



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Consumer Protection & Commerce
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by

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HB 1967 HD1 – RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS

Chair Takumi, Vice Chair Ichiyama, and members of the House Committee on Consumer Protection and Commerce, I am testifying on behalf of the University of Hawai'i System with its graduate nursing, psychology, and social work programs as well as the John A. Burns School of Medicine and the Daniel K. Inouye College of Pharmacy in strong support of HB 1967 HD1 with amendments. This bill will support workforce development by establishing individual income tax credits for professionals who serve as uncompensated preceptors to UH students in the above professions.

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

A 2017 Hawai'i State Center for Nursing (HSCN) survey of in-state dental hygiene, pharmacy, medicine and graduate nursing schools found that all responding schools are moderately or very concerned about the small number of clinical training sites available for their students; more than 80% of in-state health profession schools had more difficulty finding clinical training sites in 2017 than in 2015; and over half of these

programs have limited enrollment due to the lack of training sites. As an example, the UH Mānoa School of Nursing and Dental Hygiene Doctor of Nursing Practice (DNP) Program graduates primary care nurse practitioners who manage patient panels, and assess, evaluate, diagnose, develop treatment plans including prescribing medication. Due to the lack of preceptors, we admit only 29% of the qualified Hawai'i applicants. Yet, the state has a continuing shortage of primary care providers.

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

The UH notes the economic benefit provided by the health workforce. A North Carolina economic analysis found that each full time APRN in their state can contribute, minimally, \$273,000 in direct economic output and between \$11,800 and \$22,000 in state and local tax revenue¹. A recent American Medical Association economic analysis found that physicians in Hawai'i contribute, on average, \$2,282,615 in direct economic output and \$110,494 in state and local tax revenue².

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

The UH respectfully requests that the House Committee on Consumer Protection and Commerce consider the attached amendment recommendations. Amendments will:

- Clarify the roles and responsibilities and rename the certifying group under the Department of Health to "Preceptor Credit Assurance Committee;
- Clarify the description of Advanced Practice Registered Nurse student;
- Clarify the description of "Medical student", to include medical students, residents, and fellows;
- Remove the term "Resident and other health science trainee" and add term "Resident of Hawaii" to refer to a person living in Hawaii; and
- Amend the definition of "Nationally Accredited" to recognize the individual health professional academic accreditation as determined by its respective regulatory board or program.

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

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

Therefore, on behalf of the UH health professions education programs, we respectfully request that HB 1967 HD1 pass amended.

ATTACHMENT WITH SUGGESTED AMENDMENTS TO HB 1967 HD1

Note: Suggested amendments are reflected in highlighted text

Page 5 Lines 7-17 - Replace with the below content

(d) The Preceptor Credit Assurance Committee, established pursuant to section 321- , shall:

(1) Maintain records of the names, addresses, and license number of the qualified taxpayers claiming the credits under this section; and

(2) Verify the number of volunteer-based supervised clinical rotations each taxpayer conducted by

(i) verifying that each volunteer preceptor meets the requirements to serve as a preceptor

(ii) verifying the number of hours the taxpayer spent supervising an eligible primary care student or trainee in each volunteer-based supervised clinical rotation ;

(iii) verifying that the eligible student or trainee was enrolled in an academic program in this state;

(iv) and whether the taxpayer was uncompensated.

Page 5 Lines 18-19

Upon each determination, the Preceptor Credit Assurance Committee shall issue a certificate to the taxpayer verifying the number of volunteer-based supervised clinical training rotations supervised by the taxpayer.

Page 6 Lines 2-3, 5-6 and 7-8

(e) If in any taxable year the annual amount of certified credits reaches \$2,000,000 in the aggregate, the Credit Assurance Committee shall immediately discontinue certifying credits and notify the department of taxation. In no instance shall the Preceptor Credit Assurance Committee certify a total amount of credits exceeding \$2,000,000 per taxable year. To comply with this restriction, the Preceptor Credit Assurance Committee shall certify credits on a first come, first served basis.

Page 7 lines 2-4

"Advanced practice registered nurse student" means an individual participating in a degree granting academic program that is nationally accredited by the Commission on Collegiate Nursing Education for the education of primary care advanced practice registered nurses and recognized by the board of nursing pursuant to chapter 457.

Page 7 Lines 18-21

registered nurse student, dental hygienist student, medical student, pharmacy student, psychology student, social work student, physical therapist assistant student who is a resident of Hawaii.

Page 8 Lines 2-14

"Medical student" means an individual participating in an academic program nationally accredited by the Liaison Committee on Medical Education or American Osteopathic Association Commission on Osteopathic College Accreditation leading to the M.D. or D.O. degree. For the purposes of this section the

term medical student includes graduates from LCME and ACA-COCA programs who have continued their training, in the role of resident or fellow, to obtain the additional qualifications needed for both medical licensure pursuant to chapter 453 and specialty certification.

Page 8 Lines 16-18

"Nationally accredited" means holding an institutional accreditation by name for such primary care education pursuant to chapter 447, 453, 457, 461J, 461 or 467E.

Page 9 lines 19- Page 10 line 1

Delete "resident or similar health science trainee"

Add new definition for Resident to refer to residency in the state of Hawaii

~~"Resident or similar health science trainee" means a post graduate health science trainee enrolled in an accredited academic program that is nationally accredited for such training pursuant to chapter 447, 453, 457, 461, 461J, 465, or 467E.~~

"Resident of Hawaii" means having established the person's domicile in the State and shows the person's intent is to make Hawaii the person's primary residence pursuant to §78-1 Citizenship and residence or meets the criteria for students/trainees in academic programs which have defined application residency requirements which emphasize a holistic commitment to Hawaii.

Page 10 line 18 to Page 12 line 11 - Replace with the below content

"§321- Preceptor Credit Assurance Committee. (a) There is established the Preceptor Credit Assurance Committee within the department of health, to be convened by the University of Hawaii Hawaii/Pacific basin area health education center and center for nursing. The committee shall:

- (1) Develop and implement a plan for allocating and distributing healthcare preceptor tax credits under section 235- including
 - (i) Develop a process ensuring that requests for credit are reviewed and verifications are processed at least 30 days following the close of each calendar year
 - (ii) Developing the documentation process for the deans, directors or their designees to qualify a preceptor for the tax credit. This shall include:
 - a. Preceptor name, address, place of practice and Hawaii provider license number;
 - b. Dates and hours of volunteer-based supervised clinical rotation per eligible student;
 - c. Attestation that the volunteer-based supervised clinical rotation per eligible student or trainee is uncompensated; and
 - d. Other information as identified as necessary by the committee.

(3) Complete duties as described in section 235-

(b) is composed of representatives of academic programs with eligible students or trainees as established in section 235 subsection g.

(c) There shall be no civil liability for any member of the committee for any act done in furtherance of the purpose for which the committee was established. The proceedings of preceptor credit assurance committee authorized under this section shall not be subject to part I of chapter 92.

(d) as used in this section,

"Academic program" shall have the same meaning as in section 235-.

"Eligible student or trainee" shall have the same meaning as in section 235-."

"Preceptor" shall have the same meaning as in section 235-."

"Volunteer-based supervised clinical rotation" shall have the same meaning as in section 235-."