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# A BILL FOR AN ACT

RELATING TO HEALTHCARE 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 health care providers in the State, particularly primary care  
3 providers, which will be exacerbated by the projected retirement  
4 of current physicians, advanced practice registered nurses,  
5 pharmacists, and other healthcare workers. Further, although  
6 students are interested in pursuing careers in Hawaii's health  
7 care service industry, in-state educational institutions are  
8 constrained by the lack of clinical education sites in the State  
9 and the limited supply of qualified preceptors. One way to  
10 encourage the participation of preceptors is to offer an income  
11 tax credit for health care professionals who serve as  
12 preceptors.

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



1 State. During the implementation of the tax credit, many  
2 providers trained eligible students, but only a small subset met  
3 the eligibility requirements due to the primary care qualifying  
4 criterion for the preceptor.

5 Thus, the legislature recognizes that programs training  
6 physicians, advanced practice registered nurses, pharmacists,  
7 and physician assistants in primary care also require training  
8 from specialty preceptors who support primary care, in addition  
9 to training from primary care providers. The legislature  
10 further recognizes that the healthcare workforce has shortages  
11 that extend beyond the current professions included in the tax  
12 credit whose workforce expansion is also limited by available  
13 preceptors, including social workers, physician assistants, and  
14 registered dietitians. The legislature also finds that the  
15 definition of "volunteer-based supervised clinical training  
16 rotation" may be clarified to facilitate the preceptor credit  
17 assurance committee's implementation of the tax credit.

18 Therefore, the purpose of this Act is to:

- 19 (1) Amend the definitions of "preceptor" and  
20 "volunteer-based supervised clinical training



- 1 rotation" to improve accessibility for providers to  
2 receive income tax credits for acting as preceptors;
- 3 (2) Add physician assistants, social workers, and licensed  
4 dieticians to the list of preceptors; provided that  
5 any recognized preceptor may train any eligible  
6 student to become eligible for the preceptor tax  
7 credit;
- 8 (3) Include physician assistant, dietitian, and social  
9 work students in the definition of eligible students;  
10 and
- 11 (4) Revise the membership of the preceptor credit  
12 assurance committee to include the director of health.

13 SECTION 2. Section 235-110.25, Hawaii Revised Statutes, is  
14 amended by amending subsection (g) to read as follows:

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

16 "Academic program" means an academic degree granting  
17 program or graduate medical education program that:

- 18 (1) Holds either its principal accreditation or a physical  
19 location in Hawaii; and
- 20 (2) Provides education to students, of whom more than  
21 fifty per cent are residents of Hawaii.



1 "Advanced practice registered nurse student" means an  
2 individual participating in a nationally accredited academic  
3 program that is for the education of advanced practice  
4 registered nurses and recognized by the state board of nursing  
5 pursuant to chapter 457.

6 "Behavioral health care" means the principal point of  
7 continuing care for patients provided by a mental healthcare  
8 provider, including health promotion, disease prevention, health  
9 maintenance, counseling, patient education, diagnosis and  
10 treatment of mental health conditions, and coordination of other  
11 specialist care that the patient may need.

12 "Dietician student" means an individual participating in an  
13 academic program that is nationally accredited for the training  
14 of individuals to become licensed dieticians pursuant to chapter  
15 448B.

16 "Eligible professional degree or training certificate"  
17 means a degree or certificate that fulfills a requirement to be  
18 a physician [~~or~~], osteopathic physician, or physician assistant,  
19 pursuant to chapter 453[~~r~~]; an advanced practice registered  
20 nurse, pursuant to chapter 457[~~r~~ or]; a pharmacist, pursuant to



1 chapter 461[~~+~~]; a dietician, pursuant to 448B; or a social  
2 worker, pursuant to chapter 467E.

3 "Eligible student" means an advanced practice registered  
4 nurse student, medical student, [~~or~~] pharmacy student, physician  
5 assistant student, dietician student, or social work student,  
6 who is enrolled in an academic program.

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

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



1 Collegiate Nursing Education. Accreditation for pharmacy  
2 students shall be offered by the Accreditation Council for  
3 Pharmacy Education. Accreditation for physician assistant  
4 students shall be offered by the Accreditation Review Commission  
5 on Education for the Physician Assistant, Inc. Accreditation  
6 for social work students shall be offered by the Council on  
7 Social Work Education. Accreditation for dietician students  
8 shall be offered by the Accreditation Council for Education in  
9 Nutrition and Dietetics.

10 "Pharmacy student" means an individual participating in an  
11 academic program that is nationally accredited for the training  
12 of individuals to become registered pharmacists pursuant to  
13 chapter 461.

14 "Physician assistant student" means an individual  
15 participating in an academic program that is nationally  
16 accredited for the education of physician assistants to become a  
17 nationally certified and licensed physician assistant pursuant  
18 to section 453-5.3.

19 "Preceptor" means a physician [~~or~~], osteopathic physician,  
20 or physician assistant, licensed pursuant to chapter 453[~~r~~]; an  
21 advanced practice registered nurse, licensed pursuant to chapter



1 457[~~r~~]; a licensed dietician, licensed pursuant to 448B; a  
2 social worker, licensed pursuant to chapter 467E; or a  
3 pharmacist, licensed pursuant to chapter 461, who is a resident  
4 of Hawaii [~~and who~~], maintains a professional [~~primary care~~  
5 practice in [~~this~~] the State[~~-~~], and whose specialty supports  
6 the development and training of an eligible student in primary  
7 care or behavioral health care.

8 "Primary care" means the principal point of continuing care  
9 for patients provided by a healthcare provider, including health  
10 promotion, disease prevention, health maintenance, counseling,  
11 patient education, diagnosis and treatment of acute and chronic  
12 illnesses, and coordination of other specialist care that the  
13 patient may need.

14 "Social work student" means an individual participating in  
15 an academic program that is nationally accredited for the  
16 training of individuals to become a social worker licensed  
17 pursuant to chapter 467E.

18 "Volunteer-based supervised clinical training rotation"  
19 means [~~an uncompensated~~] a period of supervised clinical  
20 training [~~of~~] to an eligible student that totals at least eighty  
21 hours of supervisory time annually, in which a preceptor



1 provides personalized instruction, training, and supervision to  
2 an eligible student to enable the eligible student to obtain an  
3 eligible professional degree or training certificate[-];  
4 provided that, while a preceptor may be compensated for  
5 providing standard clinical services, the preceptor shall be:  
6 (1) Uncompensated for the clinical training above or  
7 beyond clinical salary or reimbursements for clinical  
8 services; or  
9 (2) Uncompensated for the provision of clinical training  
10 services from tuition funds or from state general  
11 funds."

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

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

15 "(a) There is established the preceptor credit assurance  
16 committee within the department of health. The committee shall  
17 develop and implement a plan for certifying healthcare preceptor  
18 tax credits under section 235-110.25, including:

19 (1) Developing a process ensuring that requests for credit  
20 certification are reviewed and verifications are





1 processed no later than thirty days following the  
2 close of each calendar year; and  
3 (2) Developing the documentation process for the committee  
4 to certify a preceptor for the tax credit; provided  
5 that the documentation to be collected shall include:  
6 (A) The preceptor's name, address, place of practice,  
7 and Hawaii provider license number;  
8 (B) Dates and hours of volunteer-based supervised  
9 clinical training rotation per eligible student;  
10 (C) Attestation that the preceptor is uncompensated  
11 for the volunteer-based supervised clinical  
12 training rotation; [~~and~~] provided that, if the  
13 preceptor is compensated for providing standard  
14 clinical services, attestation that the preceptor  
15 is:  
16 (i) Uncompensated for the clinical training  
17 above or beyond clinical salary or  
18 reimbursements for clinical services; or  
19 (ii) Uncompensated for the provision of clinical  
20 training services from tuition funds or from  
21 state general funds;





1 training rotation" shall have the same meanings as in  
2 section 235-110.25."

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

5 SECTION 5. This Act shall take effect on December 31,  
6 2050; provided that section 2 of this Act shall apply to taxable  
7 years beginning after December 31, 2023.



**Report Title:**

Healthcare Preceptors; Preceptor Tax Credit

**Description:**

Amends the preceptor tax credit law to expand access to the program and to make it easier for preceptors to access tax credits under the program. Adds the Director of Health to the preceptor credit assurance committee. Effective 12/31/2050.  
(SD2)

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