



2022 Summary of Hawai'i Preceptor Tax Credit Program

Preceptor Credit Assurance Committee (PCAC) Administrative Subcommittee

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Key Findings:

- Tax credits distribution has increased significantly since 2019:

Year	2019	2020	2021	2022
Preceptors	181	190	261	301
Tax Credits Awarded	371	378	587	645

- In 2022, 55% of the maximum potential tax credits were awarded.
- Provider registration into the tax credit program increased by 96% from 2019 to 2022.
- Between 2019 and 2022, there was a 72% increase in registered providers who taught at least one rotation, regardless of total time spent teaching.
- The Preceptor Tax Credit program is successful in growing the number of providers registering in the preceptor tax credit program, as well as completing clinical education for advanced practice registered nurses, physicians, and pharmacists.
- In 2022, 13 providers receiving tax credit were new to precepting when they registered for the Preceptor Tax Credit program. Over four years, 57 providers who were tax credit recipients reported they had never precepted prior to registering for this program.
- Limitations to receiving a tax credit include registration status of the provider, not precepting enough hours to meet the threshold of 80 hours per tax credit, receiving compensation from employer, and practicing in a specialty other than primary care.



Background

In 2018, the Legislature passed Act 43, SLH 2018, which established preceptor tax credits for providers, defined as advanced practice registered nurses (APRNs), physicians (Medical Doctors, MD, and Doctors of Osteopathy, DOS) and registered pharmacists (PHs) who provide clinical teaching opportunities, “precepting”, for in-state APRN, MD, DOS, and PH students. Annually, 1,500 tax credits valued at \$1,000 each may be distributed with a maximum of five credits (\$5,000) per individual. The preceptor may not be employed or specifically compensated to teach, must be licensed in Hawai‘i, must engage in a primary care practice, and must teach students of local education or training programs. To verify provider eligibility, the Preceptor Credit Assurance Committee created an attestation form that registers the preceptor for the tax credit program upon completion (Addendum 1). To track precepted clinical teaching, the Preceptor Credit Assurance Committee academic and fellowship partners enter confirmed preceptor hours into the Preceptor Tax Credit database. Tax credits are allocated annually in the January following the tax year for individuals who are registered, have met the tax credit criteria, and have met minimum thresholds for tax credits up to five credits.

Findings

Total Allocations

The 2022 Tax Year included the greatest tax credits issued to registered and qualified providers to date. In 2022, 645 tax credits were issued to 301 providers. These data show a percentage increase of 10% for tax credits awarded in 2021 and a percentage increase of 74% compared to the baseline year of 2019. In 2022, 120 additional preceptors (66% change) received tax credits as compared to 2019 (Table 1).

Table 1 Tax credit distribution by number of preceptors and number of tax credits over time

Year	2019	2020	2021	2022
Preceptors	181	190	261	301
Tax Credits Awarded	371	378	587	645

Note: Changes to value may appear when compared to previous annual reports due to additional allocations issued after the finalization of the annual report in prior years.

Physicians (DOs and MDs) remain the largest population of tax credit recipients, with just under 80% of the total distribution of tax credits allocated to this professional group. APRNs are the second most represented professional group with 18% of tax credits allocated in 2022, the greatest proportion received by APRNs to date. Pharmacists (PH) represent the smallest proportion of tax credit earnings.

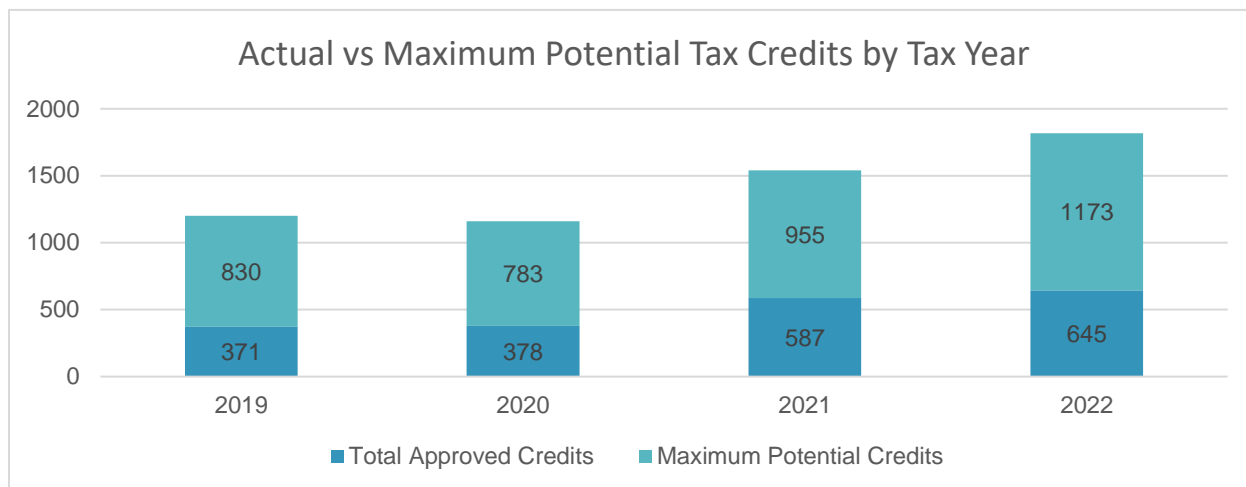
Table 2 Tax Credits by Provider Type with cost and percent allocation breakdown

License Type	Tax Year	Eligible Rotations	Total Credit	% of annual total
APRN				
	2019	61	\$61,000.00	16%
	2020	62	\$62,000.00	16%
	2021	75	\$75,000.00	13%
	2022	116	\$116,000.00	18%
DOS				
	2019	13	\$13,000.00	4%
	2020	15	\$15,000.00	4%
	2021	30	\$30,000.00	5%
	2022	43	\$43,000.00	7%
MD				
	2019	277	\$277,000.00	75%
	2020	270	\$270,000.00	71%
	2021	462	\$462,000.00	79%
	2022	455	\$455,000.00	71%
PH				
	2019	20	\$20,000.00	5%
	2020	31	\$31,000.00	8%
	2021	20	\$20,000.00	3%
	2022	31	\$31,000.00	5%

Since 2019, both the number of all preceptor rotations entered in the database (maximum potential tax credits) and the number of preceptor rotations that are eligible for tax credits have grown (actual tax credits). In 2022, 55% of the all entered rotations were eligible for tax credits. Annually, between 39% and 55% of all of the preceptor rotations entered (maximum potential tax credits) are not eligible for tax credits (Figure 1). Limitations in issuing tax credit were previously described in the 2021 annual report and continue to be relevant. These limitations include registration status of the provider, not teaching enough hours to meet the threshold of 80 hours per tax credit, receiving compensation from employer, and practicing in a specialty other than primary care. One significant barrier appears to have decreased. The program appears to have come out of the depressed state of precepting activities because of the

COVID pandemic. There were significant increases in maximum potential tax credits and actual issued tax credits for the 2022 tax year.

Figure 1 Actual vs. Maximum Tax Credits by Tax Year



Note: “Maximum potential” tax credits is the total recorded precepted hours divided by 80 hours.

Preceptor Engagement

Registered Providers

In 2022, the program continued to have increases in providers who have registered as preceptors, recorded precepting activities, and have qualifying activities for tax credits. Despite the huge setbacks experienced by healthcare education due to COVID-19 that impacted the 2020 and 2021 tax years, engagement in the precepting of health care students has grown. Since the beginning of the program in 2019, the number of providers who have registered as preceptors has nearly doubled with over 730 providers who have registered to become “active” in the preceptor tax credit program and 361 additional preceptors who registered after the baseline year of 2019 (96% change) (Table 3).

Table 3 Registered Preceptors over time

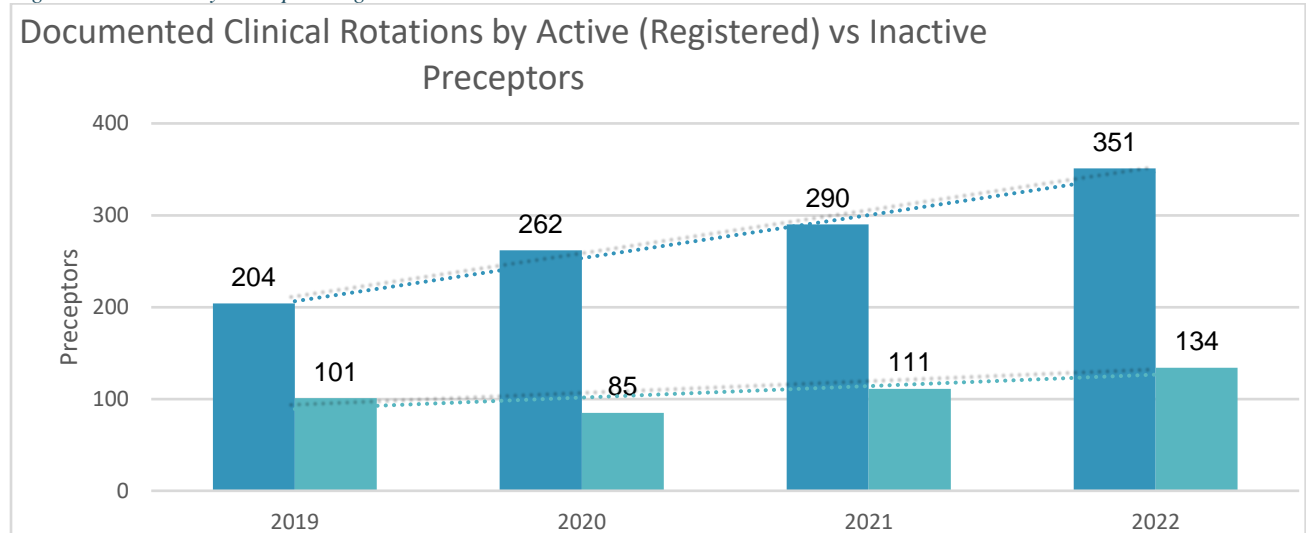
	2019	2020	2021	2022
Active Preceptors - Total	375	503	626	736
Percent Change		34%	24%	18%
Percent change from 2019				96%
Subset of Active Preceptors - Total				
Active Preceptors with Rotations	204	262	290	351
% Preceptors Engage in Precepting	54%	52%	46%	48%
Percent change from 2019				72%

Providers Engaging in Preceptor Activities

From 2019 to 2022, there was an additional 147 registered providers who taught at least one rotation (72% change), regardless of total time spent teaching (Table 3. When projected to the future, there is a trend of continued growth in providers who participate as preceptors for clinical rotations (Figure 2).

This program continues to show that the Preceptor Tax Credit program is successful in growing the number of preceptors interested in and actually completing clinical education for advanced practice registered nurse, physician, and pharmacy students.

Figure 2 Rotations by Preceptor Registration Status over time



Limitations to Provider Registration

The state law requires that the Preceptor Credit Assurance Committee must verify that the taxpayer meets the requirements to serve as a preceptor. To secure this information, the Preceptor Credit Assurance Committee established that tax credits may be provided only to eligible providers who have registered, thereby attesting to certain information required in state law to engage in this state benefit.

There continues to be providers who are still unaware of the preceptor tax credit program and therefore have not registered. The Preceptor Credit Assurance Committee’s participating academic institutions and residency/fellowship institutions continue to report clinical rotations for providers who are providing clinical precepting rotations without registering for this program. Multiple times throughout the year, the Preceptor Credit Assurance Committee representatives communicate to providers who are reported as precepting but not registered for this program, which positively yields new engagement in the program, as evidenced by growth in the number of active preceptors (Figure 2). The Committee continues to reach out to providers who have an inactive status with the aims of growing the preceptor base of providers who are eligible and receiving benefits of this tax credit program.

In addition, another reason is that some providers who engage in clinical precepting are ineligible for the tax credit due to restrictions in the state law. Many of these providers have informally reported to the Preceptor Credit Assurance Committee that they have declined to register for the program because they are ineligible for the tax credits.

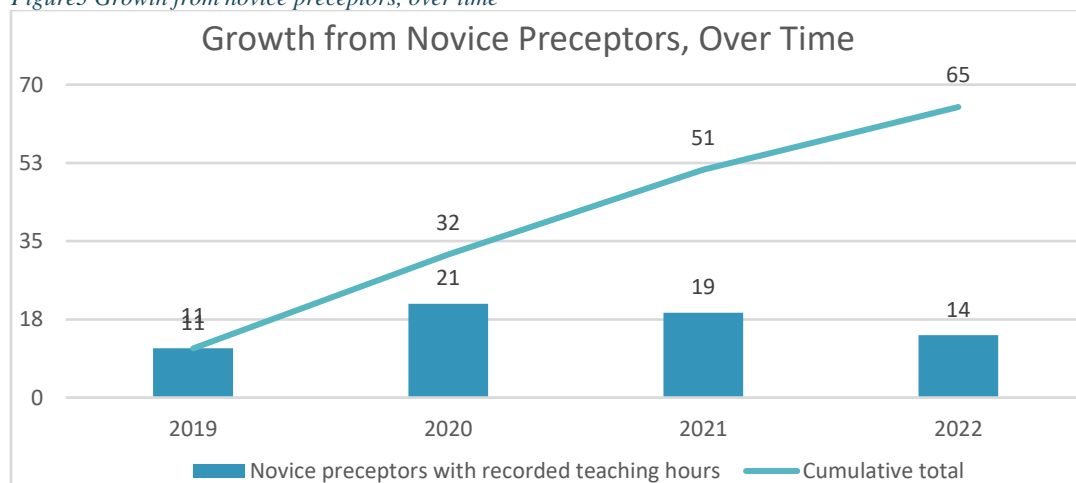
New Preceptors

Since 2019, 181 providers have registered for the program who have indicated that they have not engaged in clinical precepting prior to registering. Over time, 65 of these preceptors initiated clinical precepting activities and 57 taught enough to earn Preceptor Tax Credits (Table 4). While the number of preceptors who report both having never precepted before and who completed teaching clinical rotations is relatively stable from year to year, the overall growth is remarkable. **The Preceptor Tax Credit program is successful in engaging providers who have never precepted into both teaching and teaching at high enough volume to earn tax credits.**

Table 4 Providers who reported being new to precepting who subsequently completed training activities

Year	2019	2020	2021	20212
Preceptors with no history or record of precepting	74	53	34	20
<i>Cumulative total</i>	74	127	161	181
<i>Percent Change</i>		42%	54%	59%
Novice preceptors with recorded teaching hours	11	21	19	14
<i>Cumulative total</i>	11	32	51	65
<i>Percent Change</i>		66%	78%	83%
Novice preceptors experience who received tax credit	9	18	17	13
<i>Cumulative total</i>	9	27	44	57
<i>Percent Change</i>		67%	80%	84%

Figure3 Growth from novice preceptors, over time





Tax Credit Distribution

Many preceptors taught well over the maximum hours for tax credit eligibility. Act 43, SLH 2018 created a maximum of five tax credits, which is equivalent to \$5,000. Upon meeting all other eligibility requirements, the number of tax credits awarded to an eligible preceptor are determined by dividing the total hours taught by 80 hours (assuming that at least 5 students were precepted during the year). In 2022, the majority of preceptor tax credits (58%) were certified to preceptors who taught between 80 and 319 hours (1-3 credits); this is similar to 2021 (57%). In 2022, 11% of total preceptors, regardless of registration for tax credits, taught 400 or more hours (5 credits).

Table 5 Cumulative hours taught by preceptor, regardless of registration status

Tax Credit Equivalent	Cumulative Hours Taught by Preceptor	Number of Preceptors	Percent of total
5	Over 1000 hours	15	3%
5	800-899 hours	2	0%
5	700-799 hours	4	1%
5	600-699 hours	3	1%
5	500-599 hours	5	1%
5	400-499 hours	22	5%
4	320-399 hours	33	7%
3	240-319 hours	47	10%
2	160-239 hours	83	17%
1	80-159 hours	152	31%
0	Below 80 hours	119	25%
Total		485	100%

Barriers to Preceptor Eligibility

Each year, the Preceptor Credit Assurance Committee provides a letter to providers related to their eligibility. This communication supplements the tax form issued by the Department of Health. The reasons provided to providers for tax credit ineligibility include:

- No clinical rotations are on record for the preceptor during the tax year.
- The clinical rotations were disqualified due to compensation for precepting activities.
- The preceptor did not register for Preceptor Tax Credit.
- The preceptor did not register for Preceptor Tax Credit and Specialty is not eligible per Act 43 SH 2018.
- The preceptor did not register for Preceptor Tax Credit and license type is not eligible per Act 43 SH 2018



- The specialty reported by the provider on the attestation is not primary care. Specialty is not eligible per Act 43 SH 2018.
- License type is not eligible per Act 43 SH 2018
- The total clinical rotation hours did not accumulate to minimum threshold of 80 hours.
- Received credits per Preceptor Credit Criteria
- Total eligible clinical rotations or rotation hours exceeded allowable maximum tax credits. Total allowable tax credits of a maximum of 5 were awarded.

The Preceptor Credit Assurance Committee engaged in process improvement and root cause analysis to determine the source of the above listed barriers, and also to impact change, when possible. A detailed narrative of the barriers and solutions are listed as follows for the most common barriers:

Preceptor did not register

The Preceptor Credit Assurance Committee Academic Subcommittee enters preceptor rotations throughout the calendar year. Three times each year (May, September, December), the Administrative Subcommittee validates the data by verifying each new preceptor through reviewing the Department of Commerce and Consumer Affairs Professional and Vocational Licensing Divisions' license database. The Administrative Subcommittee also sends each academic program a list of all of the program's recorded rotations to date for the current calendar year, a list of all inactive (un-registered) preceptors attributed to rotations for that program, and a list of registered preceptors with no clinical rotations on record for that calendar year, along with template letters to encourage inactive (unregistered) preceptors to register. The Academic Subcommittee is encouraged to communicate with inactive preceptors and provide information on how to become active (registered).

In 2022 for the first time, the Administrative Subcommittee sent a "predetermination letter" to all active preceptors with information relating to the number of recorded precepted clinical rotations, their recorded specialty, a determination of potential eligibility using the list above for reasons, and an estimate of tax credits the preceptor may be eligible for. This letter decreased correction requests after the tax credits were issued, indicating this additional communication was a successful effort.

Compensated for teaching

The Preceptor Credit Assurance Committee Academic Subcommittee reports to the Administrative Subcommittee whether preceptor sites require compensation for teaching activities. These sites are manually updated on an annual basis to document whether a preceptor receives compensation for precepted clinical rotations, which would then disqualify the preceptor from earning a tax credit. Communication is widely available to providers that the tax credit is for "uncompensated" clinical rotations upon registration along with information on the Preceptor Tax Credit website, and received by individual preceptors in the pre-determination and determination letters.

Some providers have communicated concern and fear about receiving tax credits for precepting clinical rotations (a voluntary activity) while at their place of compensated employment (self- or otherwise). The Preceptor Credit Assurance Committee has provided documentation and a self-assessment quiz on the website to clarify that only compensation for precepting is considered in regard to eligibility for the tax credit. In addition, the Preceptor Credit Assurance Committee has worked with the legislature to update and improve the language that appears in statute to clarify this common misconception.

- 2020



- SB31 - Bill died after crossover in the second committee of the House due to COVID Pandemic.
- 2021
 - HB306 - Bill died after crossover
 - SB976 - Bill assigned to one committee after crossover, died due to federal American Rescue Plan Act (ARPA) which prohibited tax relief expansion in order to receive federal support
- 2022
 - HB1975 - Bill died in House Finance in preference to the Senate version that moved forward earlier.
 - SB3208 - Bill died after crossover.
- 2023
 - SB1215 - Bill died after crossover in House Finance
 - SB439
 - HB82 - Contents of HB1450
 - HB1450 - HB82 used as vehicle in the House.

Clinical rotations are less than the minimum

The Preceptor Credit Assurance Committee Academic Subcommittee records rotations by the hours, date range, and student. If the total hours do not equal 80 hours across all rotations, the preceptor does not qualify for the minimum tax credit value. Communication is provided to the preceptor that the tax credit requires a minimum of 80 hours on the Preceptor Tax Credit website and in the pre-determination and determination letters.

Clinical rotations are more than the maximum

The Preceptor Credit Assurance Committee Academic Subcommittee records rotations by the hours, date range, and student. If the total hours exceed 400 hours across all rotations, the preceptor does not qualify for any value above the maximum allowable tax credit value (five tax credits with a value of \$5,000). Communication is provided to the provider that the tax credit maximum is five credits on the Preceptor Tax Credit website and in the pre-determination and determination letters.

License type is not eligible per Act 43 SH 2018

The Preceptor Credit Assurance Committee worked with academic programs for registered dietitians, physician assistants, and social work to determine that their programs meet the same criteria as the presently included professions.

1. Academic program has physical presence in Hawai'i
2. Academic program holds national accreditation in program area
3. Education is at the graduate level
4. Providers hold a license to practice in Hawai'i
5. Clinical rotations are part of the academic requirements for graduation.

Upon verifying that these professions met the eligibility criteria, the Preceptor Credit Assurance Committee drafted proposed legislation to amend the Tax Credit statutes to include these professions. The bills introduced in 2023 included the proposal to add in registered dietitians, social work, and physician assistants. The bill was not enacted.



Specialty Ineligible

The leading reason for ineligibility is the number of providers who work in a specialty other than primary care who also engage as preceptors. Though many specialties train future primary care providers, they currently do not qualify for the tax credit. In 2022, 75% of the rotations recorded in the preceptor tax credit database were identified to be provided by a “primary care provider”. An additional 25% of the preceptors were identified as specialty providers (Table 6). The total hours recorded under specialties that are ineligible (23,228) would result in approximately 290 additional tax credits (\$290,000). In total, with the tax credits issued for 2022, the maximum tax credit potential for 2022 would have been 935 tax credits (645 issued tax credits and 290 potential tax credits attributed to ineligible specialty providers). This total remains below the total allowable tax credits of 1,500 (\$1,500,000) per tax year. Bills introduced in 2020 through 2023 all aimed to address this barrier by recognizing precepted clinical rotations by any specialty that trains future primary care providers. These efforts have been unsuccessful.

Table 6 Rotation Counts and Rotation Hours by Specialty

Specialty	Count of Rotations	Sum of Rotation Hours	Percent of Total Hours	Primary Care or Specialty
Ambulatory Care	2	480	0.51%	Primary Care
Behavioral Health	12	766	0.82%	Specialty
Cardiology	8	471	0.50%	Specialty
Clinical Pharmacy	0	0	0.00%	Primary Care
Community Pharmacy	10	2080	2.22%	Primary Care
Critical Care	0	0	0.00%	Specialty
Emergency Medicine	309	1081	1.15%	Specialty
Endocrinology/Diabetes	7	1044	1.11%	Specialty
Family	955	22734	24.22%	Primary Care
Gastroenterology	3	26	0.03%	Specialty
General Medicine	7	725	0.77%	Primary Care
Gerontology	311	11526	12.28%	Primary Care
Home Infusion	1	240	0.26%	Primary Care
Infectious Disease	0	0	0.00%	Specialty
Internal Medicine	492	16893	18.00%	Primary Care
Multiple Specialties	8	780	0.83%	Specialty
Nephrology	14	1681	1.79%	Specialty
OB/GYN/Women's Health	51	4088	4.36%	Primary Care
Oncology/Hematology	4	391	0.42%	Specialty
Orthopedics	2	128	0.14%	Specialty
Osteopathic Manipulative Medicine	4	246	0.26%	Primary Care
Palliative Medicine/Hospice	54	1567	1.67%	Primary Care
Pediatrics	87	6135	6.54%	Primary Care
Primary Care	30	2019	2.15%	Primary Care
Pulmonology	1	80	0.09%	Specialty
Retail Pharmacy	2	480	0.51%	Primary Care



Rheumatology	2	320	0.34%	Specialty
Specialty Pharmacy	4	960	1.02%	Specialty
Sports Medicine	29	1047	1.12%	Primary Care
Undisclosed	453	15500	16.52%	Specialty
Urgent Care	2	366	0.39%	Primary Care
GRAND TOTAL	2864	93854	100.00%	
Specialties, Combined	827	23228	25%	
Primary Care, Combined	2037	70626	75%	

Note: specialties in bold are “specialty” for the purposes of the tax credit program

Recommandations

The Preceptor Tax Credit Program continues to grow the number of providers registered, the number of providers engaging in clinical teaching rotations, and the number of providers receiving tax credits. However, the providers continue to be turned away from earning tax credits despite their voluntary engagement as a clinical preceptor. This will resolve the ineligibility of the nearly 25% of providers currently registered and enable the tax credit program to more fully expend the tax credits as allocated in 2018. Recommendations to improve distribution of tax credits to providers include:

- Remove the primary care provider criteria. This program has demonstrated that it can successfully grow clinical rotation engagement. However, primary care is not the only needed healthcare role in this state. This program should be made accessible to any MD, DO, APRN, or PH that is engaged in clinical teaching in this state. Specifically amendments should be made to the definition of “nationally accredited” and “preceptor” to remove “primary care”.
- Improve the clarity of “compensation”. Bills introduced in 2020, 2021, 2022, and 2023 sought to clarify compensation. Many preceptors communicate concern that their paid role as a physician, advance practice registered nurse, or pharmacist makes them ineligible. Rather “uncompensated” is meant to mean receiving payment directly for teaching that is above and beyond their base earnings. Improving the language to clarify the intent will improve ease of and confidence in engaging in this program by providers.

Hawai‘i continues to have dire access to healthcare shortages that impact access to care. Challenges and events since 2020, including the COVID-19 pandemic and provider deaths and departures have made even critical access to healthcare further from reach, particularly in remote and rural islands. Expanding Preceptor Tax Credit to additional professions will extend the benefits of this program to other health care professions. Professions that meet eligibility criteria, including having an in-state program, pre-licensure education, licensed healthcare professionals, and preceptor (one on one) education include:

- Registered Nursing



- Registered Dietician
- Physician Assistant
- Social Work
- Licensed Clinical Psychology
- Marriage and Family Therapy
- Physical Therapy (program in development)

While not all of these programs have demonstrated interest in engaging in the program, all have workforce shortages in our state. Adding all of these professions would likely exceed the tax credits allocated, however there remains to be funds remaining in the tax credit program, and need to support ongoing clinical education access.

Reinforce administrative support. This program is in the Department of Health but has no specific representation by the Department of Health. Bills introduced in 2020, 2021, 2022, and 2023 sought to clarify representation by a Department of Health representative. In addition, this program requires significant information technology (IT) and administrative support, both by the Hawai'i State Center for Nursing, the University of Hawaii John A Burns School of Medicine Area Health Education Center (AHEC) staff, as well as by each of the participating academic institutions. Should there be expansion of academic programs/health care professions, a dedicated administrative officer will be needed to maintain the program management.

Conclusion

The Preceptor Tax Credit program, overseen by the Preceptor Credit Assurance Committee which is a committee of the Department of Health is successfully meeting the aims established by Act 43, SLH 2018. This program awarded \$645,000 tax credits in 2022, with a cumulative \$1,981,000 tax credits issued to Hawaii's eligible health care providers since 2019.

Between 2019 and 2022, there was a 72% increase in registered providers who taught at least one rotation, regardless of total time spent teaching. Despite this, in 2022, only 55% of the maximum potential tax credits were awarded. The Preceptor Tax Credit program is successful in growing the number of providers registering in the preceptor tax credit program, as well as completing clinical education for advanced practice registered nurses, physicians, and pharmacists. In addition, the Preceptor Tax Credit program may be improved by removing the primary care requirement, adding additional professions, and bolstering the administrative design to ensure continued success.

Addendum 1

Quality Assurance and Fraud Prevention Process

How Does the Preceptor Credit Assurance Committee reduce fraud?

Verification that preceptor was uncompensated.

- Attestation from Preceptor (see 1.a. 1.)
- Attestation from Academic Program/Residency/Fellowship that they preceptor was not compensated.

Verification that the preceptor is licensed in Hawai'i.

- DCCA license verification (see 1.a.2.)
- Preceptor Credit Assurance Committee collect preceptor address (1.a.1) and clinical rotation location (1.c.1)

Verification that the student was enrolled in an academic program.

- Preceptor Credit Assurance Committee only accept rotation data from the academic program, not the student or the preceptor.

Verification that the tax form is official.

- DoTax issues a new form each year.
- Preceptor Credit Assurance Committee uses this form to fill tax information.
- DoTax requires a form signed by the Director of the Department of Health.
- Tax filers must submit accurate form (in the correct year) signed by DOH Director.
- Preceptor Credit Assurance Committee sends a full list of names and tax credit amounts to the DoTax for double verification.

Why a tax credit instead of a payment?

In 2018, Hawai'i adopted and improved a model established in three states, Georgia, Maryland and Colorado for preceptor individual income tax credits. The Hawai'i is improved in it's approach as this model is highly interprofessional, recognizing the need for team care delivery to address community needs. By addressing the preceptor shortage, we will move our state closer to sustainable interprofessional education and care delivery.

There is also considerable 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 2018 American Medical Association economic analysis found that physicians in

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.



Hawai‘i contribute, on average, \$2.3 million/physician (\$4.4 billion over all physicians) in direct economic output and \$110,494 per physician in state and local tax revenue².

A state investment in the healthcare professions academic pipeline through preceptor income tax-credits will improve state’s healthcare profession educational programs 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. Since 2018, there have been consistent growth in both preceptor engagement overall and providers precepting for the first time. Moreover, in 2018, the UH system stated that by ensuring that the measure is focused will enable the UH to establish innovative efforts to mitigate healthcare workforce pipeline bottlenecks that can be scaled and spread to other health professions once initial success is demonstrated. In 2023, the Preceptor Tax Credit Program finds that it has the capacity to scale this program within the current allotted tax credit amount to benefit additional health professions educational demands.

Detailed Preceptor Validation Process

1. Developing the documentation process for the Preceptor Tax Credit Assurance Committee to certify a preceptor for the tax credit
 - a. Register and validate preceptor.
 - i. Step 1: Collection of Attestation that the Preceptor is uncompensated for teaching (§321-2.7)
 1. Registration online at: <http://preceptortaxcredit.hawaii.edu/>
 - a. Information collected include 321-2.7 a(2)A-B. ⁱ
 - b. Preceptors that attest a primary care specialty are indicated in the processing database (§235-110.25)
 - ii. Step 2: Verify license number with attestation record:
 1. Using the DCCA Professional and Vocational Licensing Division “[Check if a Person or Business is Licensed by PVL](https://mypvl.dcca.hawaii.gov/public-license-search/)” website:
<https://mypvl.dcca.hawaii.gov/public-license-search/>
 - ii. Step 2: Verify license number with attestation record:
 1. Using the DCCA Professional and Vocational Licensing Division “[Check if a Person or Business is Licensed by PVL](https://mypvl.dcca.hawaii.gov/public-license-search/)” website:
<https://mypvl.dcca.hawaii.gov/public-license-search/>
 - b. Verify academic program is eligible (§235-110.25).
 - i. Step 1: Confirm Hawai‘i address for physical location.
 - ii. Step 2. Confirm national accreditation.
 - iii. Step 3. Verify that location of education is in Hawai‘i (confirms residence of training in Hawai‘i).
 - c. Verify the number of hours the taxpayer spent supervising an eligible student in each volunteer-based supervised clinical training rotation (§235-110.25)
 - i. Step 1: Eligible academic program staff (Academic SubCommittee) collect academic information including student engagement information (student name, student profession type, preceptor, preceptor profession, type, location, dates, hours, course title.)
 - ii. Step 2: Academic SubCommittee enter into a preceptor tax credit database dates and hours of volunteer-based supervised clinical training rotation per eligible student (§321-2.7)

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>.

1. Preceptor Credit Assurance Committee staff send reminders three times annually for the Academic SubCommittee to enter rotations. Upon each deadline, all new preceptors registered (1a) are validated per 1a Step 2.
2. Upon the December data entry (final annual entry), all data is summarized and a pre-determination letter is sent to Preceptors, at which point they are able to validate and correct placements with eligible program staff. Program staff update databases based on corrections identified (using preceptor report, student data, student verification, faculty verification as validation sources).
- iii. Step 3: Preceptor Credit Assurance Committee staff review each entry for duplicates, incomplete information, student eligibility, and preceptor eligibility.
2. Certify the number of volunteer-based supervised clinical training rotations each taxpayer conducted.
 - a. Preceptor Credit Assurance Committee quantifies eligible tax credits for each preceptor.
 - i. Verifying by eligibility per 1a and 1b. If eligible, then
 1. Quantifying total number of unique eligible student rotations; and
 2. Quantifying total teaching hours.
 - ii. Determining eligible tax credits
 1. <80 hours = no credits
 2. 80 hours and at least 1 eligible rotations = 1 credit
 3. 160 hours and at least 2 eligible rotations = 2 credits
 4. 240 hours and at least 3 eligible rotations = 3 credits
 5. 320 hours and at least 4 eligible rotations = 4 credits
 6. 400 hours and at least 5 eligible rotations = 5 credits
 7. >400 hours ant at least 5 eligible rotations = 5 credits
 - b. Preceptor Credit Assurance Committee votes on file.
 - i. Preceptor credit assurance committee staff designates credits for each preceptors and maintains a determination record as well as complete rotation and registration / attestation records
 - ii. Preceptor Credit Assurance Committee votes on tax credit allocations
 - c. Department of Health certifies tax credits.
 - i. Upon an affirmative vote of the file, pre-filled forms with name, address, and tax credit amounts are sent to DOH
 - ii. DOH signs tax forms and sends them individually to preceptors
 - d. DoTax receives information.
 - i. Preceptor Credit Assurance Committee sends verification record to Department of Taxation for verification.
 - ii. Tax payers submit taxes with form appended
 - iii. DoTax can double verify form to the Preceptor Credit Assurance Committee file.

ⁱ Hawai'i Preceptor Tax Credit Registration Form

Full Name*

Birthdate*

Home Street Address*

Home City*

Home State*

Home Zip/Postal Code*

Personal Email/Preferred Email*

Preferred Phone

HI Professional License Number*

Preceptor Site Details

Preceptor Site Name*

Street Address

City

State

Zip Code

Preceptor Details

Preceptor License Type*

--select an item--MD DO RPh APRN Other

Preceptor Specialty*

I Certify that I maintain a professional "primary care" practice in Hawaii.*

- Yes
- No

--select an item--Yes No

"Primary care" for the purposes of this tax credit means the first contact and principal point of continuing care for patients provided by a healthcare provider, including health promotion, disease prevention, health maintenance, counseling, patient education, diagnosis and treatment of acute and chronic illnesses, and coordination of other specialist care that the patient may need.

I certify that I was uncompensated for the preceptor activity by my employer, academic institution or other entity.*

- Yes
- No

--select an item--Yes No

I certify that my time teaching was voluntary, and not required by my employer.*

- Yes
- No

--select an item--Yes No

Have you precepted students from Hawaii in the past?*

- Yes
- No

--select an item--Yes No

Preferred method to receive tax certification form.*

- Electronic
- Mail

--select an item--Electronic Mail

Signature Authorization

Please enter your name as an authorized signature below:

Authorized Signature*