



# Evaluation of Hawai'i Preceptor Tax Credit Program

*Preceptor Credit Assurance Committee (PCAC) Administrative Subcommittee*

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Prepared November 2023

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## Executive Summary

The Preceptor Tax Credit Committee successfully implemented the Preceptor Tax Credit Program, and has successfully maintained existing preceptor engagement and expanded the cadre of healthcare providers (APRN, MD, DO, PharmD) who serve as clinical teachers, or preceptors. In addition, this program demonstrates that tax credits are a motivator for increased precepting activities for novice preceptors, or clinicians who have never taught.

This is remarkable because the program, as designed, has significant restrictions which lead to 25% of potential tax credits being disqualified from certification. As a result, the program continues to under-distribute tax credits (In 2022, 645 credits (43%) were issued out of 1,500 available).

To improve the efficacy of this program, the barriers to provider eligibility should be removed, while the safeguards to ensure validity and quality should be preserved. These recommendations are as follows:

- Remove specialty requirement for preceptors;
- Remove specialty requirement for trainees;
- Add additional healthcare provider professions with schools in Hawai'i, including physical therapy, occupational therapy, social work, registered dieticians, and physician assistants;
- Keep the process that local schools submit clinical rotation information;
- Keep the requirement that preceptors must self-verify their location, license information, specialty, and compensation for precepting status; and
- Keep, and clarify, the requirement that tax credit is for non-compensated precepting activities only.

This program proves to be instrumental in safeguarding the clinical education aspect of healthcare education, particularly after the COVID-19 pandemic that had devastating impacts to healthcare education, as it did on healthcare, the state, the nation, and the world.

## Background

### Preceptor Need

Precepting is a critical component of healthcare education. Live, hands-on patient care experience is a requirement of healthcare education. Healthcare professional education would cease without healthcare providers who welcome students into their clinical practice to engage in precepted experiences.

In 2017, The Hawai'i State Center for Nursing<sup>1</sup> surveyed the in-state graduate schools of nursing, school of medicine, school of osteopathy, college of pharmacy, and the school of dental hygiene to assess perceived barriers to securing preceptors using the same assessment tool used nationally. Key findings are as follows:

- **100% of programs are moderately or very concerned about the number of clinical training sites.**
- 83% of programs report it is somewhat or much more difficult to secure new clinical sites than in 2015.
- 83% of programs state practice transformation and payment reform is a moderately to very important factor related to development of new training sites.
- 75% of programs state that training and orientation of preceptors is an important or very important factor related to development of new training sites.
- **54% of programs state the number of available training sites in the community limits enrollment.**

*Table 1: Findings from the preceptor needs assessment*

### Healthcare Preceptor Tax Credit Legislation

Realizing the dire need to address preceptor shortages as a mechanism to improve the healthcare workforce development environment in our state, in 2018, the Legislature passed Act 43, Session Laws of Hawai'i (SLH) 2018. Act 43 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.

Act 43, SLH 2018, authorizes up to 1,500 tax credits to be distributed annually, for a value of \$1,000 for each credit, to \$1,500,000 in total credits. The maximum number of tax credits is five credits (\$5,000) per individual. The 1,500 credits were based on the estimated volume of preceptor rotations based on a conservative 2% growth in educational output annually, between 2018-2023. This estimate included all rotations needed by the nursing, medicine, and pharmacy programs in the state, including specialty education and fellowships.

The preceptor must meet certain criteria to be eligible for tax credits, which are that the preceptor:

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<sup>1</sup> Hawai'i State Center for Nursing. (2017). Hawai'i Position Statement on Preceptor Shortages. Retrieved from: <http://preceptortaxcredit.hawaii.edu/wp-content/uploads/2022/11/Hawaii-Position-Statement-Preceptor-Shortage-HSCN-10242017-1-page.pdf>



- 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.

Credits are issued in 80-hour increments of training, and number of clinical training rotations. In addition, there may not be more rotations certified than the number of clinical rotations.

### Act 43, Session Laws of Hawai'i 2018, Section 4.

The Department of Health shall evaluate the efficacy of the healthcare preceptor tax credit established by this Act and submit a report to the legislature no later than June 30, 2024, which shall include the department's findings and a recommendation of whether the tax credit should be retained without modification, amended, or repealed.

### Preceptor Credit Assurance Committee Responsibility and Performance

Preceptor Credit Assurance Committee (PCAC) overarching goal is to recruit and retain healthcare providers who engage in clinical teaching, or precepting. This goal has two main activities: 1) retaining existing preceptors through positive reinforcement and 2) recruiting new preceptors through incentives like the state income tax credits.

#### Multi-Step plan to Address Healthcare Preceptor Shortage:

1. Establish, through the legislature, an income tax credit for preceptors based on the number of hours and the number of clinical rotations.
2. Develop preceptor training opportunities to improve the competencies, support, and resources available to healthcare providers acting in a preceptor role.
3. Expand loan repayment options for healthcare providers who reside and work in Hawai'i.
4. Expand interprofessional and Neighbor Island clinical education opportunities.
5. Instill the value of education, through preceptor activities, in the current student or trainee population.

Currently, the main function of the PCAC, in order to achieve progress towards the goal, is overseeing the tax credit program.

The Preceptor Credit Assurance Committee (PCAC) is responsible for maintaining the records and certifying the number of training rotations conducted by each taxpayer, certifying the amount of the tax credits for each taxpayer. Responsibilities of the Preceptor Credit Assurance Committee are defined in statute in both HRS Chapter 235, Income Tax Law, Part VI. Returns and Payments; Administration, and Title 19, Health, Chapter 321, Department of Health, Part I, General and Administrative Provisions Section.

- (d) *The preceptor credit assurance committee, established under section 321-2.7, shall:*
1. *Maintain records of the names, addresses, and license numbers of the taxpayers claiming the credit under this section;*
  2. *Certify the number of volunteer-based supervised clinical training rotations each taxpayer conducted by:*
    - a. *Verifying that the taxpayer meets the requirements to serve as a preceptor;*
    - b. *Verifying the number of hours the taxpayer spent supervising an eligible student in each volunteer-based supervised clinical training rotation;*
    - c. *Verifying that the eligible student was enrolled in an academic program in Hawaii; and*
    - d. *Verifying that the taxpayer was uncompensated; and*
  3. *Certify the amount of the tax credit for each taxpayer for each taxable year and the cumulative amount of the tax credit.*
    - a.

*Table 2: HRS Chapter §235-110-25 Healthcare preceptor tax credit. Section (d)1-32*

1. *Developing a process ensuring that requests for credit certification are reviewed and verifications are processed no later than thirty days following the close of each calendar year;*
2. *Developing the documentation process for the committee to certify a preceptor for the tax credit; provided that the documentation to be collected shall include:*
  - a. *The preceptor's name, address, place of practice, and Hawaii provider license number;*
  - b. *Dates and hours of volunteer-based supervised clinical training rotation per eligible student;*
  - c. *Attestation that the preceptor is uncompensated for the volunteer-based supervised clinical training rotation; and*
  - d. *Other information deemed necessary by the committee.*

*Table 3: HRS Chapter §321-2.7 Preceptor Credit Assurance Committee. Section (a)1-23*

The PCAC established subcommittees to operationalize the functions and ensure the responsibilities are achieved. Annual Report 2022 (Addendum E) describes in detail the methodology for validating required information and preventing the likelihood of fraud. Additionally, the process to validate clinical rotations throughout the year and communicate to preceptors through a “pre-determination letter” has improved the timeliness of the determination of tax credits, and therefore, the issuing of tax credits forms by the Department of Health.

<sup>2</sup> [https://www.capitol.hawaii.gov/hrscurrent/Vol04\\_Ch0201-0257/HRS0235/HRS\\_0235-0110\\_0002\\_0005.htm](https://www.capitol.hawaii.gov/hrscurrent/Vol04_Ch0201-0257/HRS0235/HRS_0235-0110_0002_0005.htm)

<sup>3</sup> [https://www.capitol.hawaii.gov/hrscurrent/Vol06\\_Ch0321-0344/HRS0321/HRS\\_0321-0002\\_0007.htm](https://www.capitol.hawaii.gov/hrscurrent/Vol06_Ch0321-0344/HRS0321/HRS_0321-0002_0007.htm)

## Subcommittees and Responsibilities

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). The PCAC Academic Subcommittee is comprised of faculty and staff of each of the participating academic institutions. The Academic Subcommittee enters in clinical rotation information into the Hawai'i Preceptor Tax Credit database. Each rotation record is by entered by the preceptor, and detail preceptor's name, license number, address, student name, student type (APRN, MD/DO, PharmD), hours completed, and dates of training. The Academic Subcommittee is offered yearly training, one-to-one training for new members, and may access recordings of past trainings on the Hawai'i Preceptor Tax Credit website<sup>4</sup> to ensure accuracy of data entry, understanding of processes, and adequate support from the PCAC.

The Academic Subcommittee additionally is responsible for communicating directly to preceptors throughout the calendar year to encourage registering for the tax credit and provide information necessary to engage in precepting with the respective academic program.

The Preceptor Credit Assurance Administrative Committee is tasked with three main responsibilities, as outlined below:

1. Validate tax credits.
  - a. Verify registered preceptors and maintain accuracy of registry;
  - b. Communicate to Academic Subcommittee on data submission deadline;
  - c. Process database corrections, as communicated by Academic Subcommittee;
  - d. Verify the individual rotations, preceptor hours, and eligible tax credits;
  - e. Determine tax credit allocations; and
  - f. Communicate to preceptors related to tax credit allocations.
2. Certify the amount of tax credits for each taxpayer.
  - a. Host official PCAC vote on eligible tax credits;
  - b. Communicate to DoTax on eligible tax credit allocations with individual names and credit amounts; and
  - c. Facilitate form processing for tax credits with the Department of Health.
3. Maintain public communications and support;
  - a. Maintain communication to the PCAC, DoTAX and DOH;
  - b. Report annually on outcomes related to the preceptor tax credit program; and
  - c. Provide customer support to preceptors as needed.

The validation of tax credits is an iterative process throughout the year, in collaboration with the Academic Subcommittee. The Administrative Subcommittee sets a data-entering schedule, provides triannual reports to the Academic Subcommittee, verifies newly registered preceptors using the Department of Commerce and Consumer Affairs professional licensing verification portal as well as for location, specialty, and qualifying license type (APRN, MD/DO, PH), removes duplicate preceptor registries, updates the registry should providers no longer act as preceptors (i.e., new out-of-state residence, retirement, death), and processes updates communicated by the Academic Subcommittee. This work improves the timeliness of the

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<sup>4</sup> Hawai'i Preceptor Tax Credit. (2023). Resources for Academic Subcommittee. Retrieved from: <http://preceptortaxcredit.hawaii.edu/resources-2/>



certification of tax credits at the close of the tax year primarily because the outcomes of these activities is improved data quality and continuous verification of required data components.

In December of each year, the Academic Subcommittee submits their final rotation data, the Administrative Subcommittee reviews each preceptor's rotations for timing, number of rotations, number of hours, and type of student. Preceptors' specialty and compensation status are also reviewed; any disqualifying criteria is noted, and the preceptor's rotations are marked as ineligible for tax credits. Communication is then prepared which details the number of clinical rotations, whether the preceptor has registered, if their total hours meet the minimum threshold, how many potential tax credits they may receive if certified, and if they have any disqualifiers (compensation, license type, specialty type). This communication, called the "Pre-determination letter" is sent to all preceptors for whom the PCAC has contact information, including all active preceptors, with the request to communicate to the Academic Subcommittee to update their information or to update their registration in the PCAC to correct information, as applicable. This process of communicating with preceptors improved the data quality by providing preceptors the opportunity to verify the information is accurate prior to the certifying of tax credits.

At the start of the new calendar year, the verified tax credits are processed through a database that calculates the tax credit allocations based on the earlier pre-determination process. The tax credits are then counted by county, license type, academic program, and total, as well as individual. This report is provided to the Preceptor Credit Assurance Committee for final vote. Upon endorsement by the PCAC, a report of credits by preceptor name is provided to DoTAX and DOH, and the certificates are processed for DOH signature and distribution. In conjunction with the distribution of the tax credits, PCAC sends out a "determination letter" to the preceptors outlining the final allocation of credits, and rationale, using the same format as the "pre-determination letter".





## Findings/Results to Date

### Outcomes

#### Total Allocations

Year	2019	2020	2021	2022
<b>Active Preceptors Awarded Tax Credit</b>	<b>181</b>	<b>190</b>	<b>261</b>	<b>301</b>
<b>Tax Credits Awarded</b>	<b>371</b>	<b>378</b>	<b>587</b>	<b>645</b>

Table 4: Distribution of Credits by Preceptor and Credit Amount by Year

Annually, the Preceptor Tax Credits have increased, both by the number of preceptors receiving credits and the total number of tax credits allocated (Table 1).

#### Distribution of Preceptors by Profession Type

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.

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

Table 5: Tax Credits by Provider Type with cost and percent allocation breakdown

## Preceptor Engagement

	2019	2020	2021	2022	Average
<b>Active Preceptors, Total</b>	<b>375</b>	<b>503</b>	<b>626</b>	<b>736</b>	<b>560</b>
Active Preceptors with Rotations	204	262	290	351	277
Active Preceptors Awarded Credit	181	190	261	301	233
Active Preceptors, No Rotations	171	241	336	385	283
<b>Inactive Preceptors, Total (with rotations)</b>	<b>101</b>	<b>85</b>	<b>111</b>	<b>134</b>	<b>108</b>
<b>Active and Inactive Preceptors, Total</b>	<b>476</b>	<b>588</b>	<b>737</b>	<b>870</b>	<b>668</b>

Table 6: Preceptors by Active Status and Rotations

The Preceptor Credit Assurance Committee collects clinical rotation information directly from the Academic Subcommittee, which represents the education providers. This enables the PCAC to outreach to providers who may not yet have registered to encourage them to engage in the Tax Credit program. Preceptors who have registered are identified as active preceptors (84%). Those who have not registered are inactive preceptors (16%). Of the active preceptors, about half engage in clinical teaching, and 84% of those qualify for preceptor tax credits; this accounts for 42% of all active preceptors and only 35% of total (active and inactive) preceptors. There is continued and well-documented challenges to optimizing the tax credit allocations which will be discussed in the Challenges section of this evaluation.

As noted, the goal of the Preceptor Credit Assurance Committee is to grow the number of healthcare providers who engage in precepting, over time, through retaining existing preceptors and recruiting new preceptors. To evaluate the progress towards to goal, the PCAC tracks how many preceptors who provide clinical teaching through rotations are registered in the program, how many active preceptors are receiving tax credits, and how many preceptors who are registered report being new to precepting.

The Preceptor Tax Credit Program is growing the number of active preceptors at a faster rate than those who are inactive. This demonstrates two things. One, some healthcare professionals continue to teach healthcare students without seeking the tax credit benefit. **Two, this program continues to show that the Preceptor Tax Credit program is successful in growing the number of preceptors interested in and completing clinical education for advanced practice registered nurse, physician, and pharmacy students.** Since 2019, the program has recorded an additional 147 registered providers who taught at least one rotation (72% change from baseline) (Figure 1).

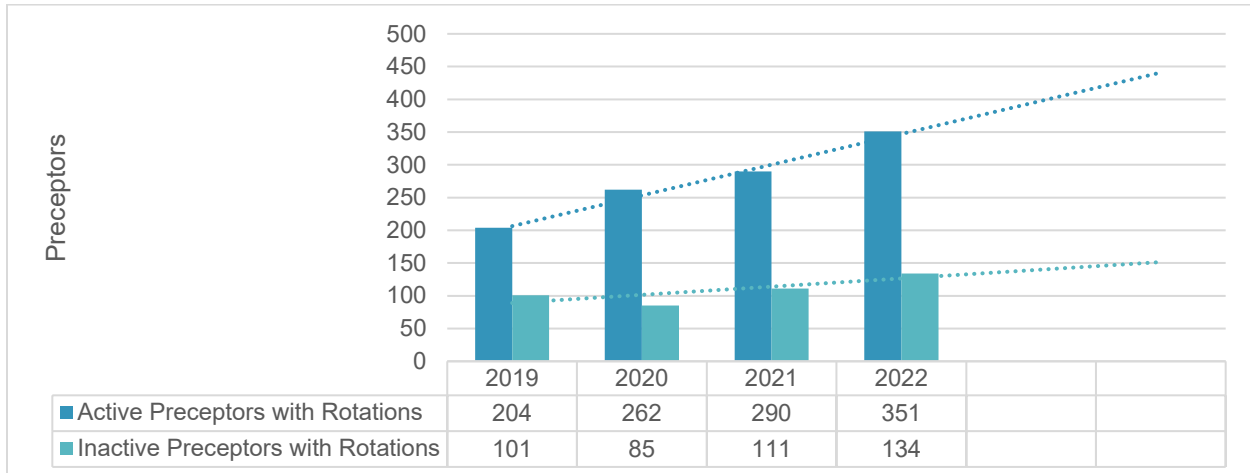


Figure 1: Documented Clinical Rotations by Active (Registered) vs Inactive Preceptors

Consistent with the upward trend in the number of total active preceptors is the trend of the total number of active preceptors receiving tax credits. It is notable that despite considerable impacts to clinical healthcare learning during the first year of the COVID-19 pandemic (2020), there is still persistent growth in preceptor engagement that yields tax credits. Significant increases to the number of active preceptors receiving tax credits in 2021 is most attributable to a return to full clinical functioning after COVID-19 restrictions (Figure 2). In addition, growth over time demonstrates that despite the pandemic’s impact, there is increased engagement in precepting at the level needed to qualify for tax credits.

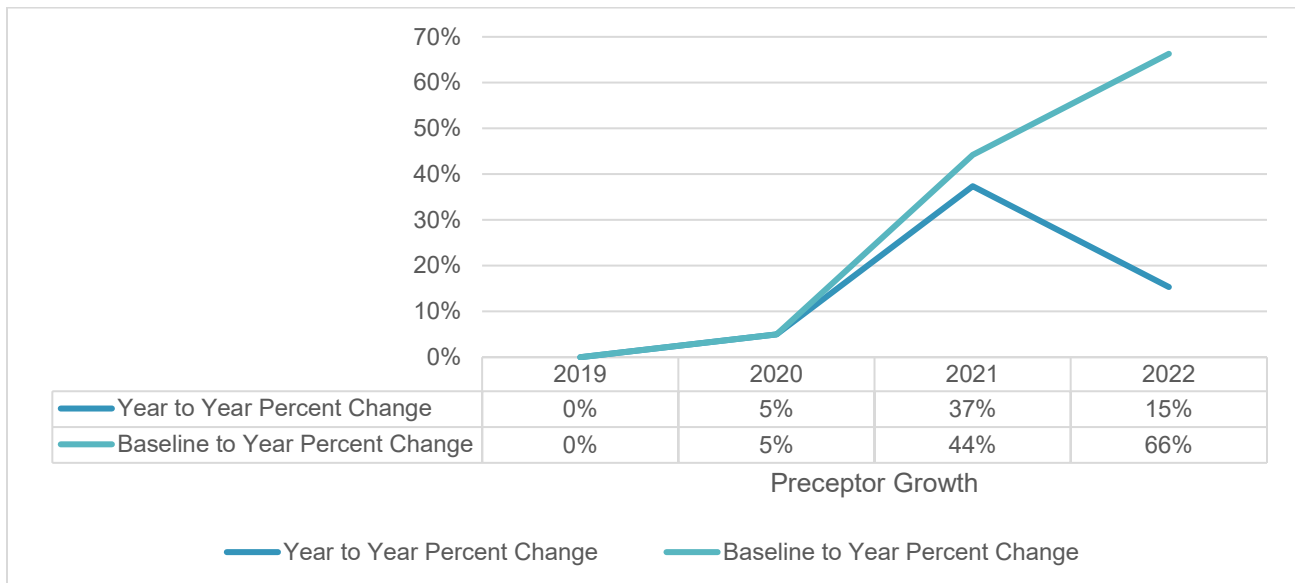


Figure 2: Growth in Preceptors Receiving Tax Credits

The total number of tax credits issued follows the same trend as preceptor allocation (Table 7). There was modest growth in 2020 followed by significant increased allocation in 2021 that leveled out in 2022.

<b>Tax Credits Allocated by Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Tax Credits Awarded</b>	<b>371</b>	<b>378</b>	<b>587</b>	<b>645</b>
<b>Baseline to Year Percent Change</b>	<b>Baseline</b>	<b>2%</b>	<b>58%</b>	<b>74%</b>
<b>Total Available Credits</b>	<b>1500</b>	<b>1500</b>	<b>1500</b>	<b>1500</b>
Percent Allocated vs Total Available	<b>25%</b>	<b>25%</b>	<b>39%</b>	<b>43%</b>

*Table 7: Tax Credits Allocated by Year*

Remarkably, the growth in tax credit allocation from baseline to 2022 (74%) is more significant than the growth of active preceptors receiving tax credits (66%). This indicates that there is greater growth in the number of clinical rotations than the number of preceptors, or in other words, that preceptors are engaging in more than the minimum number of clinical training rotations. While the overall average ratio of rotations is 2.1 per preceptor the ratio in the third and fourth year is greater. This is a positive outcome finding that shows small but considerable increased engagement in clinical training.

Since the start of the Preceptor Tax Credit Program, both the number of all preceptor rotations entered in the database (maximum potential tax credits) and the number of preceptor rotations that resulted in tax credit allocation (total approved tax credits) has increased annually (Figure 2). Despite this, the difference continues to be significant. On average, 47% of the clinical rotation hours recorded in the Preceptor Tax Credit Database do not result in the allocation of tax credits. This supports the finding that only 35% of total preceptors recorded in the database receive tax credits, on average. Limitations in issuing tax credits that were previously described in the 2021 and 2022 annual reports (Addendums D and E) continue to be relevant and will be explored in the Challenges section of this evaluation.

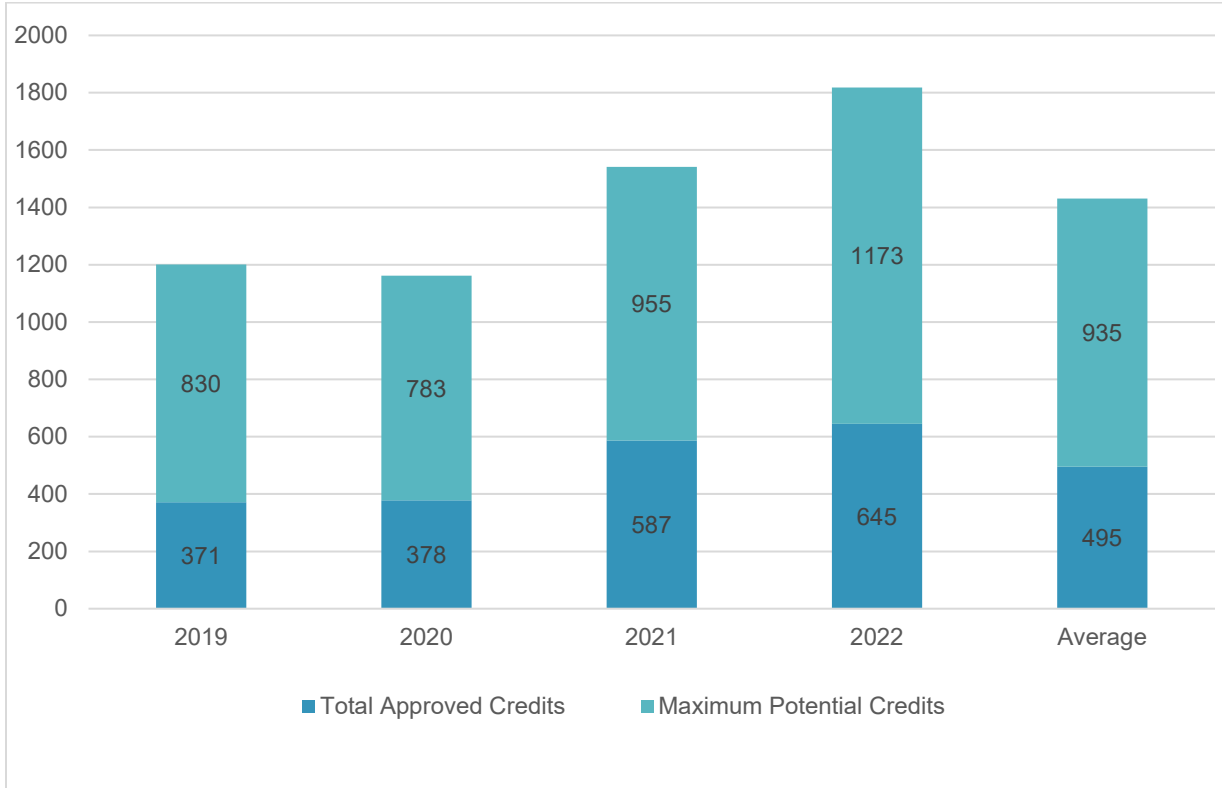


Figure 3 Actual vs. Maximum Tax Credits by Tax Year

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

### Increase in New Preceptor Engagement

Year	2019	2020	2021	2022
<b>Preceptors with no history or record of precepting (No)</b>	74	53	34	20
<b>Cumulative total</b>	74	127	161	181

Table 8 Growth in Novice Preceptors, Over Time

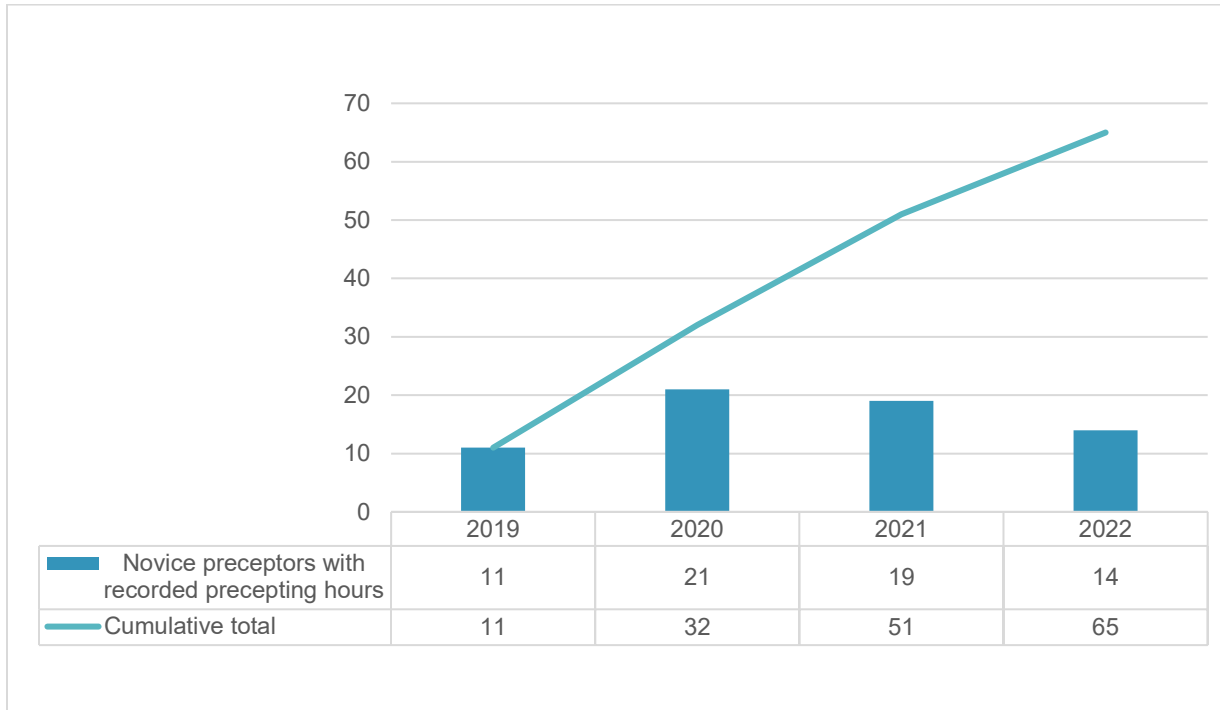


Figure 4 Growth from Novice Active Preceptors, Over Time

Recruitment of new preceptors is significant. Since the start of the program, there is a net growth of 65 new preceptors engaging in precepted teaching (Figure 4). This program is successful in recruiting healthcare professionals to both start precepting and to engage in enough precepting activities to qualify for tax credits.

Year	2019	2020	2021	2022	% Change 2019-2022
<b>Novice preceptors with recorded precepting hours <i>Cumulative total</i></b>	11	32	51	65	491%
<b>Novice preceptors experience who received tax credit <i>Cumulative total</i></b>	9	27	44	57	533%

Table 9 Growth from Novice Preceptors By Teaching and Tax Credit Activity, Over Time

One of the greatest outcomes is the engagement in precepting activities by clinicians who have never precepted in the past. As apparent in Figure 4, the growth of novice preceptors with recorded precepting hours has a 491% *change* since baseline. The greater threshold, however, is precepting enough hours to qualify for tax credits.

**Remarkably, this percent change since the baseline is 533%. This indicates that the preceptor tax credit is a motivator for novice preceptors.**

### Tax Credit Distribution

As noted earlier, 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, 79% of preceptors received two or more tax credits (160 hours or more of training). In this same year, 23% of preceptors received five credits, which indicates that they taught 400 or more hours in that calendar year.

Tax Credit Equivalencies	2019	2020	2021	2022
<b>5 credit (400 or more hours)</b>	65	85	85	150
<b>4 credits (320-399 hours)</b>	56	48	100	84
<b>3 credits (240-319 hours)</b>	66	48	108	120
<b>2 credits (160-239 hours)</b>	104	94	182	150
<b>1 credit (80-159 hours)</b>	80	93	84	132

Table 10 Number of Tax Credits Issued by Number of Rotations

As reported in the 2022 Annual Report, despite growth in the number of tax credits distributed, year over year, many preceptors who train, even at high volume, do not qualify for the tax credits. Overall, 25% of potential tax credits were not issued, regardless of the preceptor’s teaching quantity, indicating challenges in making this state program truly accessible to preceptors. Well over one-third of tax credits were not issued to preceptors who trained the most – teaching equivalent to four to five tax credits in the calendar year.

Tax Credits by Number of Rotations	2022 (potential)	2022 certified	Difference (potential - certified)	% credits denied due to disqualifying information
5 credit (400 or more hours)	255	150	105	41%
4 credits (320-399 hours)	132	84	48	36%
3 credits (240-319 hours)	141	120	21	15%
2 credits (160-239 hours)	166	150	16	10%
1 credit (80-159 hours)	152	132	20	13%
Below 80 hours	119	0		
<b>Total</b>	<b>846</b>	<b>636</b>	<b>210</b>	<b>25%</b>

Table 11 Cumulative potential credits compared to credits certified in 2022

## Challenges

### Barriers to administration

#### 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.

#### 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 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.

### *Compensation 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.

<ul style="list-style-type: none"> <li>• 2020 <ul style="list-style-type: none"> <li>○ SB31 - Bill died after crossover in the second committee of the House due to COVID Pandemic.</li> </ul> </li> <li>• 2021 <ul style="list-style-type: none"> <li>○ HB306 - Bill died after crossover</li> <li>○ 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</li> </ul> </li> <li>• 2022 <ul style="list-style-type: none"> <li>○ HB1975 - Bill died in House Finance in preference to the Senate version that moved forward earlier.</li> <li>○ SB3208 - Bill died after crossover.</li> </ul> </li> <li>• 2023 <ul style="list-style-type: none"> <li>○ SB1215 - Bill died after crossover in House Finance</li> <li>○ SB439 – Bill died before crossover.</li> <li>○ HB82 - Contents of HB1450</li> <li>○ HB1450 - HB82 used as vehicle in the House.</li> </ul> </li> </ul>
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Table 12: List of Bills Related to Preceptor Tax Credits, Over Time

*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.

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

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

Table 12 Rotation Counts and Rotation Hours by Specialty

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

## Recommendations

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 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 the 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, advanced practice registered nurse, or pharmacist makes them ineligible. Rather “uncompensated” means receiving payment directly for teaching that is above and beyond their base earnings. Improving the language to clarify the intent will improve the 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 healthcare 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 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, registered providers who taught at least one rotation increased by 72%, regardless of total time spent teaching. Despite this, in 2022, only 55% of the maximum potential tax credits were awarded, and 41% of potential credits were denied due to preceptor qualifying criteria. 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 is impeded by the preceptor qualifying criteria which program performance outcomes has demonstrated to be restrictive. This program can be improved by removing the primary care requirement, adding additional professions, and bolstering the administrative design to ensure continued success. Removal of these areas will benefit the state by increasing educational capacity for healthcare professions, while not impacting the efficacy and quality of the program.



## Addendums

Addendum A: Act 43, SLH 2018



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 13, 2018

**GOV. MSG. NO. 1143**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 13, 2018, the following bill was signed into law:

SB2298 SD2 HD3 CD1

RELATING TO HEALTHCARE PRECEPTOR TAX  
CREDITS  
**ACT 043 (18)**

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE  
Governor, State of Hawai'i



# A BILL FOR AN ACT

RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that demand for  
2 healthcare providers in Hawaii is growing because of an increase  
3 in population size, particularly among the aged population; an  
4 improvement in access to care due to broader insurance coverage;  
5 and a higher prevalence of chronic diseases. At the same time,  
6 there is a primary care provider shortage in Hawaii that will be  
7 exacerbated by the projected retirements of current physicians  
8 and advanced practice registered nurses. If nothing is done to  
9 address the gap between healthcare supply and demand, patients  
10 will suffer from longer wait times to see providers and poorer  
11 health outcomes. Even more so, the evolution of healthcare  
12 delivery means academic institutions across Hawaii face  
13 challenges in ensuring an adequate number of future healthcare  
14 professionals who are well-distributed by location and by  
15 specialty and who are prepared to deliver primary, specialty,  
16 and behavioral health care in rural, urban, and suburban  
17 settings across Hawaii. Thus, the legislature acknowledges that  
18 in order to meet these growing healthcare demands, the State



1 must work with academic institutions and healthcare  
2 professionals to ensure that there is an adequate and well-  
3 prepared healthcare workforce.

4       The legislature further finds that Hawaii high school  
5 students and residents are interested in pursuing careers in the  
6 healthcare service industry. However, in-state educational  
7 institutions are constrained by the lack of clinical education  
8 sites in Hawaii and the limited supply of qualified primary and  
9 specialty care preceptors. The legislature recognizes that  
10 efforts are currently underway to address these clinical site  
11 limitations, including travel support from health professional  
12 schools in Hawaii for students and residents who are incurring  
13 high costs for training away from their home island. With out-  
14 of-state training having such a high cost, the State must  
15 consider expanding in-state healthcare provider education  
16 capacity.

17       The legislature also finds that the development of new  
18 clinical preceptors and training sites is increasingly  
19 difficult. The cohort of preceptors consists largely of  
20 volunteers who share the kuleana of educating the future  
21 healthcare workforce. Yet, providers who offer such volunteer-



1 based education assume this responsibility above and beyond  
2 their regular patient-care responsibilities, subjecting  
3 themselves to preceptor fatigue, especially in busy clinical  
4 settings. Developing sufficient clinical training opportunities  
5 in areas of high demand requires a sufficient number of  
6 appropriately trained preceptors, but the limited availability  
7 of preceptors restricts in-state healthcare academic  
8 institutions from expanding healthcare provider training. Some  
9 states, including Maryland, Georgia, and Colorado, have  
10 identified preceptor tax exemptions as a means to increase the  
11 supply of health professional preceptors and trainees.

12 The purpose of this Act is to create a tax credit that  
13 encourages preceptors to offer professional instruction,  
14 training, and supervision to students and residents seeking  
15 careers as primary care physicians and advanced practice  
16 registered nurses throughout Hawaii, with the intention of  
17 building capacity for clinical education at in-state academic  
18 programs that are nationally accredited for the training of  
19 primary care physicians, advanced practice registered nurses,  
20 and pharmacy professionals.



1 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§235- Healthcare preceptor tax credit. (a) There  
5 shall be allowed to each taxpayer subject to the tax imposed by  
6 this chapter, a healthcare preceptor tax credit that shall be  
7 deductible from the taxpayer's net income tax liability, if any,  
8 imposed by this chapter for the taxable year in which the credit  
9 is properly claimed.

10 (b) The amount of the credit shall be equal to \$1,000 for  
11 each volunteer-based supervised clinical training rotation  
12 supervised by the taxpayer, up to a maximum of \$5,000 per  
13 taxable year, regardless of the number of volunteer-based  
14 supervised clinical training rotations supervised by the  
15 taxpayer.

16 (c) The director of taxation:

17 (1) Shall prepare any forms that may be necessary to claim  
18 a tax credit under this section;

19 (2) May require the taxpayer to furnish reasonable  
20 information to ascertain the validity of the claim for  
21 the tax credit made under this section; and



1       (3) May adopt rules pursuant to chapter 91 necessary to  
2           effectuate the purposes of this section.

3       (d) The preceptor credit assurance committee, established  
4 under section 321- , shall:

5       (1) Maintain records of the names, addresses, and license  
6           numbers of the taxpayers claiming the credit under  
7           this section;

8       (2) Certify the number of volunteer-based supervised  
9           clinical training rotations each taxpayer conducted  
10          by:

11          (A) Verifying that the taxpayer meets the  
12           requirements to serve as a preceptor;

13          (B) Verifying the number of hours the taxpayer spent  
14           supervising an eligible student in each  
15           volunteer-based supervised clinical training  
16           rotation;

17          (C) Verifying that the eligible student was enrolled  
18           in an academic program in Hawaii; and

19          (D) Verifying that the taxpayer was uncompensated;  
20           and



1       (3) Certify the amount of the tax credit for each taxpayer  
2       for each taxable year and the cumulative amount of the  
3       tax credit.

4 Upon each determination, the preceptor credit assurance  
5 committee shall issue a certificate to the taxpayer verifying  
6 the number of volunteer-based supervised clinical training  
7 rotations supervised by the taxpayer, the credit amount  
8 certified for the taxpayer for each taxable year, and the  
9 cumulative amount of tax credits certified. The taxpayer shall  
10 file the certificate with the taxpayer's tax return with the  
11 department.

12       (e) If in any taxable year the annual amount of certified  
13 credits for all taxpayers reaches \$1,500,000 in the aggregate,  
14 the preceptor credit assurance committee shall immediately  
15 discontinue certifying credits and notify the department of  
16 taxation. In no instance shall the preceptor credit assurance  
17 committee certify a total amount of credits exceeding \$1,500,000  
18 per taxable year. To comply with this restriction, the  
19 preceptor credit assurance committee shall certify or deny  
20 credits in the order submitted for certification; provided that



1 credits shall not be submitted for certification prior to the  
2 supervised clinical training rotation being performed.

3 (f) If the tax credit under this section exceeds the  
4 taxpayer's income tax liability, the excess of the credit over  
5 liability may be used as a credit against the taxpayer's income  
6 tax liability in subsequent years until exhausted. All claims  
7 for the tax credit under this section, including amended claims,  
8 shall be filed on or before the end of the twelfth month  
9 following the close of the taxable year for which the credits  
10 may be claimed. Failure to comply with the foregoing provision  
11 shall constitute a waiver of the right to claim the credit.

12 (g) For the purposes of this section:

13 "Academic program" means an academic degree granting  
14 program or graduate medical education program that:

15 (1) Holds either its principal accreditation or a physical  
16 location in Hawaii; and

17 (2) Provides education to students, of whom more than  
18 fifty per cent are residents of Hawaii.

19 "Advanced practice registered nurse student" means an  
20 individual participating in a nationally accredited academic  
21 program that is for the education of advanced practice



1 registered nurses and recognized by the state board of nursing  
2 pursuant to chapter 457.

3 "Eligible professional degree or training certificate"  
4 means a degree or certificate that fulfills a requirement to be  
5 a physician or osteopathic physician, pursuant to chapter 453,  
6 an advanced practice registered nurse, pursuant to chapter 457,  
7 or a pharmacist, pursuant to chapter 461.

8 "Eligible student" means an advanced practice registered  
9 nurse student, medical student, or pharmacy student who is  
10 enrolled in an academic program.

11 "Medical student" means an individual participating in a  
12 nationally accredited academic program leading to the medical  
13 doctor or doctor of osteopathy degree. "Medical student"  
14 includes graduates from nationally accredited academic programs  
15 who have continued their training, in the role of resident or  
16 fellow, to obtain the additional qualifications needed for  
17 medical licensure, pursuant to chapter 453, or specialty  
18 certification.

19 "Nationally accredited" means holding an institutional  
20 accreditation by name to offer post-secondary medical primary  
21 care education. Accreditation for medical students shall be





1 offered by the Liaison Committee on Medical Education or  
2 American Osteopathic Association Commission on Osteopathic  
3 College Accreditation. Accreditation for advanced practice  
4 registered nurse students shall be offered by the Commission on  
5 Collegiate Nursing Education.

6 "Pharmacy student" means an individual participating in an  
7 academic program that is nationally accredited for the training  
8 of individuals to become registered pharmacists pursuant to  
9 chapter 461.

10 "Preceptor" means a physician or osteopathic physician,  
11 licensed pursuant to chapter 453, an advanced practice  
12 registered nurse, licensed pursuant to chapter 457, or a  
13 pharmacist, licensed pursuant to chapter 461, who is a resident  
14 of Hawaii and who maintains a professional primary care practice  
15 in this State.

16 "Primary care" means the principal point of continuing care  
17 for patients provided by a healthcare provider, including health  
18 promotion, disease prevention, health maintenance, counseling,  
19 patient education, diagnosis and treatment of acute and chronic  
20 illnesses, and coordination of other specialist care that the  
21 patient may need.



1       "Volunteer-based supervised clinical training rotation"  
2       means an uncompensated period of supervised clinical training of  
3       an eligible student that totals at least eighty hours of  
4       supervisory time annually, in which a preceptor provides  
5       personalized instruction, training, and supervision to an  
6       eligible student to enable the eligible student to obtain an  
7       eligible professional degree or training certificate."

8       SECTION 3. Chapter 321, Hawaii Revised Statutes, is  
9       amended by adding a new section to be appropriately designated  
10      and to read as follows:

11      "§321-     Preceptor credit assurance committee. (a) There  
12      is established the preceptor credit assurance committee within  
13      the department of health. The committee shall develop and  
14      implement a plan for certifying healthcare preceptor tax credits  
15      under section 235-     , including:

16      (1) Developing a process ensuring that requests for credit  
17      certification are reviewed and verifications are  
18      processed no later than thirty days following the  
19      close of each calendar year;



- 1        (2) Developing the documentation process for the committee  
2        to certify a preceptor for the tax credit; provided  
3        that the documentation to be collected shall include:
- 4        (A) The preceptor's name, address, place of practice,  
5        and Hawaii provider license number;
- 6        (B) Dates and hours of volunteer-based supervised  
7        clinical training rotation per eligible student;
- 8        (C) Attestation that the preceptor is uncompensated  
9        for the volunteer-based supervised clinical  
10       training rotation; and
- 11       (D) Other information deemed necessary by the  
12       committee.
- 13       (b) The committee shall be composed of representatives of:
- 14       (1) The Hawaii/Pacific basin area health education center;  
15       (2) The center for nursing; and  
16       (3) Academic programs with eligible students.
- 17       (c) Members of the committee shall be immune from civil  
18       liability for any official act, decision, or omission performed  
19       for the purpose for which the committee was established, except  
20       for any acts, decisions, or omissions that constitute gross  
21       negligence or wilful misconduct.



1        (d) The proceedings of the committee shall not be subject  
2 to part I of chapter 92.

3        (e) As used in this section, "academic program", "eligible  
4 student", "preceptor", and "volunteer-based supervised clinical  
5 training rotation" shall have the same meanings as in section  
6 235- ."

7        SECTION 4. The department of health shall evaluate the  
8 efficacy of the healthcare preceptor tax credit established by  
9 this Act and submit a report to the legislature no later than  
10 June 30, 2024, which shall include the department's findings and  
11 a recommendation of whether the tax credit should be retained  
12 without modification, amended, or repealed.

13        SECTION 5. New statutory material is underscored.

14        SECTION 6. This Act shall take effect upon its approval;  
15 provided that section 2 shall apply to taxable years beginning  
16 after December 31, 2018.

APPROVED this 13 day of JUN, 2018




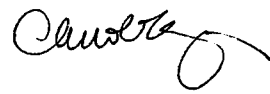
GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAI'I**

Date: May 1, 2018  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.

  
President of the Senate

  
Clerk of the Senate

SB No. 2298, SD 2, HD 3, CD 1

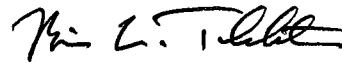
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives



## Addendum B: Preceptor Credit Assurance Committee Members

### The Preceptor Credit Assurance Committee

Organization	Member
JABSOM	Dr. Lee Buenconsejo-Lum, Interim Dean
AT Still University	Dr. Stephen Bradley
Chaminade	Dr. Pamela Smith, Associate Dean
Kaiser Residency	Dr. Jennifer Katada
DKI COP	Dr. Miriam Mobley Smith, Interim Dean
UHH Nursing	Dr. Jeanette Ayers-Kawakami, Director
UHM Nursing	Dr. Clementina Ceria-Ulep, Dean
UHH Medicine	Dr. Allison Flaim, Program Director
Tripler Medicine Residency	Dr. William Wadzinski Program Director for Internal Medicine at Tripler
HPU Nursing	Dr. Edna Magpantay-Monroe, Dean
AHEC	Dr. Kelley Withy
HSCN	Laura Reichhardt

### Advisory Members

State Department	Advisory Members (non-voting)
DOH	Lorin J. Kim
DoTax	Joshua Michaels

### Administrative Subcommittee

Organization	Staff
HSCN	Amy Ono, JD
AHEC	



Academic Subcommittee

School/Dept	Contacts
ATSU Hawai'i	Leah Asano
Chaminade	Pamela Smith Becky Yoza Dana Monday
HPU Nursing	Shante Gleaton Jo Wakayama Liane Wong
JABSOM Family Medicine Students Family Med residents	Lira Quitevis Melodi Deiner
JABSOM Geriatrics	Misty Yee Tracy Gaeth Julie Katayama
JABSOM Medical – Internam Medicine	Scott Kuwada Julieta Rajlevsky
JABSOM Obstetrics	Lisa Kellet
JABSOM Pediatrics	Mele Walawender Gaile Yano Barry Mizuo Venkataraman Balaraman
JABSOM Pre-Clinical	Risa Tanaka Kelli Higa
JABSOM HOME Clinic	Jennalynn (Jena) Agena
Kaiser Permanente Residency	Jennifer Katada Sam Kojima Shawne Mateo
TAMC/VA	Anne Marie Madrid



UHH DKICP	Lara Gomez Jarred Prudencio
UHH Nursing	Bobbi Kelii Becky D'Haem
UHM Nursing	Courtnee Nunokawa Wendy Suetsugu
Hawai'i Island Family Medicine Residency Program	Allison Flaim, DO



## Addendum C: Program Report 2019-2020



# HAWAII PRECEPTOR TAX CREDIT

## 2019 and 2020 Summary of Hawai'i Preceptor Tax Credit Program

*Preceptor Credit Assurance Committee (PCAC) Administrative Subcommittee*  
Prepared by Laura Reichhardt, APRN, AGPCNP-BC and Kelley Withy, PhD, MD

In 2018, the Legislature passed Act 43, SLH, which established preceptor tax credits for advanced practice registered nurses (APRNs), physicians (Medical Doctors, MD, and Doctors of Osteopathy, DOS) and registered pharmacists (PH) who provide clinical teaching opportunities for in-state APRN, MD, DOS, and PH students. Annually for five years, 1,500 tax credits valued at \$1,000 each may be distributed, with a maximum of five credits per individual. The preceptor may not be employed or compensated specifically to teach, must be licensed in Hawai'i, engage a primary care practice, and teach students of local education or training programs. To verify provider eligibility, the Preceptor Credit Assurance Committee created an attestation form that, upon completing it, registers the preceptor for the tax credit program. 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 January of the following year, for individuals who are registered, have met the tax credit criteria, and have met minimum thresholds for tax credits for up to five credits. In 2019 and 2020, 371 and 368 tax credits were distributed to 181 and 185 providers, respectively (Table 1).

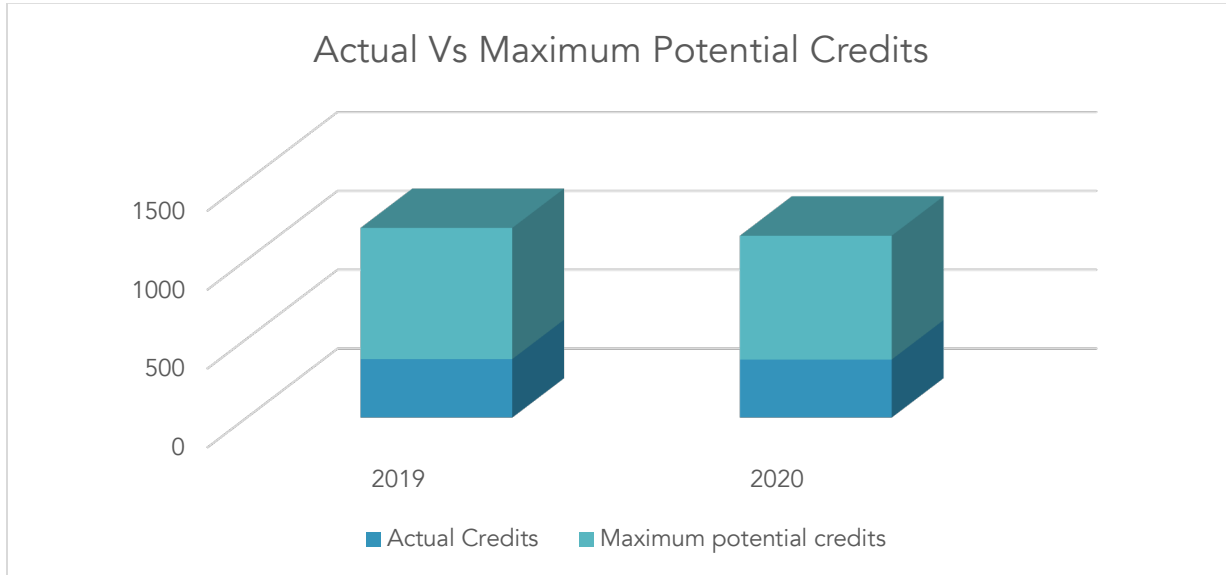
Table 1 Tax Credits by Provider Type with cost and percent allocation breakdown

License Type	Eligible Rotations	Total Credit	% of total	
<b>APRN</b>				
	2019	61	\$61,000	16%
	2020	61	\$61,000	17%
<b>DOS</b>				
	2019	13	\$13,000	4%
	2020	15	\$15,000	4%
<b>MD</b>				
	2019	277	\$277,000	75%
	2020	261	\$261,000	71%
<b>PH</b>				
	2019	20	\$20,000	5%
	2020	31	\$31,000	8%

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In a calculation of actual versus maximum potential tax credits by year, each year the Program awarded less than half of the maximum potential tax credits (Table 2). 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.

Table 2 Actual vs. Maximum Potential Tax Credits



In 2020, to address registration status and providers not teaching adequate hours to meet the preceptor tax credit thresholds, the Preceptor Credit Assurance Committee increased training to the academic partners which increased communication to the preceptors about this program and their status. Despite the huge setbacks on healthcare education experienced due to COVID-19 resulting in nearly nine months of reduced or cancelled clinical learning opportunities, relatively similar rates of tax credits were provided in 2020 as compared to the inaugural year. This shows promise that the awareness activities had positive impact.

Remaining barriers are the limitation of only including primary care providers as eligible providers for this tax credit and uncertainty as to what “compensation” means. Though many specialties train future primary care providers, they currently do not qualify for the tax credit. In 2019 and 2020 combined, 72% of the rotations recorded in the preceptor tax credit database were identified to be provided by a “primary care provider”. An additional 28% of the preceptors were identified by specialty providers (Table 3). Further, common questions to the Program’s administrative team include if an employed provider who has no change in their practice expectations, minimal change to patient schedule, or other employment duties is considered “compensated to teach”.

The measures HB 306 and SB 976, in their current forms, aim to address these remaining barriers. The first change is to allow the Preceptor Credit Assurance Committee to identify specialties that train future primary care providers and make these specialty providers also eligible for the program. The second change is to clarify the compensation language to improve understanding and confidence of the preceptors of their eligibility for this program.

Table 3 Rotation Counts and Rotation Hours by Specialty

Specialties	Rotation Count	Rotation Hours Sum	Rotation Hours, % of total
Acute	7	1532	1.18%
Ambulatory Care	18	4104	3.17%
Behavioral Health	7	1600	1.24%
Cardiology	6	613	0.47%
COMMUNITY PHARMACY	5	1200	0.93%
Dermatology	2	180	0.14%
Diabetes	14	1535	1.19%
Emergency Medicine	138	1350	1.04%
Employee Health	2	195	0.15%
Endocrinology	6	54	0.04%
Family	855	32426	25.08%
Gastroenterology	6	54	0.04%
Geriatrics	455	14340	11.09%
Home Infusion	9	2088	1.61%
Inpatient Clinical Pharmacist	6	1440	1.11%
Internal Medicine	339	24016	18.57%
Nephrology	33	1163	0.90%
OBGYN	118	5859	4.53%
Oncology	10	364	0.28%
Orthopedics	7	590	0.46%
Palliative Medicine	10	434	0.34%
Pediatrics	178	9909	7.66%
Pharmacy	1	240	0.19%
Physical Medicine and Rehabilitation	1	90	0.07%
Physician Assistant	4	475	0.37%
PRIMARY / URGENT CARE	8	1008	0.78%
Pulmonary	21	1456	1.13%
Specialty Pharmacy	8	1776	1.37%
Sports	16	348	0.27%
Wound care, vascular surgery	2	83	0.06%
Unreported	521	18793	14.53%
<b>Grand Total</b>	<b>2813</b>	<b>129315</b>	<b>100.00%</b>

Note: specialties in red are "primary care" for the purposes of the tax credit program



## Addendum D: Program Report 2021



## 2021 Summary of Hawai'i Preceptor Tax Credit Program

*Preceptor Credit Assurance Committee (PCAC) Administrative Subcommittee*

Prepared by Laura Reichhardt, APRN, AGPCNP-BC and Kelley Withy, PhD, MD

### Key Findings:

- Tax credits distribution has increased significantly since 2019:

Year	2019	2020	2021
<b>Preceptors</b>	181	185	253
<b>Tax Credits Awarded</b>	371	368	559

- In 2021, 58% of the maximum potential tax credits were awarded.
- Registration by providers into the tax credit program has increased by 76% from baseline to 2021.
- Between 2019 and 2021, there was a 29% increase in registered preceptors who taught at least one rotation, regardless to total time spent teaching.
- The Preceptor Tax Credit program is successful in growing the number of preceptors interested in and actually completing clinical education for advanced practice nurses, physicians and pharmacists.
- In 2021, 17 preceptors receiving credit were new to precepting when they registered for the Preceptor Tax Credit program. Over three years, 43 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 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.

In 2018, the Legislature passed Act 43, SLH, which established preceptor tax credits for advanced practice registered nurses (APRNs), physicians (Medical Doctors, MD, and Doctors of Osteopathy, DOS) and registered pharmacists (PH) who provide clinical teaching opportunities for in-state APRN, MD, DOS, and PH students. Annually for five years, 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 compensated specifically to teach, must be licensed in Hawai‘i, engage a primary care practice, and teach students of local education or training programs. To verify provider eligibility, the Preceptor Credit Assurance Committee created an attestation form that, upon completing it, registers the preceptor for the tax credit program. 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 January of the following year, for individuals who are registered, have met the tax credit criteria, and have met minimum thresholds for tax credits for up to five credits. In 2019 and 2020, 371 and 368 tax credits were distributed to 181 and 185 providers, respectively. In 2021, 599 tax credits were distributed to 253 providers (Table 1)

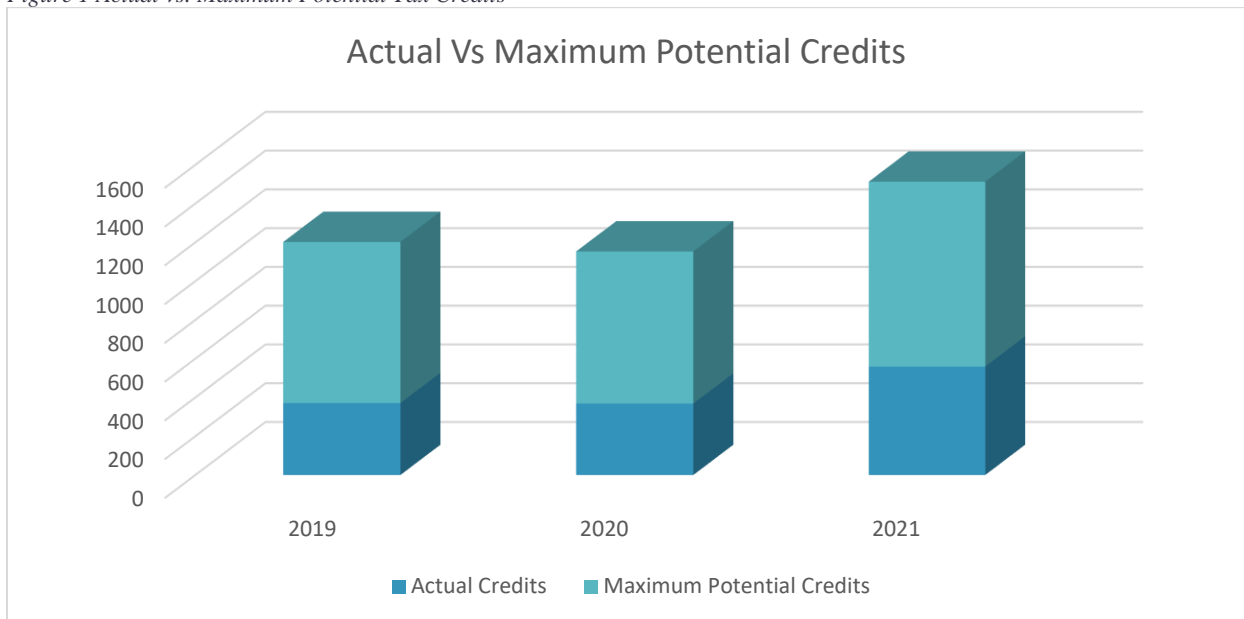
Table 1 Tax Credits by Provider Type with cost and percent allocation breakdown

License Type	Eligible Rotations	Total Credit	% of total
<b>APRN</b>			
	2019	61	\$61,000 16%
	2020	61	\$61,000 17%
	2021	72	\$72,000 13%
<b>DOS</b>			
	2019	13	\$13,000 4%
	2020	15	\$15,000 4%
		29	\$29,000 5%
<b>MD</b>			
	2019	277	\$277,000 75%
	2020	261	\$261,000 71%
	2021	443	\$443,000 79%
<b>PH</b>			
	2019	20	\$20,000 5%
	2020	31	\$31,000 8%
	2021	15	\$15,000 3%

In a calculation of actual versus maximum potential tax credits by year, each year the Program awarded less than half of the maximum potential tax credits in 2019 and 2020, with improvement in 2021 to 58% of the maximum potential tax credits being awarded (Table 2). 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.



Figure 1 Actual vs. Maximum Potential Tax Credits



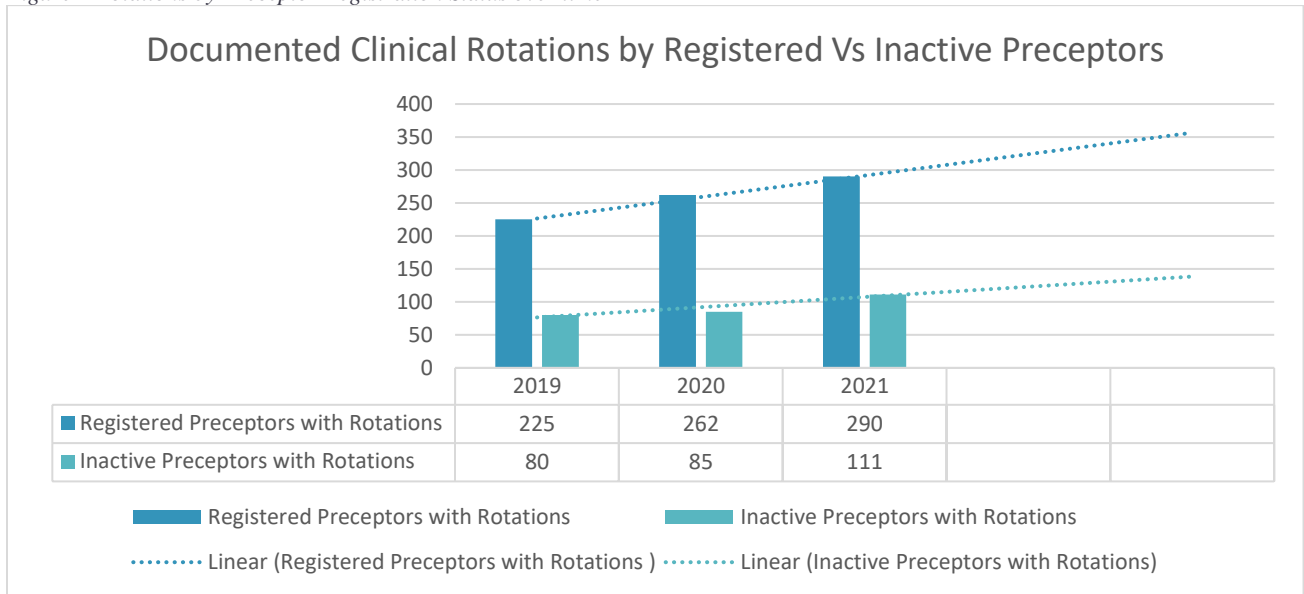
*Note: Maximum potential hours is the total hours recorded divided by 80 hours.*

In 2020, to address the low registration status and providers not teaching adequate hours to meet the preceptor tax credit thresholds, the Preceptor Credit Assurance Committee increased training to the Academic Subcommittee which increased communication to the preceptors about this program and their status. Despite the huge setbacks on healthcare education experienced due to COVID-19 resulting in nearly nine months of reduced or cancelled clinical learning opportunities, relatively similar rates of tax credits were provided in 2020 as compared to the inaugural year. This shows promise that the awareness activities had positive impact. In 2020 and 2021, the PCAC Administrative Subcommittee also sent out reports to all eligible schools with lists of preceptors who are completing rotations but have yet to register for the tax credit program and provided print flyers with information regarding the Preceptor Tax Credit Program to distribute to providers. In 2021 the state saw even greater participation, likely due, in part, to continuation of clinical education that was postponed or canceled due to the Coronavirus pandemic in 2020, as well as the awareness activities conducted by the Preceptor Credit Assurance Committee Academic and Administrative Subcommittees. Outcomes include approximately one third growth in registered preceptors and 76% change from 2019 to 2021, indicating increased awareness and interest in participation by preceptors (Table 3). From 2019 to 2021, there has also been an increase in preceptors completing clinical rotations. From 2019 to 2021, there was a 29% increase in registered preceptors who taught at least one rotation, regardless to total time spent teaching. When projected to the future, this trend is expected to continue growth (Figure 2). Both program outcomes and projections indicate that the **Preceptor Tax Credit program is successful in growing the number of preceptors interested in and actually completing clinical education for advanced practice nurses, physicians and pharmacists.**

Table 3 Registered Preceptors over time

	2019	2020	2021
<b>Registered Preceptors</b>	483	657	851
<b>% Change from year prior</b>		36%	30%

Figure 2 Rotations by Preceptor Registration Status over time



Since 2019, 85 providers have registered for the program who indicated that they have not engage in clinical precepting prior to registering. A remarkable 60% of these providers completing teaching activities between 2019 and 2021, and 51% of the total teaching enough hours to earn tax credits (Figure 3). The biggest year over year gains were between years one and two, and there is continued growth in recruiting providers who have never taught to engage in precepting and in securing education experiences with them (Table 4).

Figure 3 Rotations by Preceptor Registration Status over time

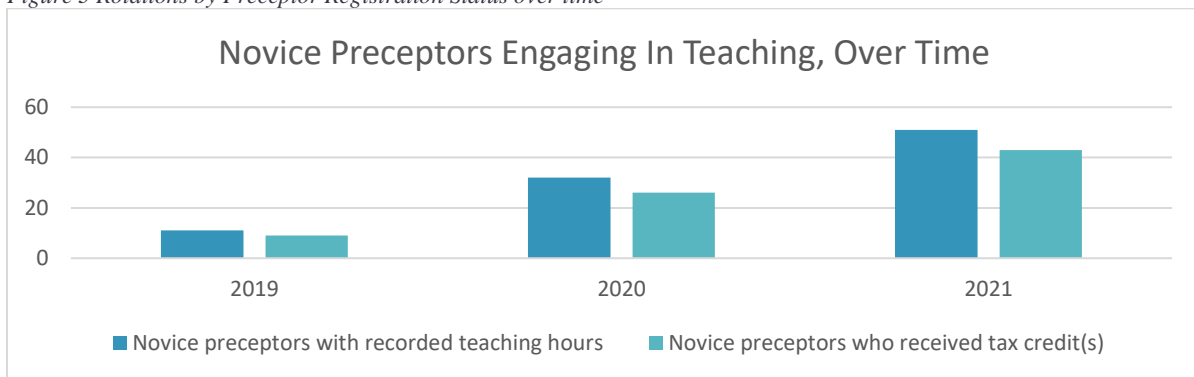


Table 4 Providers who reported being new to precepting who subsequently completed training activities

Year	2019	2020	2021
<b>Novice preceptors with recorded teaching hours</b>	11	21	19
<b><i>Cumulative total</i></b>		32	51
<b><i>Percent Change</i></b>		191%	59%
<b>Novice preceptors experience who received tax credit</b>	9	17	17
<b><i>Cumulative total</i></b>		26	43
<b><i>Percent Change</i></b>		189%	65%

Remarkably, many preceptors taught well over the maximum hours as it related to tax credit eligibility. Act 43, SLH 2018 created a maximum of 5 tax credits, which is equivalent to \$5,000 hours. Upon meeting all other eligibility standards, the number of tax credits are determined by dividing total hours taught by units of 80 hours. In 2021, while the majority (56%) taught between 80 and 319 hours, 11% of total preceptors, regardless of registration for tax credits, taught 400 or more hours.

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

<b>Tax Credit Equivalent</b>	<b>Cumulative Hours Taught by Preceptor</b>	<b>Number of Preceptors</b>	<b>Percent of total</b>
5	Over 1000 hours	4	1%
5	800-899 hours	5	1%
5	700-799 hours	4	1%
5	600-699 hours	1	0%
5	500-599 hours	8	2%
5	400-499 hours	23	6%
4	320-399 hours	30	7%
3	240-319 hours	39	10%
2	160-239 hours	93	23%
1	80-159 hours	95	24%
0	Below 80 hours	99	25%

Remaining barriers are the limitation of only including primary care providers as eligible providers for this tax credit and uncertainty as to what “compensation” means. Though many specialties train future primary care providers, they currently do not qualify for the tax credit. In 2021, 90% of the rotations recorded in the preceptor tax credit database were identified to be provided by a “primary care provider”. An additional 9% of the preceptors were identified by specialty providers (Table 3). Further, common questions to the Program’s administrative team include if an employed provider who has no change in their practice expectations, minimal change to patient schedule, or other employment duties is considered “compensated to teach”. The Preceptor Credit Assurance Committee clarified criteria under the current laws, but seeks further clarification to clearly delineate in law what otherwise cannot be clarified by committee determination.

The measures HB 1975 and SB 3208 in the 2022 Hawaii Legislature, aim to address these remaining barriers. The first change is to allow the Preceptor Credit Assurance Committee to identify specialties that train future primary care providers and make these specialty providers also eligible for the program. The second change is to clarify the compensation language to improve understanding and confidence of the preceptors of their eligibility for this program.

Table 6 Rotation Counts and Rotation Hours by Specialty

Specialty	Count of PTC Rotation: PTC Rotation Number	Sum of # of Rotation Hours	Percent of Total
<b>Behavioral Health</b>	<b>1</b>	<b>240</b>	0.38%
<b>General Medicine</b>	<b>1</b>	<b>292</b>	0.46%
<b>Ambulatory Care</b>	<b>2</b>	<b>480</b>	0.75%
<b>Critical Care</b>	<b>2</b>	<b>480</b>	0.75%
<b>Diabetes</b>	<b>2</b>	<b>170</b>	0.27%
<b>Home Infusion</b>	<b>2</b>	<b>480</b>	0.75%
<b>Infectious Disease</b>	<b>2</b>	<b>160</b>	0.25%
<b>Pulmonary</b>	<b>2</b>	<b>176</b>	0.28%
<b>Specialty Pharmacy</b>	<b>2</b>	<b>480</b>	0.75%
<b>Cardiology</b>	<b>4</b>	<b>432</b>	0.68%
<b>Clinical Pharmacy</b>	<b>4</b>	<b>960</b>	1.51%
<b>Gastroenterology</b>	<b>4</b>	<b>22</b>	0.03%
<b>Orthopedics</b>	<b>4</b>	<b>339</b>	0.53%
<b>Osteopathic Manipulative Medicine</b>	<b>5</b>	<b>320</b>	0.50%
<b>Urgent Care</b>	<b>11</b>	<b>1239</b>	1.95%
<b>Multiple Specialties</b>	<b>12</b>	<b>1704</b>	2.68%
<b>Oncology/Hematology</b>	<b>12</b>	<b>1033</b>	1.62%
<b>Sports Medicine</b>	<b>17</b>	<b>384</b>	0.60%
<b>Palliative Medicine</b>	<b>20</b>	<b>604</b>	0.95%
<b>OB/GYN/Women’s Health</b>	<b>48</b>	<b>4169</b>	6.55%
<b>Pediatrics</b>	<b>91</b>	<b>7110</b>	11.18%
<b>Geriatrics</b>	<b>186</b>	<b>6524</b>	10.26%
<b>Emergency Medicine</b>	<b>275</b>	<b>1042</b>	1.64%
<b>Internal Medicine</b>	<b>333</b>	<b>13739</b>	21.60%
<b>Family</b>	<b>807</b>	<b>21031</b>	33.06%
<b>Grand Total</b>	<b>1849</b>	<b>63610</b>	<b>100%</b>
<b>Specialties, combined</b>	<b>322</b>	<b>6278</b>	<b>9.87%</b>

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



Addendum E: Program Report 2022



## 2022 Summary of Hawai'i Preceptor Tax Credit Program

*Preceptor Credit Assurance Committee (PCAC) Administrative Subcommittee*

Prepared by Laura Reichhardt, APRN, AGPCNP-BC and Kelley Withy, PhD, MD

### Key Findings:

- Tax credits distribution has increased significantly since 2019:

Year	2019	2020	2021	2022
<b>Preceptors</b>	181	190	261	301
<b>Tax Credits Awarded</b>	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
<b>Preceptors</b>	181	190	261	301
<b>Tax Credits Awarded</b>	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

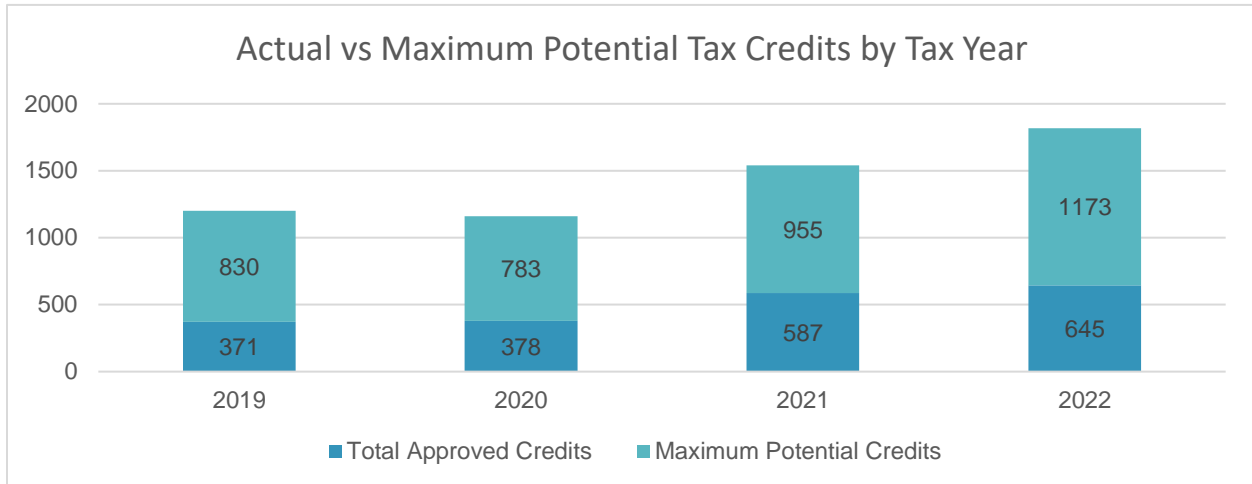
License Type	Tax Year	Eligible Rotations	Total Credit	% of annual total
<b>APRN</b>				
	2019	61	\$61,000.00	16%
	2020	62	\$62,000.00	16%
	2021	75	\$75,000.00	13%
	2022	116	\$116,000.00	18%
<b>DOS</b>				
	2019	13	\$13,000.00	4%
	2020	15	\$15,000.00	4%
	2021	30	\$30,000.00	5%
	2022	43	\$43,000.00	7%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

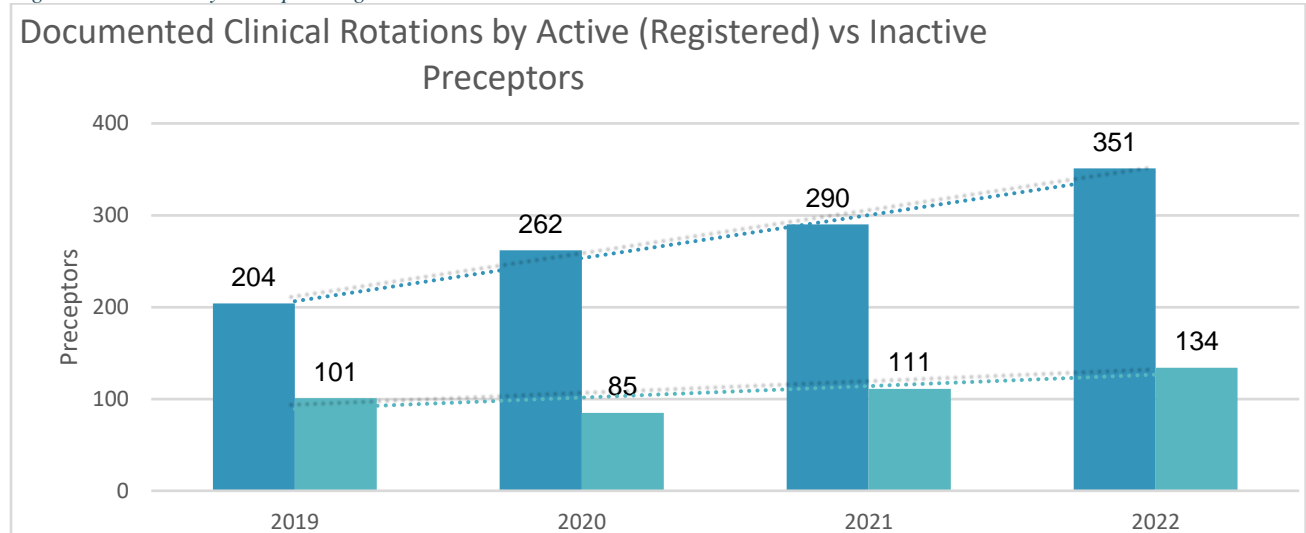
	2019	2020	2021	2022
<b>Active Preceptors - Total</b>	375	503	626	736
<b>Percent Change</b>		34%	24%	18%
Percent change from 2019				96%
<b>Subset of Active Preceptors - Total</b>				
<b>Active Preceptors with Rotations</b>	204	262	290	351
<b>% Preceptors Engage in Precepting</b>	54%	52%	46%	48%
Percent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

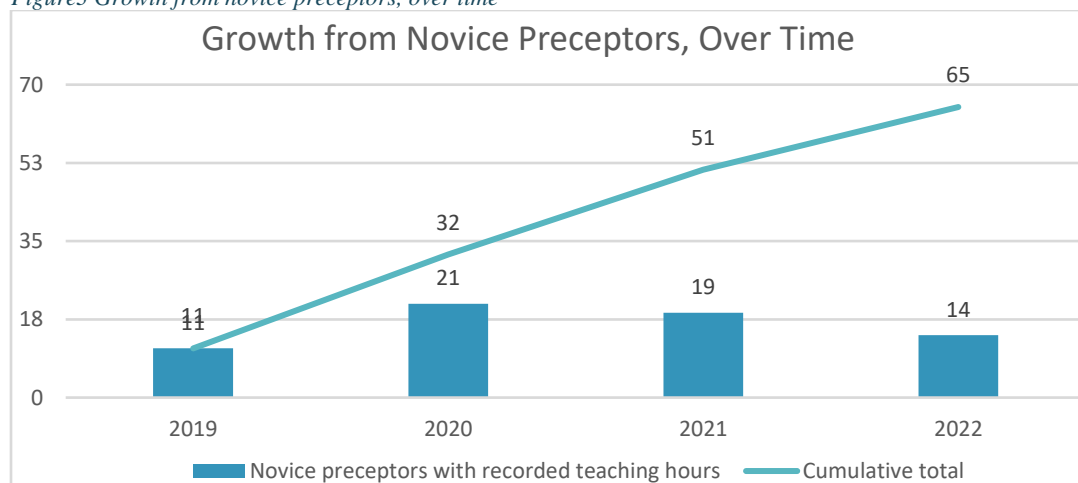
### New Preceptors

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
<b>Preceptors with no history or record of precepting</b>	74	53	34	20
<i>Cumulative total</i>	74	127	161	181
<i>Percent Change</i>		42%	54%	59%
<b>Novice preceptors with recorded teaching hours</b>	11	21	19	14
<i>Cumulative total</i>	11	32	51	65
<i>Percent Change</i>		66%	78%	83%
<b>Novice preceptors experience who received tax credit</b>	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%
<b>Total</b>		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



<b>Rheumatology</b>	<b>2</b>	<b>320</b>	<b>0.34%</b>	<b>Specialty</b>
<b>Specialty Pharmacy</b>	<b>4</b>	<b>960</b>	<b>1.02%</b>	<b>Specialty</b>
<b>Sports Medicine</b>	29	1047	1.12%	Primary Care
<b>Undisclosed</b>	<b>453</b>	<b>15500</b>	<b>16.52%</b>	<b>Specialty</b>
<b>Urgent Care</b>	2	366	0.39%	Primary Care
<b>GRAND TOTAL</b>	2864	93854	100.00%	
<b>Specialties, Combined</b>	<b>827</b>	<b>23228</b>	<b>25%</b>	
<b>Primary Care, Combined</b>	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 revenue<sup>1</sup>. A 2018 American Medical Association economic analysis found that physicians in

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<sup>1</sup> 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 revenue<sup>2</sup>.

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. <sup>i</sup>
        - 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)

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<sup>2</sup> 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.

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<sup>i</sup> Hawaii'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\*