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# 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 health care providers in the State, particularly primary care  
3 providers, which will be exacerbated by the projected  
4 retirements of current physicians, advanced practice registered  
5 nurses, pharmacists, and other health care workers.  
6 Furthermore, although students are interested in pursuing  
7 careers in Hawaii's health care service industry, in-state  
8 educational institutions are constrained by the lack of clinical  
9 education sites in the State and the limited supply of qualified  
10 preceptors. One way to encourage the participation of  
11 preceptors is to offer an income tax credit for health care  
12 professionals who serve as 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 health care 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" can 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 licensed dietitians, physician assistants, and  
4 social workers, to the list of preceptors; provided  
5 that any recognized preceptor may train any eligible  
6 student to become eligible for the preceptor tax  
7 credit;

8 (3) Include dietitian, physician assistant, and social  
9 worker students in the definition of "eligible  
10 student"; 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 as follows:

15 1. By amending its title and subsection (a) to read:

16 "~~[+]§235-110.25[+]—Healthcare]~~ **Health care preceptor tax**  
17 **credit.** (a) There shall be allowed to each taxpayer subject to  
18 the tax imposed by this chapter, a ~~[healthcare]~~ health care  
19 preceptor tax credit that shall be deductible from the  
20 taxpayer's net income tax liability, if any, imposed by this



1 chapter for the taxable year in which the credit is properly  
2 claimed."

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

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

5 "Academic program" means an academic degree granting  
6 program or graduate medical education program that:

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

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

11 "Advanced practice registered nurse student" means an  
12 individual participating in a nationally accredited academic  
13 program that is for the education of advanced practice  
14 registered nurses and recognized by the state board of nursing  
15 pursuant to chapter 457.

16 "Dietician student" means an individual participating in an  
17 academic program that is nationally accredited for the training  
18 of individuals to become licensed dietitians pursuant to chapter  
19 448B.

20 "Eligible professional degree or training certificate"  
21 means a degree or certificate that fulfills a requirement to be



1 a dietician, pursuant to chapter 448B; a physician, [e#]  
2 osteopathic physician, or physician assistant, pursuant to  
3 chapter 453[7]; an advanced practice registered nurse, pursuant  
4 to chapter 457[7-#]; a pharmacist, pursuant to chapter 461[7];  
5 or social worker, pursuant to chapter 467E.

6 "Eligible student" means an advanced practice registered  
7 nurse student, dietician student, medical student, [e#] pharmacy  
8 student, physician assistant student, or social work student,  
9 who is enrolled in an academic program.

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

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



1 American Osteopathic Association Commission on Osteopathic  
2 College Accreditation. Accreditation for advanced practice  
3 registered nurse students shall be offered by the Commission on  
4 Collegiate Nursing Education. Accreditation for pharmacy  
5 students shall be offered by the Accreditation Council for  
6 Pharmacy Education. Accreditation for physician assistant  
7 students shall be offered by the Accreditation Review Commission  
8 on Education for the Physician Assistant, Inc. Accreditation  
9 for social work students shall be offered by the Council on  
10 Social Work Education. Accreditation for dietician students  
11 shall be offered by the Accreditation Council for Education in  
12 Nutrition and Dietetics.

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

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



1 "Preceptor" means a dietician, licensed pursuant to 448B; a  
2 physician [~~or~~], osteopathic physician, or physician assistant,  
3 licensed pursuant to chapter 453[7]; an advanced practice  
4 registered nurse, licensed pursuant to chapter 457[7-~~or~~]; a  
5 pharmacist, licensed pursuant to chapter 461[7]; or a social  
6 worker, licensed pursuant to chapter 467E, who is a resident of  
7 Hawaii [~~and who~~], maintains a professional [~~primary care~~  
8 practice in [~~this~~] the State[7], and whose specialty supports  
9 the development and training of an eligible student in primary  
10 care.

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

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



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 provided that, while a preceptor may be compensated for  
 9 providing standard clinical services, the preceptor shall be:

- 10 (1) Uncompensated for the clinical training above or  
 11 beyond clinical salary or reimbursements for clinical  
 12 services; or
- 13 (2) Uncompensated for the provision of clinical training  
 14 services from tuition funds or from state general  
 15 funds."

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

- 18 1. By amending subsections (a) and (b) to read:
- 19 "(a) There is established the preceptor credit assurance  
 20 committee within the department of health. The committee shall



1 develop and implement a plan for certifying [~~healthcare~~] health  
2 care preceptor tax credits under section 235-110.25, including:  
3 (1) Developing a process ensuring that requests for credit  
4 certification are reviewed and verifications are  
5 processed no later than thirty days following the  
6 close of each calendar year; and  
7 (2) Developing the documentation process for the committee  
8 to certify a preceptor for the tax credit; provided  
9 that the documentation to be collected shall include:  
10 (A) The preceptor's name, address, place of practice,  
11 and Hawaii provider license number;  
12 (B) Dates and hours of volunteer-based supervised  
13 clinical training rotation per eligible student;  
14 (C) Attestation that the preceptor is uncompensated  
15 for the volunteer-based supervised clinical  
16 training rotation; [~~and~~] provided that if the  
17 preceptor is compensated for providing standard  
18 clinical services, attestation that the preceptor  
19 is:



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

7 (D) Itemized specialties that support the development  
 8 and training of the eligible student in primary  
 9 care; and

10 [~~(D)~~] (E) Other information deemed necessary by the  
 11 committee.

12 (b) The committee shall be composed of [~~representatives~~  
 13 ~~of~~]:

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

15 (2) Representatives of:

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

18 [~~(2)~~] (B) The center for nursing; and

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

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



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

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

7           SECTION 5. This Act shall take effect on June 30, 3000;  
8 provided that section 2 of this Act shall apply to taxable years  
9 beginning after December 31, 2023.

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# H.B. NO. 82 H.D. 1

**Report Title:**

Health Care Preceptor Tax Credit; Preceptor Credit Assurance Committee; Dietician; Physician Assistant; Social Worker

**Description:**

Expands the definitions of "preceptor" and "volunteer-based clinical training rotation" to allow for improved accessibility for providers to receive income tax credits. Adds dieticians, physician assistants, and social workers to the list of preceptors. Includes the director of health on the preceptor credit assurance committee. Applies to taxable years beginning after 12/31/2023. Effective 6/30/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

