

Honolulu, Hawaii

APR 26 2018

RE: S.B. No. 2298
S.D. 2
H.D. 3
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2298, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to incentivize volunteer preceptors who offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers by:

- (1) Providing a tax credit to volunteer preceptors; and
- (2) Establishing a Preceptor Credit Assurance Committee to develop and implement the allocation and distribution of certifications for the tax credit.



Your Committee on Conference finds that there is a shortage of primary care providers in the State which will be exacerbated by the projected retirements of current physicians, advanced practice registered nurses, and pharmacists. Your Committee on Conference further finds that although students are interested in pursuing careers in the healthcare service industry in Hawaii, in-state educational institutions are constrained by the lack of clinical education sites in Hawaii and the limited supply of qualified primary care preceptors. Your Committee on Conference further finds that one way to encourage participation of preceptors is to offer a tax credit for professionals who serve as preceptors.

However, your Committee on Conference also notes that the costs of this program may be high and uncertain. Accordingly, your Committee on Conference finds it prudent to offer the tax credit only to those primary care practitioners serving as preceptors for advanced practice registered nursing students, medical students, and pharmacy students at this time, limit the annual aggregate amount of tax credits that may be awarded to \$1,500,000, evaluate the effectiveness and cost of the tax credit, and then determine whether the tax credit should be expanded to preceptors for other valuable health care professions.

Your Committee on Conference has amended this measure by:

- (1) Reverting to the S.D. 2 version, which:
 - (A) Provides to healthcare professionals who volunteer as preceptors for advanced practice registered nursing students, medical students, and pharmacy students a tax credit of \$1,000 per rotation, up to a maximum of \$5,000 per taxable year, with an annual aggregate tax credit cap of \$2,000,000;
 - (B) Creates a Preceptor Credit Assurance Committee within the Department of Health to implement the tax credit program and certify the tax credit; and
 - (C) Requires the Department of Health to evaluate the efficacy of the tax credit and submit a report to the Legislature no later than June 30, 2024; and
- (2) Further amending this measure by:



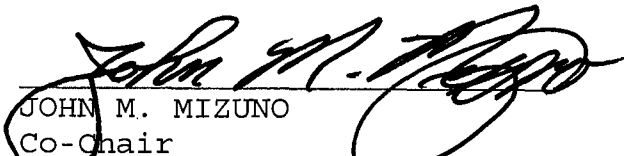
- (A) Deleting the requirement that eligible students be residents of Hawaii and deleting the definition of "resident of Hawaii";
- (B) Amending the definition of "primary care"; and
- (C) Decreasing the annual aggregate amount of tax credits that may be certified in a taxable year to \$1,500,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2298, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2298, S.D. 2, H.D. 3, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

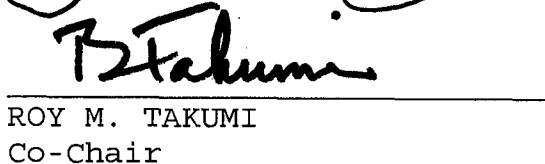
ON THE PART OF THE SENATE



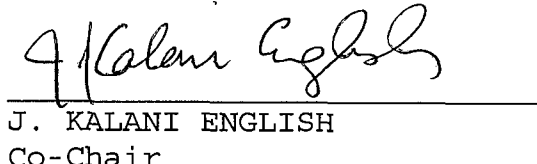
 JOHN M. MIZUNO
 Co-Chair



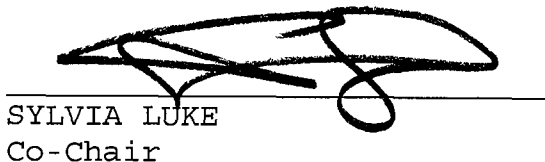
 ROSALYN H. BAKER
 Chair



 ROY M. TAKUMI
 Co-Chair



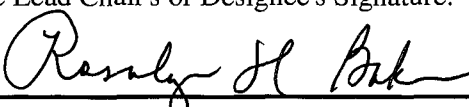
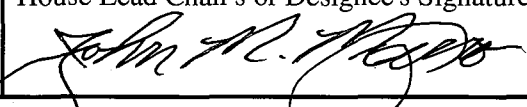
 J. KALANI ENGLISH
 Co-Chair



 SYLVIA LUKE
 Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2298, SD 2, HD 3					Date/Time: 4-23-18 10:55A				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				MIZUNO, John M., Co-Chr.	✓			
ENGLISH, J. Kalani, Co-Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓			
NISHIHARA, Clarence K.	✓				LUKE, Sylvia, Co-Chr.	✓			
RUDERMAN, Russell E.	✓				KOBAYASHI, Bertrand	✓			
TOKUDA, Jill N.	✓				TUPOLA, Andria P.L.				✓
TOTAL	5	-	-	-	TOTAL	4	-	-	1
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution: Original		Yellow			Pink		Goldenrod		
File with Conference Committee Report		House Clerk's Office			Senate Clerk's Office		Drafting Agency		