



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
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**Testimony in SUPPORT of HB82 HD1
RELATING TO HEALTHCARE PRECEPTORS.**

REP. DANIEL HOLT, CHAIR
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

Hearing Date: February 15, 2023

Room Number: 225

1 **Fiscal Implications:** N/A.

2 **Department Testimony:** The Department of Health (DOH) supports programs that encourage
3 careers in health care, and recognizes that mentorship by experienced clinicians is a key aspect of
4 training. DOH has overseen the health care preceptor tax credit program since its enactment in
5 2018 and results are encouraging. The community will benefit if this measure moves forward.

6 Thank you for the opportunity to testify.

7 **Offered Amendments:** N/A.

8



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Economic Development
Wednesday, February 15, 2023 at 10:30 a.m.

By

Lee Buenconsejo-Lum, Acting Dean and
Kelley Withy, MD, Professor, Department of Family Medicine and Community Health,
Hawaii/Pacific Basin Area Health Education Center (AHEC) Director

John A. Burns School of Medicine

And

Michael Bruno, Provost
University of Hawai'i at Mānoa

HB 82 HD1 – RELATING TO HEALTH CARE PRECEPTORS

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

This testimony is presented on behalf of UH System, including John A. Burns School of Medicine (JABSOM), UH Mānoa Nancy Atmospera-Walch School of Nursing (NAWSON), the Thompson School of Social Work and Public Health, 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 82 HD1 which amends the successful Preceptor Tax Credit program that allows for income tax incentives to health care providers who volunteer to provide clinical training for Hawaii's future health care workforce. The bill 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. As amended by the prior committee, HB 82 HD1 adds physician assistants, social workers, and licensed dietitians to the list of preceptors as these providers are invaluable to the training of future health care professionals and reflects Hawai'i's interprofessional training philosophy; and includes physician assistant, dietitian, and social worker students in the definition of eligible students who are also an integral part of the overall health care system.

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 the 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. Therefore, clarifying the type of the compensation that a preceptor receives would assist in determining eligibility for the 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 the bill will expand the field of preceptors so that we may grow our training programs for primary care providers.

Practicum placements are a signature component of both undergraduate and graduate social work education. Students' work in community-based organizations provides space for their academic work to be applied to real world situations. In order for student practicums to occur, each student must be matched with an individual field instructor who is required by our accrediting body to be a social worker. With the current workforce shortage of social workers and the high needs for their services in the state and beyond, we find it increasingly difficult to recruit practicum instructors. A practicum instructor's work with a student is considered beyond the normal scope of their day to day duties. We recognize the tremendous resource social work practicum instructors provide and know the success of the preceptor tax credit in allied professions has been tremendous. Social workers in Hawai'i would very much welcome the opportunity to access this tremendous benefit to support a vital workforce for community wellbeing.

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.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
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HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 82 H.D. 1, Relating to Health Care Preceptors

BEFORE THE:

House Committee on Economic Development

DATE: Wednesday, February 15, 2023

TIME: 10:30 a.m.

LOCATION: State Capitol, Room 423

Chair Holt, Vice-Chair Lamosao, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding H.B. 82, H.D. 1, for your consideration.

H.B. 82, H.D. 1, seeks to amend section 235-110.25, Hawaii Revised Statutes (HRS), relating to the healthcare preceptor income tax credit by: (1) amending the definitions of "preceptor" and "volunteer-based supervised clinical training rotation" to include specialty providers who support the development and training of students in primary care; (2) amending the definition of eligible professional degree or training certificate," and "eligible student" by adding students in the areas of physician assistants, social workers, and licensed dieticians to each; (3) including pharmacy students, physician assistant students, social work students, and dietician students, each accredited by their unique accrediting bodies, to the definition of "nationally accredited"; (4) clarifying that a preceptor may be compensated through their clinical salary for providing standard clinical services, delineating those services from the volunteer-based supervised clinical training rotation that is applicable to this credit; (5) amending the preceptor credit assurance committee to include the Director of Health or the director's designee, the Hawaii/Pacific basin area health education center, the center for nursing, and academic programs with eligible students.

The measure has a defective effective date of June 30, 3000, provided that the amendments to section 235-110.25 in section 2 of the bill shall apply to taxable years beginning after December 31, 2023.

The Department is able to administer the bill for taxable years beginning after December 31, 2023.

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



**Written Testimony Presented Before the House
Committee on Economic Development
Wednesday, February 15, 2023 at 10:30 A.M.
Conference Room 423 and via Videoconference**

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

TESTIMONY IN STRONG SUPPORT on H.B. 82, H.D. 1

Chair Holt, Vice Chair Lamosao, and members of the House Committee on Economic Development, 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, **H.B. 82, H.D. 1**, 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 practice registered nurses, physicians, and pharmacists are eligible for the tax credit than the number that are actually teaching our local students.

In 2019, this program allocated 371 tax credits (\$371K) to 181 preceptors, and in 2020, 368 tax credits (\$368K) to 185 preceptors, despite nearly double the amount of rotations being recorded into the tax credit record system. 2021 secured 559 tax credits (\$559K) for 253 preceptors. For 2022, 636 (\$636K) tax credits were issued to 298 preceptors.

While the program is achieving the established goals, the number of preceptors who were eligible for tax credits and met all criteria to earn the tax credit are consistently less than the total APRNs, physicians, and pharmacists on record for providing voluntary clinical teaching or being interested in teaching.

The main barriers identified were 1) uncertainty about what uncompensated for precepting means and 2) specializing in a supportive role to primary care, not primary care itself. These preceptors add value and depth to the education and experience for the healthcare students they support. Upon analysis of the total rotations, improving access will not exceed the total available funds allocated to this program.

As one of the two administering organizations of the Preceptor Tax Credit program and Preceptor Credit Assurance Committee, the Center has verified that Social Work, Physician Assistants, and

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.

Registered Dieticians have the same professional criteria that currently enables us to maintain a functioning program for APRNs, physicians, and pharmacists. These criteria include: 1) professionals maintaining licensure in Hawai'i; 2) in-state schools that maintain preceptor coordination; 3) preceptor education that occurs during education enrollment (as opposed to post-graduation activities); and 4) schools with national accreditation. These standards are used in the verification process to ensure eligibility of preceptors and participating academic programs, as defined in H.R.S. 235-110.45 and H.R.S. 321-2.7.

Further, based on the current performance and anticipated growth in the tax credit allocations by expanding the tax credits beyond primary care, funds still remain. The Preceptor Credit Assurance Committee voted in favor of supporting other critically-needed health professions by way of this program considering that there is a need, an ability to maintain the program's legally mandated verification requirements, and fiscal capacity.

The Hawai'i State Center for Nursing respectfully asks the Committee to pass **H.B. 82, H.D. 1**, 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.

Testimony of
Jonathan Ching
Government Relations Director

Before:
House Committee on Economic Development
The Honorable Daniel Holt, Chair
The Honorable Rachele F. Lamosao, Vice Chair

February 15, 2023
10:30 a.m.
Via Videoconference
Conference Room 423

Re: HB 82, HD1, Relating to Healthcare Preceptors

Chair Holt, Vice Chair Lamosao, and committee members, thank you for this opportunity to provide testimony on HB 82, HD1, which expands the eligibility for the health care preceptor tax credit by clarifying that preceptors may be compensated for standard clinical services and including specialties that support the development and training of students in primary care.

Kaiser Permanente Hawai'i SUPPORTS HB 82, HD1.

Kaiser Permanente Hawai'i is one of the nation's largest not-for-profit health plans, serving 12.6 million members nationwide, and more than 269,000 members in Hawai'i. In Hawai'i, more than 4,200 dedicated employees and more than 650 Hawai'i Permanente Medical Group physicians and advance practice providers work in our integrated health system to provide our members coordinated care and coverage. Kaiser Permanente Hawai'i has more than 20+ medical facilities, including our award-winning Moanalua Medical Center. We continue to provide high-quality coordinated care for our members and deliver on our commitment to improve the health of our members and the 1.4 million people living in the communities we serve.

Kaiser Permanente Hawai'i supports HB 82, 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 2022, our preceptors supported over 219 individual rotations in internal medicine, family medicine, pediatrics, obstetrics and gynecology, geriatrics, continuing care, and sports medicine. In addition, our preceptors supported over 100 rotations throughout inpatient nursing.

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.

Wednesday, February 15, 2023 at 10:30 AM
Via Video Conference; Conference Room 423

House Committee on Economic Development

To: Representative Daniel Holt, Chair
Representative Rachele Lamosao, Vice Chair

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

**Re: Testimony in Support of HB 82, HD1
Relating to Health Care Preceptors**

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 82, 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. The bill also adds physician assistants, social workers, and licensed dietitians to the list of preceptors as these providers are invaluable to the training of future health care professionals and reflects Hawai'i's interprofessional training philosophy; and includes physician assistant, dietitian, and social worker students in the definition of eligible students who are also an integral part of the overall health care system.

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 specialty 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.

The inclusion of additional health care providers who can act as preceptors and the addition of other categories of health care students as reflected in this measure will expand the program and allow for enhanced training opportunities to grow our workforce. Additionally, clarifying the definition of the form of compensation allowable enables more healthcare providers to act as preceptors, facilitating the program’s ability to operate to its full potential.

Thank you for the opportunity to testify.



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

COMMITTEE ON ECONOMIC DEVELOPMENT

Rep. Daniel Holt, Chair

Rep. Rachele F. Lamosao, Vice Chair

Date: February 15, 2023

From: Hawaii Medical Association

Beth England MD, Co-Chair, HMA Public Policy Committee

Re: HB 82, HD1; Relating to Health Preceptors

Position: Support

Clinical preceptors are an integral part of medical education, providing real-world expertise and hands-on experience to future physicians. Working with local clinical preceptors encourages trainees to remain in Hawaii once their 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.

References and Quick Links:

Reichardt L, Withy K. PCAC Annual Report 2021. PreceptorTaxCred.hawaii.edu

http://preceptortaxcredit.hawaii.edu/wp-content/uploads/2022/11/PCAC-Annual-report-2021_FINAL.pdf

2023 Hawaii Medical Association Officers

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

2023 Hawaii Medical Association Public Policy Coordination Team

Elizabeth Ann Ignacio, MD, Chair • Beth England, MD, Co-Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Expand eligibility for the health care preceptor credit

BILL NUMBER: HB 82 HD 1

INTRODUCED BY: House Committee on Health & Homelessness

EXECUTIVE SUMMARY: Expands the definitions of “preceptor” and “volunteer-based clinical training rotation” to allow for improved accessibility for providers to receive income tax credits. Adds dietitians, physician assistants, and social workers to the list of preceptors. Includes the director of health on the preceptor credit assurance committee

SYNOPSIS: Amends section 235-110.25, HRS, by expanding the eligibility for the credit to students training to be a physician assistant (HRS chapter 453), dietician (HRS chapter 448B) or social worker (HRS chapter 467E).

Also amends the definition of “volunteer-based supervised clinical training rotation” to allow the preceptor to be compensated for providing standard clinical services, while providing that the preceptor be uncompensated for (1) the clinical training above or beyond clinical salary or reimbursements for clinical services; or (2) the provision of clinical training services from tuition funds or from state general funds.

Adds the director of health or designee to the preceptor credit assurance committee.

Makes other technical and conforming amendments.

EFFECTIVE DATE: June 30, 3000, applicable to taxable years beginning after December 31, 2022.

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, by allowing physician’s assistants, dietitians, and social workers into the program, appears to be scaling the program up a bit and will have revenue impact. The bill may be premature given that the efficiency of the credit program has not yet been reported on.

Digested: 2/13/2023



**Testimony to the House Committee on Economic Development
Wednesday, February 15, 2023; 10:30 a.m.
State Capitol; Conference Room 423
Via Videoconference**

RE: HOUSE BILL NO. 0082, HOUSE DRAFT 1, RELATING TO HEALTH CARE PRECEPTORS.

Chair Holt, Vice Chair Lamosao, 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. 0082, House Draft 1, RELATING TO HEALTH CARE PRECEPTORS.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live 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 measure, as received by your Committee, would include dietitians, physician assistants, and social workers to the classes of professions eligible for the tax credit. It would also take effect on June 30, 3000, and apply to taxable years beginning after December 31, 2022.

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 enhance a financial incentive to improve 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.

Testimony on House Bill No. 0082, House Draft 1
Wednesday, February 15, 2023; 10:30 a.m.
Page 2

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.

13 Feb 2023

TO: Representative Daniel Holt, Chair
Representative Rachele F. Lamosao, Vice Chair
House Committee on Economic Development

RE: Testimony in support of HB82 HD1, Relating to Health Care Preceptors

HRG: 15 Feb 2023, 10:30am, House Conference Room 423 via Videoconference

Dear Chair Holt, Vice Chair Lamosao, and members of the committee,

I am writing this letter **in support of HB82 HD1**, Relating to Health Care Preceptors. This bill will amend the definition of “preceptor” and “volunteer-based supervised clinical training rotation” to improve accessibility for providers to receive income tax credits for acting as clinical preceptors; add physician assistants, social workers and licensed dieticians to the list of preceptors eligible for the tax credit; include physician assistant, social worker and dietician students in the definition of eligible students.

It is well known that Hawai'i is facing a critical shortage of healthcare providers throughout the state. Furthermore, students in Hawai'i who are interested in pursuing a career in healthcare often must leave the state in order to pursue their clinical education due to lack of clinical sites and limited number of clinical preceptors. Therefore, programs like the Preceptor Tax Credit to support providers who volunteer their time to train the next generation of healthcare professionals are crucial. The Preceptor Tax Credit Program has demonstrated positive outcomes with a 76% increase in the number of clinical provider registrations into the program between 2019-2021. With new programs emerging such the the Hawai'i Pacific University Physician Assistant Program, and the need to improve the interdisciplinary healthcare workforce, expanding the preceptor tax credit to include physician assistants, social workers, and dieticians, and physician assistant, social worker, and dietician students, is timely .

Expanding the definition of a preceptor in the Preceptor Tax Credit Program to also include specialty providers is also supported with this testimony. All medical and healthcare professional programs require students to complete specialty rotations to deepen their knowledge and ability to address a variety of medical conditions. I can speak directly to the importance of including specialty providers in preparing physician assistant students for the primary care workforce. Primary care practice is complex and requires a physician assistant to utilize clinical reasoning skills with a comprehensive system-based approach to health and disease. Exposure to in-depth comprehensive training across a

range of medical specialties is required for physician assistant students to reach this level of skill. This is also enforced by accreditation standards. Specifically, the Accreditation Review Commission on the Education of the Physician Assistant (ARC-PA) requires physician assistant students to have clinical education experiences in seven core areas: family medicine, internal medicine/inpatient, pediatrics, OBGYN, behavioral health, emergency medicine and general surgery. These are requirements, and not simply suggestions, in order for students to fulfill graduate physician assistant competencies and be eligible to sit for the national certification exam.

In summary, **this testimony is in strong support of HB82 HD1** which supports healthcare professional education in Hawai'i and state healthcare workforce development. Mahalo for your time and consideration. I am grateful for the opportunity to provide testimony on this important issue. I am happy to answer any questions you may have and can be reached at lconlon@hpu.edu

Sincerely,

A handwritten signature in black ink that reads "Leocadia P. Conlon". The signature is written in a cursive style.

Leocadia P. Conlon, PhD, MPH, PA-C
Associate Professor and Program Director
Physician Assistant Program



TO: House Committee on Economic Development
Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair

Hearing Date/Time: Wednesday, February 15, 2023 10:30 a.m.

Place: Conference Room 423 via Videoconference State Capitol

Re: HB82 HD1, Relating to Healthcare Preceptors

Dear Chair Holt, Vice Chair Lamosao, and Committee members,

Thank you for the opportunity to provide testimony in support of HB82 HD1. This bill will amend the definition of "preceptor" and "volunteer-based supervised clinical training rotation" to improve accessibility for providers to receive income tax credits for acting as clinical preceptors; add physician assistants, social workers, and licensed dieticians to the list of preceptors eligible for the tax credit; include physician assistant, social worker and dietician students in the definition of eligible students.

Hawai'i Academy of Physician Assistants (HAPA) STRONGLY SUPPORTS HB82 HD1

HAPA is the Hawai'i state chapter of The American Academy of Physician Assistants.

It is well known that Hawai'i is facing a critical shortage of health care providers throughout the state. Furthermore, students in Hawai'i who are interested in pursuing a career in healthcare often must leave the state in order to pursue their clinical education due to lack of clinical sites and limited number of clinical preceptors. Therefore, programs like the Preceptor Tax Credit to support providers who volunteer their time to train the next generation of healthcare providers are crucial. The Preceptor Tax Credit Program has demonstrated positive outcomes with a 76% increase in the number of clinical provider registrations into the program between 2019-2021. With new physician assistant programs emerging in Hawai'i such as the Kona-based MEDEX program and the Hawai'i Pacific University program, along with the need to improve the interdisciplinary healthcare workforce, expanding the preceptor tax credit to include physician assistants, social workers, and dieticians, as well as physician assistant, social worker, and dietician students, is timely .

Expanding the definition of a preceptor in the Preceptor Tax Credit Program to include specialty providers is also supported with this testimony. All medical and healthcare professional programs require students to complete specialty rotations to deepen their knowledge and ability to address a variety of medical conditions. Primary care practice is complex and requires a physician assistant to utilize clinical reasoning skills with a comprehensive system-based approach to health and disease.



Physician assistants are authorized by the Affordable Care Act, along with physicians and APRNs, to serve as primary care provider (PCP) for their patients. Physician assistants receive rigorous medical training modeled on medical school curriculum which includes rotations in family medicine, internal medicine, general surgery, pediatrics, obstetrics and gynecology, emergency medicine, psychiatry, and other specialty electives. Physician assistant training programs typically require thousands of hours of previous clinical care experience before matriculation is even considered.

In summary, HAPA strongly supports HB82 HD1, which supports healthcare professional education in Hawai'i and state healthcare workforce development.

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

Sincerely,

Hawai'i Academy of Physician Assistants (HAPA)

**Written Testimony Presented Before the
Committee on Economic Development**

HEARING: Wednesday, February 15, 2023, 10:30 A.M.

PLACE: Room 423 and via videoconference

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



H.B.82, H.D.1 – RELATING TO HEALTH CARE PRECEPTORS

Chair Holt, Vice Chair Lamosao, and members of the House Committee on Economic Development, thank you for the opportunity to testify in strong support of this measure. By way of this measure, Hawai'i- American Nurses Association (Hawai'i-ANA) does not ask for new or expanded appropriations to the tax credit program.

We are Hawai'i-ANA, speaking for over 17,000 Registered Nurses in Hawai'i who care for patients every day in our state. The American Nurses Association (ANA) mission is to “Lead the profession to shape the future of nursing and health care”. ANA supports the nursing profession across the nation in standards of practice including the Code of Ethics, advocacy, certification, accreditation, advanced practice, and education, to evolve the practice of nursing and transform health and health care. Hawai'i-ANA “Empowers nurses to advocate for the improvement of the healthcare system in the communities where we live and work”.

- This measure, H.B. 82, H.D. 1, 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 practice registered nurses, physicians, and pharmacists are eligible for the tax credit than the number that are actually teaching our local students.

- In 2019, this program allocated 371 tax credits (\$371K) to 181 preceptors, and in 2020, 368 tax credits (\$368K) to 185 preceptors, despite nearly double the amount of rotations being

recorded into the tax credit record system. 2021 secured 559 tax credits (\$559K) for 253 preceptors. For 2022, 636 (\$636K) tax credits were issued to 298 preceptors.

While the program is achieving the established goals, the number of preceptors who were eligible for tax credits and met all criteria to earn the tax credit are consistently less than the total APRNs, physicians, and pharmacists on record for providing voluntary clinical teaching or being interested in teaching.

The main barriers identified were 1) uncertainty about what uncompensated for precepting means and 2) specializing in a supportive role to primary care, not primary care itself. These preceptors add value and depth to the education and experience for the healthcare students they support. Upon analysis of the total rotations, improving access will not exceed the total available funds allocated to this program.

As one of the two administering organizations of the Preceptor Tax Credit program and Preceptor Credit Assurance Committee, the Hawai'i State Center for Nursing has verified that Social Work, Physician Assistants, and Registered Dietitians have the same professional criteria that currently enables us to maintain a functioning program for APRNs, physicians, and pharmacists. These criteria include: 1) professionals maintaining licensure in Hawai'i; 2) in-state schools that maintain preceptor coordination; 3) preceptor education that occurs during education enrollment (as opposed to post-graduation activities); and 4) schools with national accreditation. These standards are used in the verification process to ensure eligibility of preceptors and participating academic programs, as defined in H.R.S. 235-110.45 and H.R.S. 321-2.7.

Further, based on the current performance and anticipated growth in the tax credit allocations by expanding the tax credits beyond primary care, funds still remain. The Preceptor Credit Assurance Committee voted in favor of supporting other critically-needed health professions by way of this program considering that there is a need, an ability to maintain the program's legally mandated verification requirements, and fiscal capacity.

Hawai'i-ANA respectfully asks the Committee to pass **H.B. 82, H.D. 1**, through your committee. Hawai'i-ANA 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.

Contact information for Hawai'i – American Nurses Association:

President: Dr. Nancy Atmospera-Walch, DNP, CCHN, FAAN, president@hawaii-ana.org

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COMMITTEE ON ECONOMIC DEVELOPMENT
Rep. Daniel Holt, Chair
Rep. Rachele F. Lamaso, Vice Chair

Wednesday, February 15, 2023 – 10:30am

Testimony in Support for HB82 HD1 RELATING TO RELATING TO HEALTH CARE PRECEPTORS

The National Association of Social Workers – Hawai'i (NASW- HI) supports **HB82 HD1**, which would expand eligibility for the health care preceptor tax credit by including social workers, among other health care professionals, on the list of preceptors and eligible students who may qualify for the tax credit.

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

Sincerely,



Sonja Bigalke-Bannan, MSW, LCSW

Sonja Bigalke-Bannan, MSW, LCSW
Executive Director,
National Association of Social Workers- Hawai'i Chapter

Hawai'i Association of Professional Nurses (HAPN)



To: The Honorable Representative Daniel Holt, Chair of the
House Committee on Economic Development

From: Hawaii Association of Professional Nurses (HAPN)
Subject: HB82 HD1 – Relating to Health Care Preceptors; in
Support

Hearing: February 15, 2023, 10:30a.m.

Aloha Representative Holt, Chair; Representative Lamosao, Vice Chair; and Committee Members,

Thank you for the opportunity to submit testimony regarding HB82 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 also clarifies the definition of "volunteer-based supervised clinical training rotation". This is related to both time spent teaching students and what constitutes compensation for precepting, and amends the Preceptor Credit Assurance Committee to improve administration and roles.

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 Hawaii's 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.

HAPN's mission, to be the voice of APRNs in Hawaii, has been the guiding force that propelled us to spearhead the advancement of patients' access to healthcare as well as supporting the recognition of the scope of practice for APRNs in Hawaii which led us to full practice authority. We have worked to improve the physical and mental health of our communities.

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

TESTIMONY IN STRONG SUPPORT on H.B. 82, H.D. 1

To Honorable Chair Holt, Vice Chair Lamosao, and members of the House Committee on Economic Development

My name is Janelle Siu Oshiro, inpatient pharmacist. Thank you for the opportunity to testify in **strong support** of this measure.

This measure, H.B. 82, H.D. 1, proposes to clarify the definition of preceptor to allow a broader array of specialty providers who engage 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, 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 practice registered nurses, physicians, and pharmacists are eligible for the tax credit than the number that are actually teaching our local students.

In 2019, this program allocated 371 tax credits (\$371K) to 181 preceptors, and in 2020, 368 tax credits (\$368K) to 185 preceptors, despite nearly double the amount of rotations being recorded into the tax credit record system. 2021 secured 559 tax credits (\$559K) for 253 preceptors. For 2022, 636 (\$636K) tax credits were issued to 298 preceptors.

While the program is achieving the established goals, the number of preceptors who were eligible for tax credits and met all criteria to earn the tax credit are consistently less than the total APRNs, physicians, and pharmacists on record for providing voluntary clinical teaching or being interested in teaching.

The main barriers identified were 1) uncertainty about what uncompensated for precepting means and 2) specializing in a supportive role to primary care, not primary care itself. These preceptors add value and depth to the education and experience for the healthcare students they support. Upon analysis of the total rotations, improving access will not exceed the total available funds allocated to this program.

As one of the two administering organizations of the Preceptor Tax Credit program and Preceptor Credit Assurance Committee, the Center has verified that Social Work, Physician Assistants, and Registered Dietitians have the same professional criteria that currently enables us to maintain a functioning program for APRNs, physicians, and pharmacists. These criteria include: 1) professionals maintaining licensure in Hawai‘i; 2) in-state schools that maintain preceptor coordination; 3) preceptor education that occurs during education enrollment (as opposed to post-graduation activities); and 4) schools with national accreditation. These standards are used in the verification process to ensure eligibility of preceptors and participating academic programs, as defined in H.R.S. 235-110.45 and H.R.S. 321-2.7.

Further, based on the current performance and anticipated growth in the tax credit allocations by expanding the tax credits beyond primary care, funds still remain. The Preceptor Credit

Assurance Committee voted in favor of supporting other critically-needed health professions by way of this program considering that there is a need, an ability to maintain the program's legally mandated verification requirements, and fiscal capacity.

Thank you for the opportunity to submit testimony, for the Committee's commitment to the people of Hawai'i, and ensuring access to high-quality health care by supporting local healthcare education and training initiatives.

Sincerely,
Janelle Siu Oshiro, PharmD

HB-82-HD-1

Submitted on: 2/13/2023 10:54:08 PM

Testimony for ECD on 2/15/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Clair Mason	Individual	Support	Written Testimony Only

Comments:

Aloha chair, vice chair, and members of the committee,

My name is Clair Mason, I am from Kailua-Kona, and I stand in strong support of HB82. We should collectively be doing anything we can to increase access to medical care in Hawai'i. One major way of doing that is by making Hawai'i more liveable for care providers. HB82 expands existing tax credits for more providers. We already know that these tax credits are beneficial, so expanding them to more providers shouldn't even be a question. Please pass HB82 so we can support our essential healthcare workers! Mahalo for your work and for considering my testimony.

Clair Mason

[808-741-0124](tel:808-741-0124)

info@clairmason.com

HB-82-HD-1

Submitted on: 2/14/2023 9:21:59 AM

Testimony for ECD on 2/15/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
stephanie marshall	Individual	Support	Written Testimony Only

Comments:

I strongly support the expansion of the definition of healthcare preceptor to allow more preceptors for students in the health care settings. Preceptors are a critical link in training our students and helping to increase our workforce. As a registered nurse for over 45 years and retired nursing faculty, I have seen first hand the need for additional preceptors to train our students. Please support this bill. Thank you very much

Stephanie Marshall, RN, MS, FAAN

HB-82-HD-1

Submitted on: 2/14/2023 1:38:21 PM

Testimony for ECD on 2/15/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Danita Narciso	Individual	Support	Written Testimony Only

Comments:

As a preceptor at an acute medical facility, I spend at least 20 hours a week with a student in their final year of pharmacy school obtaining practical experience. These hours are not separately reimbursed by any institution and I understand that my clinical responsibilities to my patients still exist and are unwaivered. I choose to precept students in order to help ready them to appropriately care for patients in a sensitive time of need, to communicate effectively with other healthcare professionals, and to lend the opinion of another health expert to a patient's medical team. Being able to obtain a tax credit for this work is a validation to the resources it takes to precept and mentor a student. Please enable this credit to be used more broadly for others who continue to share a desire to help build out next generation of healthcare providers. As these are the youth that will someday be taking care of us.