

JAN 17 2024

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

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



1 providers trained eligible students, but only a small subset met  
2 the eligibility requirements due to the primary care qualifying  
3 criterion for the preceptor.

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

18       Therefore, the purpose of this Act is to:

- 19       (1) Amend the definition of "preceptor" to include  
20             physician assistants, registered dietitians, and  
21             social workers;



- 1           (2) Amend the definition of "volunteer-based supervised
- 2                   clinical training rotation" to clarify that preceptors
- 3                   may be compensated for the provision of standard
- 4                   clinical service during supervised clinical trainings;
- 5           (3) Amend the definition of "eligible student" to include
- 6                   physician assistant, registered dietitian, and social
- 7                   work student; and
- 8           (4) Include the director of health as a member of the
- 9                   preceptor credit assurance committee.

10           SECTION 2. Section 235-110.25, Hawaii Revised Statutes, is

11 amended by amending subsection (g) to read as follows:

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

13           "Academic program" means an academic degree granting

14 program or graduate medical education program that:

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

19           "Advanced practice registered nurse student" means an

20 individual participating in a nationally accredited academic

21 program that is for the education of advanced practice



1 registered nurses and recognized by the state board of nursing  
2 pursuant to chapter 457.

3 "Eligible professional degree or training certificate"  
4 means a degree or certificate that fulfills a requirement to be  
5 a physician, ~~[or]~~ osteopathic physician, or physician assistant,  
6 pursuant to chapter 453~~[7]~~; an advanced practice registered  
7 nurse, pursuant to chapter 457~~[7-08]~~; a pharmacist, pursuant to  
8 chapter 461~~[7]~~; a registered dietitian, pursuant to chapter  
9 448B; or a social worker, pursuant to chapter 467E.

10 "Eligible student" means an advanced practice registered  
11 nurse student, medical student, ~~[or]~~ pharmacy student, physician  
12 assistant student, registered dietitian student, or social work  
13 student, who is enrolled in an academic program.

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



1 "Nationally accredited" means holding an institutional  
2 accreditation by name to offer post-secondary medical primary  
3 care education. Accreditation for medical students shall be  
4 offered by the Liaison Committee on Medical Education or  
5 American Osteopathic Association Commission on Osteopathic  
6 College Accreditation. Accreditation for advanced practice  
7 registered nurse students shall be offered by the Commission on  
8 Collegiate Nursing Education. Accreditation for pharmacy  
9 students shall be offered by the Accreditation Council for  
10 Pharmacy Education. Accreditation for physician assistant  
11 students shall be offered by the Accreditation Review Commission  
12 on Education for the Physician Assistant, Inc. Accreditation  
13 for social work students shall be offered by the Council on  
14 Social Work Education. Accreditation for registered dietitian  
15 students shall be offered by the Accreditation Council for  
16 Education in Nutrition and Dietetics.

17 "Pharmacy student" means an individual participating in an  
18 academic program that is nationally accredited for the training  
19 of individuals to become registered pharmacists pursuant to  
20 chapter 461.



1       "Physician assistant student" means an individual  
2 participating in an academic program that is nationally  
3 accredited for the education of physician assistants to become a  
4 nationally certified and licensed physician assistant pursuant  
5 to section 453-5.3.

6       "Preceptor" means a physician [~~or~~], osteopathic physician,  
7 or physician assistant, licensed pursuant to chapter 453 [7]; an  
8 advanced practice registered nurse, licensed pursuant to chapter  
9 457 [7]; registered dietitian, licensed pursuant to chapter 448B;  
10 social worker, licensed pursuant to chapter 467E; or a  
11 pharmacist, licensed pursuant to chapter 461, who is a resident  
12 of Hawaii [~~and who~~], maintains a professional [~~primary care~~  
13 practice in [~~this~~] the State[-], 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       "Registered dietitian student" means an individual  
2 participating in an academic program that is nationally  
3 accredited for the training of individuals to become licensed  
4 registered dietitians pursuant to chapter 448B.

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

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

18       (1) Uncompensated for the clinical training above or  
19 beyond clinical salary or reimbursements for clinical  
20 services; or



1        (2) Uncompensated for the provision of clinical training  
2        services from tuition funds or from state general  
3        funds."

4        SECTION 3. Section 321-2.7, Hawaii Revised Statutes, is  
5 amended to read as follows:

6        "[+]§321-2.7[+] Preceptor credit assurance committee. (a)

7 There is established the preceptor credit assurance committee  
8 within the department of health. The committee shall develop  
9 and implement a plan for certifying healthcare preceptor tax  
10 credits under section 235-110.25, including:

11        (1) Developing a process ensuring that requests for credit  
12        certification are reviewed and verifications are  
13        processed no later than [~~thirty~~] sixty days following  
14        the close of each calendar year; and

15        (2) Developing the documentation process for the committee  
16        to certify a preceptor for the tax credit; provided  
17        that the documentation to be collected shall include:

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

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





1 (C) Attestation that the preceptor is uncompensated  
2 for the volunteer-based supervised clinical  
3 training rotation; ~~and~~ provided that, if the  
4 preceptor is compensated for providing standard  
5 clinical services, attestation that the preceptor  
6 is:

7 (i) Uncompensated for the clinical training  
8 above or beyond clinical salary or  
9 reimbursements for clinical services; or

10 (ii) Uncompensated for the provision of clinical  
11 training services from tuition funds or from  
12 state general funds;

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

16 ~~(D)~~ (E) Other information deemed necessary by the  
17 committee.

18 (b) The committee shall be composed of ~~representatives~~ :

19 (1) The director of health, or the director's designee;  
20 and

21 (2) Representatives of:





1 SECTION 5. This Act shall take effect on July 1, 2024;  
2 provided that section 2 of this Act shall apply to taxable years  
3 beginning after December 31, 2023.

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INTRODUCED BY: \_\_\_\_\_

A large, bold, handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be the initials 'JL' or similar.

# S.B. NO. 2117

**Report Title:**

Preceptors; Income Tax; Healthcare Preceptor Tax Credit;  
Preceptor Credit Assurance Committee

**Description:**

Amends the definition of "preceptor" to include physician assistants, registered dietitians, and social workers. Amends the definition of "volunteer-based supervised clinical training rotation" to clarify that preceptors may be compensated for the provision of standard clinical services during supervised clinical trainings. Amends the definition of "eligible student" to include physician assistants, registered dietitians, and social work students. Includes the Director of Health as a member of the Preceptor Credit Assurance Committee.

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

