor Credit Assurance Committee.

SYNOPSIS: Amends section 235-110.25, HRS, to redefine a "preceptor" as a practitioner "who is a resident of Hawaii, maintains a professional practice in this State, and whose specialty supports the development and training of an eligible student in primary care.

Changes the definition of "Volunteer-based supervised clinical training rotation" to be a period of supervised clinical training to an eligible student that totals at least eighty hours of supervisory time annually, in which a preceptor provides personalized instruction, training, and supervision to an eligible student to enable the eligible student to obtain an eligible professional degree or training certificate.

Provides that a taxpayer who is a preceptor may be compensated for providing standard clinical services, provided that the preceptor shall be: (1) Uncompensated for the clinical training above or beyond clinical salary or reimbursements for clinical services; or (2) Uncompensated from tuition funds or from state general funds for the provision of clinical training services.

Amends section 321-2.7, HRS, which governs the preceptor credit assurance committee, to add the requirement that credit applications include itemized specialties that support the development and training of the eligible student in primary care.

Adds the director of health or a designee thereof as a member of the committee.

Makes other technical and conforming amendments.

EFFECTIVE DATE: July 1, 2060; Section 2 applicable to taxable years after December 31, 2021.

STAFF COMMENTS: The credit for healthcare preceptors was added by Act 43, SLH 2018. This act requires the department of health to evaluate the efficacy of this credit and report to the 2024 legislature.

The bill for the most part appears to make technical changes in the law and does not appear to have significant revenue impact.

We suggest that there may be an anomaly the way this bill is drafted, in that the bill's definition of "volunteer-based supervised clinical training rotation" now does not contain any concept corresponding to the qualifier "volunteer-based," as the compensation limits were taken out of the definition and moved to the substantive provisions of the statute. Perhaps the bill may be made consistent by taking out "volunteer-based" everywhere the word appears in the statute or the bill.

Digested: 2/15/2022



**Written Testimony Presented Before the  
House Committee on Consumer Protection & Commerce  
Thursday, February 17, 2022 at 2:00 p.m.**

**By  
Laura Reichhardt, APRN, AGPCNP-BC  
Hawai'i State Center for Nursing  
University of Hawai'i at Mānoa**

**TESTIMONY IN STRONG SUPPORT on HB 1975, HD1**

Chair Johanson, Vice Chair Kitagawa, and members of the House Committee on Consumer Protection & Commerce, thank you for the opportunity to testify in **strong support of this measure**. By way of this measure, the Hawai'i State Center for Nursing does not ask for new or expanded appropriations to the tax credit program.

This measure, HB 1975, HD1, proposes to clarify the definition of preceptor to allow a broader array of specialty providers who engage in teaching future primary care providers, clarify the definition of "volunteer-based supervised clinical training rotation" related to both time spent teaching students and what constitutes compensation for precepting, and amend 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 for advanced practice registered nurse (APRN), physician, and pharmacist professionals who train in-state students in their respective 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. Though the tax credits were secured for five years, fewer advanced practiced registered nurses, physicians, and pharmacists are eligible for the tax credit than the number of preceptors that are actually teaching our local students.

This program allocated 371 tax credits (\$371K) to 181 preceptors in 2019 and 368 tax credits (\$368K) to 185 preceptors in 2020 despite nearly double the amount of rotations being recorded into the tax credit record system. In 2021, this program secured 559 tax credits (\$559K) for 253 preceptors; however, the number of preceptors who were eligible for tax credits and met all criteria to earn tax credits were approximately 2/3 of the total APRNs, physicians, and pharmacists on record for providing voluntary clinical teaching or demonstrated interest in teaching. After many conversations with providers and the academic program members of 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 roles to primary care but not primary care itself.

The Hawai'i State Center for Nursing respectfully asks the Committee on Consumer Protection & Commerce to pass HB 1975, HD1, 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.*





**HAWAII MEDICAL ASSOCIATION**

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814

Phone (808) 536-7702 Fax (808) 528-2376

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**HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE**

Representative Aaron Ling Johanson, Chair

Representative Lisa Kitagawa, Vice Chair

Date: February 17, 2022

From: Hawaii Medical Association

Elizabeth Ann Ignacio MD, Chair, HMA Legislative Committee

**Re: HB 1975 HD1 Preceptors; Healthcare Preceptor Tax Credit; Preceptor Credit Assurance Committee**

**Position: Support**

Clinical preceptors are vital to the maintenance of solid education and experience for future physicians of Hawaii, as well as the recruitment to our state when training is complete. HMA strongly supports all efforts to address physician provider education and our critical Hawaii physician shortage.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

**HMA OFFICERS**

President – Angela Pratt, MD President-Elect – Elizabeth Ann Ignacio, MD  
Immediate Past President – Michael Champion, MD Treasurer – Nadine Tenn Salle, MD  
Secretary – Thomas Kosasa, MD Executive Director – Marc Alexander

## Hawai'i Association of Professional Nurses (HAPN)



To: The Honorable Representative Aaron Johanson, Chair of  
the House Committee on Consumer Protection &  
Commerce

From: Hawaii Association of Professional Nurses (HAPN)  
Subject: HB1975 HD1 – Relating to Health

Hearing: February 17, 2022, 2p.m.

Aloha Representative Johanson, Chair; Representative Kitagawa, Vice Chair; and Committee Members

Thank you for the opportunity to submit testimony regarding HB1975 HD1. HAPN is in **strong support** of this measure. This measure will broaden the array of specialists who contribute to the education and development of Hawaii's future healthcare providers.

This measure is supported by a wide coalition of community, academic entities, and students 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,  
Dr. Jeremy Creekmore, APRN  
HAPN President

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

Thursday, February 17, 2022 at 2:00 PM  
Via Video Conference

**House Committee on Consumer Protection & Commerce**

To: Representative Aaron Johanson, Chair  
Representative Lisa Kitagawa, Vice Chair

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

**Re: Testimony in Support of HB 1975, HD1  
Relating to Healthcare Preceptors**

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My name is Michael Robinson, and I am the Vice President of 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.

HPH writes in SUPPORT of HB 1975. HD1 which amends the definition of "preceptor" and "volunteer-based supervised clinical training rotation" to improve accessibility for providers to participate in the preceptor tax credit program.

Preceptors are Advanced Practice Registered Nurses (APRN), physicians (MD), pharmacists (PH), and other healthcare professionals who volunteer their clinical time to teach and train students. The lack of sufficient numbers of healthcare professionals to act as preceptors impacts many of the University of Hawai'i's programs in nursing, medicine and pharmacy in terms of the programs' ability to train students. Passed in 2018, the preceptor tax credit has helped to increase the pool of health profession training programs and alleviate the crisis of the preceptor shortage. The preceptor tax credit offers 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. Physicians who maintain a primary care practice in the state provide a valuable service, however, physicians in other fields of practice also are vital to providing training in primary care. Expanding the definition of "preceptor" to include other fields of practice would expand the pool of available preceptors to train new healthcare providers. Additionally, clarifying the definition of the form of compensation allowable enables more healthcare providers to act as preceptors.

Thank you for the opportunity to testify.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Consumer Protection & Commerce  
Thursday, February 17, 2022 at 2:00 p.m.

by

Jerris Hedges, MD, Dean and  
Kelley Withy, MD, Professor, Department of Family Medicine and Community Health,  
Hawai'i/Pacific Basin Area Health Education Center (AHEC) Director  
John A. Burns School of Medicine

And

Michael Bruno, PhD  
Provost  
University of Hawai'i at Mānoa

### HB 1975 HD1 – RELATING TO HEALTHCARE PRECEPTORS

Chair Johanson, Vice Chair Kitagawa, and members of the committee:

This testimony presented is on behalf of UH System, including John A. Burns School of Medicine (JABSOM), UH Mānoa Nancy Atmospera-Walch School of Nursing (NAWSON), and the UH Hilo Daniel K. Inouye College of Pharmacy and School of Nursing.

Thank you for the opportunity to testify in **strong support** of HB 1975 HD1 which amends the successful Preceptor Tax Credit program which rewards providers who volunteer to provide clinical training for Hawaii's future providers. HB 1975 HD1 clarifies the definition of "preceptor" and "volunteer based supervised clinical training rotation" to improve accessibility for volunteer providers to receive income tax credits for serving as preceptors.

In 2017, NAWSON 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 of 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.

Although the preceptor tax credit program has been successful in attracting more healthcare professionals, questions remain as to program's language regarding compensation and specialty practice language. This has resulted in fewer providers accessing this tax credit, even though the allocation and credit cap was secured in 2018.

Preceptors, or employed clinical providers who teach students during their workday, with no substantive change to their workload, and no additional compensation for teaching, are concerned that their existing clinical salary equates compensation under the preceptor tax credit provision. Some preceptors also use their own clinical practice earnings to fund a

part-time appointment with UH JABSOM and have been excluded from the preceptor tax credit.

Similarly, because over 90% of APRNs are employed, this has affected existing preceptors as well as identifying potential new preceptors. Additionally, as all of our programs lead to primary care certifications and prepare future primary care providers, 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 how to refer.

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 to the definitions of “preceptor” and “volunteer-based supervised clinical training program” contained in HB 1975 HD1 will expand the field of preceptors so that we may grow our training programs for primary care providers.

The education training path for a pharmacist differs from nursing and medicine as well as the way clinical pharmacists’ practice. The pharmacy student training curriculum stresses foundation building in the first three years of a four-year curriculum. The final fourth year includes both advanced primary care and specialty care pharmacy rotations. This training is based upon the profession’s pharmacist role that combine both primary care (general medication management) and specialty disease management regardless of whether the practice setting is in the hospital or acute care setting, outpatient clinic or retail/specialty community pharmacy.

A pharmacist may receive a referral for a specific area of care (diabetes, blood pressure, asthma) however, in order to address the patient’s specific need, review of the entire medication profile from a generalist standpoint must occur first. For example, a diabetes certified pharmacist receives a referral to initiate and maintain a diabetes medication(s) and monitor the disease. In order to manage the diabetes itself, the pharmacist must address the entire medication profile and all of the patient’s disease states, especially chronic diseases that include major organ systems such as heart, kidney, liver, and other major areas. Ongoing management of all medications and diseases is performed on a routine basis with the patient being part of the pharmacist’s panel for ongoing management. This pharmacist becomes the ‘primary’ health care professional in regards to medication related diseases.

Thank you for your longstanding support of the state healthcare workforce development and healthcare education in Hawai‘i.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Aaron Ling Johanson, Chair  
The Honorable Lisa Kitagawa, Vice Chair  
Members, House Committee on Consumer Protection & Commerce

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: February 3, 2022

Re: Support for HB 1975 HD1: Relating to Healthcare Preceptors

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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 1,600 affiliated physicians and providers 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 supports HB 1975 HD1, which clarifies the limits of when a preceptor may be compensated for standard clinical services while providing a volunteer-based supervised clinical training rotation and amends the definition of "preceptor" to improve accessibility for providers to receive income tax credits for acting as preceptors and includes the Director of Health on the Preceptor Credit Assurance Committee.

Queen's supported the creation of the preceptor tax credit in 2018 as one of several methods to address the shortage of primary, community-based and acute care providers in the state of Hawai'i. One successful avenue to incentivize providers to participate as preceptors is a tax credit for practitioners willing to volunteer their time and provide their expertise as mentors. Queen's alone has approximately 111 residents and fellows in our residency program supported by preceptors. We support the amended definition of "preceptor" to include specialists which will further expand the diversity of preceptors in our residency and fellowship programs.

Thank you for the opportunity to testify in support of HB 1975 HD1.

*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.*



**Testimony to the House Committee on Consumer Protection and Commerce  
Thursday, February 17, 2022; 2:00 p.m.  
State Capitol, Conference Room 329  
Via Videoconference**

**RE: HOUSE BILL NO. 1975, HOUSE DRAFT 1, RELATING TO HEALTHCARE PRECEPTORS.**

Chair Johanson, Vice Chair Kitagawa, 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** House Bill No. 1975, House Draft 1, RELATING TO HEALTHCARE PRECEPTORS

By way of background, the HPCA represents Hawaii's 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.

This bill, as received by your Committee, would clarify laws that incentivize volunteer preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers. Among other things, this bill would clarify the definition of "preceptor" for income tax credit eligibility to specify that the preceptor maintain a professional practice in the State whose specialty supports the development and training of an eligible student in primary care.

This bill would also take effect on July 1, 2060 and apply to taxable years beginning after December 31, 2021.

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

**Testimony on House Bill No. 1975, House Draft 1**  
**Thursday, February 17, 2022; 2:00 p.m.**  
**Page 2**

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.

**We urge your favorable consideration of this bill.**

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](mailto:eabe@hawaiiipca.net).



**Written Testimony Presented Before the  
House Committee on Consumer Protection & Commerce**

**Hearing: February 17, 2022 @ 2:00 PM  
State Capitol, Via Videoconference**

By Hawai‘i – American Nurses Association (Hawai‘i-ANA)



**HB1975, HD1 RELATING TO HEALTHCARE PRECEPTORS**

Chair Aaron Ling Johanson, Vice Chair Lisa Kitagawa and members of the House of Representatives on the Committee on Consumer Protection & Commerce, for this opportunity to provide **strong support for HB1975, HD1** Relating to Healthcare Preceptors. This measure does not ask for new or expanded appropriations to this previously established tax credit program, but proposes to improve the program based on experience garnered during its implementation. Though the tax credits were secured for five years, fewer advanced practice registered nurses, physicians, and pharmacists are eligible for the tax credit than the number of preceptors that are actually teaching our local students.

This measure seeks to clarify the definition of preceptor to allow a broader array of specialty providers who engage in teaching future primary care providers; to clarify the definition of “volunteer-based supervised clinical training rotation”; and, to amend the Preceptor Credit Assurance Committee to improve administration and roles.

We are Hawai‘i - American Nurses Association (Hawai‘i-ANA) and we speak for over 15,000 Registered Nurses in our state. As a point of information, nurse educators and licensed advanced practice nurses (APRNs) in Hawai‘i are all Registered Nurses in our state: hence our interest in this measure. Hawai‘i-ANA respectfully asks the Committee on Health to pass HB1975, HD1, through your committee. We thank your committee for its commitment to supporting local healthcare education and training initiatives for the development of future primary care providers for our healthcare system.

Contact information for Hawaii – American Nurses Association

President: Katie Kemp, BAN, RN-BC  
[ana.org](http://ana.org)

[president@hawaii-](mailto:president@hawaii-ana.org)

Executive Director: Dr. Linda Beechinor, APRN-Rx, FNP-BC  
[executivedirector@hawaii-ana.org](mailto:executivedirector@hawaii-ana.org)

phone (808) 779-3001  
500 Lunalilo Home Road, #27-E  
Honolulu Hawaii USA 96825

**HB-1975-HD-1**

Submitted on: 2/16/2022 7:34:06 AM

Testimony for CPC on 2/17/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kathleen Yokouchi	Individual	Support	No

Comments:

In support.

**HB-1975-HD-1**

Submitted on: 2/15/2022 9:16:17 PM

Testimony for CPC on 2/17/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Thomas H Joslyn	Individual	Support	No

Comments:

I am in support of the this bill. Please pass this. It is only the right thing to to for volunteer service.

Established in 1998, the Hawai'i State Rural Health Association (HSRHA) is a 501(C)3 non-profit organization dedicated to addressing rural health needs across our island state.

~ Working Together To Promote Healthy Rural Communities ~

#### Executive Board:

Lisa Rantz, Hawai'i  
Judy Mikami, Moloka'i  
Valerie Janikowski, Lana'i  
Cristin Gallagher, Hawai'i

#### Board At Large:

Kimberly Kobayashi, Hawai'i  
Jessie Marques, Ka'u  
Kanani Kaye, Kaua'i  
Bridget Collins, Kaua'i  
Ray Ho, Kaua'i  
Laura Reichhardt, O'ahu  
Puanani Hee, Kaua'i  
Gregg Kishaba, O'ahu  
Kelley Withy, O'ahu

#### Priorities:

Rural Provider Shortages  
Workforce Development  
Opioid and Substance Abuse  
Primary Prevention  
Health Equity

#### Hawaii State Rural Health Association

140 Rainbow Drive  
Hilo, HI 96720  
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Instagram @hawaiiruralhealth  
Twitter @HawaiiRural  
Twitter @Hawaii\_ECHO



## HAWAI'I STATE RURAL HEALTH ASSOCIATION

**LATE**

February 17, 2022, 2:00 P.M.  
Via Video Conference

#### House Committee on Consumer Protection & Commerce

To: Representative Johanson, Chair  
Representative Kitagawa, Vice Chair

From: Lisa Rantz  
President, Hawaii State Rural Health Association

Re: **Testimony in Support of HB 1975, HD1  
Relating to Healthcare Preceptors**

The Hawaii State Rural Health Association (HSRHA) respectfully submits written testimony in strong support of H.B. 1975, HD1.

As a non-profit rural health association, our mission is to advocate for rural health issues and promote communication, education and research of issues related to rural health. Our vision is that we are the collaborative health leader for rural communities in Hawai'i.

This measure will clarify the limits of when a preceptor may be compensated for standards clinical services when providing a volunteer-based supervised clinical training rotation (i.e. acting as a preceptor), and amends the definition of preceptor to enable more providers who train the future primary care workforce to be eligible.

This measure recognizes the additional work being provided by clinicians across the state, with no added benefit to themselves. Rather, this work often adds hours of work to their day. For providers across the rural areas of our state, this is on top of the incredible workload they carry to ensure that people in their communities retain access to care. This bill will help recognize more of the the incredible and important work of precepting that is occurring statewide.

Thank you for the opportunity to provide testimony in strong support of this measure.