
A BILL FOR AN ACT

RELATING TO HEALTH CARE PRECEPTORS.

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

1 SECTION 1. The legislature finds that there is a shortage
2 of primary care providers in the State, which will be
3 exacerbated by the projected retirements of current physicians,
4 advanced practice registered nurses, and pharmacists. Training
5 for primary care requires precepting experiences with both
6 primary care providers and specialist providers. Although
7 students from Hawaii are interested in pursuing careers in the
8 health care service industry in Hawaii, in-state educational
9 institutions are constrained by the lack of clinical education
10 sites in Hawaii and limited supply of qualified preceptors. One
11 way to encourage the participation of preceptors is to offer an
12 income tax credit for health care professionals who serve as
13 preceptors.

14 The purpose of the existing health care preceptor income
15 tax credit established under section 235-110.25, Hawaii Revised
16 Statutes, is to incentivize volunteer preceptors to offer
17 professional instruction, training, and supervision to students



1 and residents seeking careers as health care providers. During
2 the first-year implementation of the tax credit, a large number
3 of providers trained eligible students in 2019, but only a small
4 subset met the eligibility requirements due to the primary care
5 qualifying criteria.

6 The legislature further finds that training physicians,
7 advanced practice registered nurses, and pharmacists in primary
8 care requires training from specialties that support primary
9 care, in addition to training from primary care providers. The
10 legislature also finds that the compensation limits for a
11 preceptor providing a volunteer-based supervised clinical
12 training rotation should be clarified to facilitate the
13 preceptor credit assurance committee's implementation of the tax
14 credit.

15 Therefore, the purpose of this Act is to:

- 16 (1) Clarify the limits of when a preceptor may be
17 compensated for the provision of standard clinical
18 services while providing a volunteer-based supervised
19 clinical training rotation;



1 (2) Amend the definition of "preceptor" to include
2 specialty providers who support the development and
3 training of students in primary care; and

4 (3) Amend the membership of the preceptor credit assurance
5 committee to include the director of health.

6 SECTION 2. Section 235-110.25, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending its title and subsections (a) and (b) to
9 read:

10 "[~~§~~235-110.25~~]~~—~~Healthcare~~ Health care preceptor tax

11 **credit.** (a) There shall be allowed to each taxpayer subject to
12 the tax imposed by this chapter, a [~~healthcare~~] health care
13 preceptor tax credit that shall be deductible from the
14 taxpayer's net income tax liability, if any, imposed by this
15 chapter for the taxable year in which the credit is properly
16 claimed.

17 (b) The amount of the credit shall be equal to \$1,000 for
18 each volunteer-based supervised clinical training rotation
19 supervised by the taxpayer, up to a maximum of \$5,000 per
20 taxable year, regardless of the number of volunteer-based
21 supervised clinical training rotations supervised by the



1 taxpayer. A taxpayer who is a preceptor may be compensated for
2 providing standard clinical services; provided that the taxpayer
3 shall be uncompensated for the volunteer-based supervised
4 clinical training rotation:

5 (1) Above or beyond clinical salary or reimbursements for
6 clinical services; or

7 (2) From tuition funds or state general funds."

8 2. By amending subsection (g) to read:

9 "(g) For the purposes of this section:

10 "Academic program" means an academic degree granting
11 program or graduate medical education program that:

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

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

16 "Advanced practice registered nurse student" means an
17 individual participating in a nationally accredited academic
18 program that is for the education of advanced practice
19 registered nurses and recognized by the state board of nursing
20 pursuant to chapter 457.



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

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

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

17 "Nationally accredited" means holding an institutional
18 accreditation by name to offer post-secondary medical primary
19 care education. Accreditation for medical students shall be
20 offered by the Liaison Committee on Medical Education or
21 American Osteopathic Association Commission on Osteopathic



1 College Accreditation. Accreditation for advanced practice
2 registered nurse students shall be offered by the Commission on
3 Collegiate Nursing Education.

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

8 "Preceptor" means a physician or osteopathic physician~~[7]~~
9 licensed pursuant to chapter 453, an advanced practice
10 registered nurse~~[7]~~ licensed pursuant to chapter 457, or a
11 pharmacist~~[7]~~ licensed pursuant to chapter 461, who is a
12 resident of Hawaii ~~[and who]~~, maintains a professional [~~primary~~
13 ~~care~~] practice in this State~~[7]~~, and whose specialty supports
14 the development and training of an eligible student in primary
15 care.

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



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

8 SECTION 3. Section 321-2.7, Hawaii Revised Statutes, is
 9 amended as follows:

10 1. By amending subsections (a) and (b) to read:

11 "(a) There is established the preceptor credit assurance
 12 committee within the department of health. The committee shall
 13 develop and implement a plan for certifying [~~healthcare~~] health
 14 care preceptor tax credits under section 235-110.25, including:

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

19 (2) Developing the documentation process for the committee
 20 to certify a preceptor for the tax credit; provided
 21 that the documentation to be collected shall include:



1 (A) The preceptor's name, address, place of practice,
2 and Hawaii provider license number;

3 (B) Dates and hours of volunteer-based supervised
4 clinical training rotation per eligible student;

5 (C) Attestation that the preceptor is uncompensated
6 for the volunteer-based supervised clinical
7 training rotation[~~;~~and]:

8 (i) Above or beyond clinical salary or
9 reimbursements for clinical services; or

10 (ii) From tuition funds or state general funds;

11 (D) Itemized specialties that support the development
12 and training of the eligible student in primary
13 care; and

14 [~~(D)~~] (E) Other information deemed necessary by the
15 committee.

16 (b) The committee shall be composed of [~~representatives~~
17 ~~of~~]:

18 (1) The director of health or the director's designee; and

19 (2) Representatives of:

20 [~~(1)~~] (A) The Hawaii/Pacific basin area health education
21 center;



1 [~~2~~](B) The center for nursing; and
 2 [~~3~~](C) Academic programs with eligible students."

3 2. By amending subsection (e) to read:

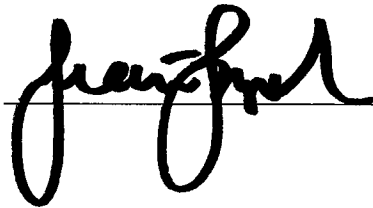
4 "(e) As used in this section, "academic program",
 5 "eligible student", "preceptor", "primary care", and "volunteer-
 6 based supervised clinical training rotation" shall have the same
 7 meanings as in section 235-110.25."

8 SECTION 4. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act, upon its approval, shall apply to
 11 taxable years beginning after December 31, 2022.

12

INTRODUCED BY:



JAN 17 2023



H.B. NO. 82

Report Title:

Health Care Preceptor Tax Credit; Preceptor Credit Assurance
Committee

Description:

Expands eligibility for the health care preceptor tax credit by clarifying that preceptors may be compensated for standard clinical services and including specialties that support the development and training of students in primary care. Includes the director of health on the preceptor credit assurance committee.

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