
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 "volunteer-
20 based supervised clinical training rotation" to



1 improve accessibility for providers to receive income
2 tax credits for acting as preceptors;

3 (2) Add physician assistants, social workers, and licensed
4 dietitians 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 worker students in the definition of eligible
10 students; 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 "Dietician student" means an individual participating in an
7 academic program that is nationally accredited for the training
8 of individuals to become licensed dieticians pursuant to chapter
9 448B.

10 "Eligible professional degree or training certificate"
11 means a degree or certificate that fulfills a requirement to be
12 a physician, [e] osteopathic physician, or physician assistant,
13 pursuant to chapter 453 [7]; an advanced practice registered
14 nurse, pursuant to chapter 457 [7, e]; a pharmacist, pursuant to
15 chapter 461 [7], dietician, pursuant to 448B; or social worker,
16 pursuant to chapter 467E.

17 "Eligible student" means an advanced practice registered
18 nurse student, medical student, [e] pharmacy student, physician
19 assistant student, dietician student, or social work student,
20 who is enrolled in an academic program.



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

9 "Nationally accredited" means holding an institutional
10 accreditation by name to offer post-secondary medical primary
11 care education. Accreditation for medical students shall be
12 offered by the Liaison Committee on Medical Education or
13 American Osteopathic Association Commission on Osteopathic
14 College Accreditation. Accreditation for advanced practice
15 registered nurse students shall be offered by the Commission on
16 Collegiate Nursing Education. Accreditation for pharmacy
17 students shall be offered by the Accreditation Council for
18 Pharmacy Education. Accreditation for physician assistant
19 students shall be offered by the Accreditation Review Commission
20 on Education for the Physician Assistant, Inc. Accreditation
21 for social work students shall be offered by the Council on



1 Social Work Education. Accreditation for dietician students
2 shall be offered by the Accreditation Council for Education in
3 Nutrition and Dietetics.

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 "Physician assistant student" means an individual
9 participating in an academic program that is nationally
10 accredited for the education of physician assistants to become a
11 nationally certified and licensed physician assistant pursuant
12 to section 453-5.3.

13 "Preceptor" means a physician [~~or~~], osteopathic physician,
14 or physician assistant, licensed pursuant to chapter 453[7]; an
15 advanced practice registered nurse, licensed pursuant to chapter
16 457[7]; licensed dietician, licensed pursuant to 448B; social
17 worker, licensed pursuant to chapter 467E; or a pharmacist,
18 licensed pursuant to chapter 461, who is a resident of Hawaii
19 [and who], maintains a professional [primary care] practice in
20 [this] the State[-], and whose specialty supports the
21 development and training of an eligible student in primary care.



1 "Primary care" means the principal point of continuing care
2 for patients provided by a healthcare provider, including health
3 promotion, disease prevention, health maintenance, counseling,
4 patient education, diagnosis and treatment of acute and chronic
5 illnesses, and coordination of other specialist care that the
6 patient may need.

7 "Social work student" means an individual participating in
8 an academic program that is nationally accredited for the
9 training of individuals to become a social worker licensed
10 pursuant to chapter 467E.

11 "Volunteer-based supervised clinical training rotation"
12 means [~~an uncompensated~~] a period of supervised clinical
13 training [~~of~~] to an eligible student that totals at least eighty
14 hours of supervisory time annually, in which a preceptor
15 provides personalized instruction, training, and supervision to
16 an eligible student to enable the eligible student to obtain an
17 eligible professional degree or training certificate[-];
18 provided that, while a preceptor may be compensated for
19 providing standard clinical services, the preceptor shall be:



- 1 (1) Uncompensated for the clinical training above or
- 2 beyond clinical salary or reimbursements for clinical
- 3 services; or
- 4 (2) Uncompensated for the provision of clinical training
- 5 services from tuition funds or from state general
- 6 funds."

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

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

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

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

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



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- 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~~ provided that, if the
8 preceptor is compensated for providing standard
9 clinical services, attestation that the preceptor
10 is:
 - 11 (i) Uncompensated for the clinical training
12 above or beyond clinical salary or
13 reimbursements for clinical services; or
 - 14 (ii) Uncompensated for the provision of clinical
15 training services from tuition funds or from
16 state general funds;
- 17 (D) Itemized specialties that support the development
18 and training of the eligible student in primary
19 care; and
- 20 ~~(D)~~ (E) Other information deemed necessary by the
21 committee.



1 (b) The committee shall be composed of [~~representatives~~
2 ~~of~~] :

3 (1) [~~The Hawaii/Pacific basin area health education~~
4 ~~center,~~] The director of health or the director's
5 designee; and

6 (2) [~~The center for nursing; and~~] Representatives of:

7 (A) The Hawaii/Pacific basin area health education
8 center;

9 (B) The center for nursing; and

10 (C) Academic programs with eligible students.

11 [~~(3) Academic programs with eligible students.] "~~

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

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

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



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1 SECTION 5. This Act shall take effect on July 1, 2023;
2 provided that section 2 of this Act shall apply to taxable years
3 beginning after December 31, 2023.

4

INTRODUCED BY: _____



JAN 25 2023



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Report Title:

Healthcare Preceptors; Preceptor Tax Credit

Description:

Expands the definition of preceptor to allow for improved accessibility for providers to receive income tax credits.

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