
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 health care workers. Although students
6 are interested in pursuing careers in Hawaii's health care
7 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 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 the
17 State. 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 The legislature recognizes that programs training
5 physicians, advanced practice registered nurses, pharmacists,
6 and physician assistants in primary care also require training
7 from specialty preceptors. The legislature further recognizes
8 that the health care workforce has shortages in professions
9 beyond those included in the tax credit and whose workforce
10 expansion is also limited by available preceptors, including
11 psychologists, physician assistants, marriage and family
12 therapists, mental health counselors, clinical social workers,
13 rehabilitation counselors, and school counselors. As such, the
14 healthcare preceptor tax credit should not be limited to
15 physicians, advanced practice registered nurses, and pharmacists
16 and should be expanded.

17 Therefore, the purpose of this Act is to:

18 (1) Include psychology, physician assistant, marriage and
19 family therapist, mental health counselor, clinical
20 social worker, rehabilitation counselor, and school



1 counselor students in the definition of "eligible
2 student"; and

3 (2) Amend the definition of "preceptor", including adding
4 psychologists, physician assistants, marriage and
5 family therapists, mental health counselors, clinical
6 social workers, rehabilitation counselors, and school
7 counselors to the list of preceptors eligible to
8 receive a tax credit.

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

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

12 "Academic program" means an academic degree granting
13 program or graduate medical education program that:

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

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

18 "Advanced practice registered nurse student" means an
19 individual participating in a nationally accredited academic
20 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 "Clinical social worker student" means an individual
4 participating in a nationally accredited academic program for
5 the training of individuals to become licensed clinical social
6 workers pursuant to chapter 467E.

7 "Eligible professional degree or training certificate"
8 means a degree or certificate that fulfills a requirement to be
9 a marriage and family therapist, pursuant to chapter 451J; a
10 physician [~~or~~], osteopathic physician, or physician assistant,
11 pursuant to chapter 453[~~7~~]; a mental health counselor, pursuant
12 to chapter 453D; an advanced practice registered nurse, pursuant
13 to chapter 457[~~7~~]; a pharmacist, pursuant to chapter 461[~~7~~];
14 a psychologist, pursuant to chapter 465; a clinical social
15 worker, pursuant to chapter 467E; a rehabilitation counselor; or
16 school counselor.

17 "Eligible student" means an advanced practice registered
18 nurse student, marriage and family therapy student, medical
19 student, mental health counselor student, [~~or~~] pharmacy student,
20 physician assistant student, psychology student, clinical social
21 worker student, rehabilitation counselor student, or school



1 counselor student, who is enrolled in [an] a nationally
2 accredited academic program.

3 "Marriage and family therapy student" means an individual
4 participating in a nationally accredited academic program for
5 the training of individuals to become licensed marriage and
6 family therapists pursuant to chapter 451J.

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 "Mental health counselor student" means an individual
16 participating in a nationally accredited academic program for
17 the training of individuals to become licensed mental health
18 counselors pursuant to chapter 453D.

19 "Nationally accredited" means holding an institutional
20 accreditation by name to offer post-secondary medical primary
21 care education. Accreditation for medical students shall be



1 offered by the Liaison Committee on Medical Education or
2 American Osteopathic Association Commission on Osteopathic
3 College Accreditation. Accreditation for advanced practice
4 registered nurse students shall be offered by the Commission on
5 Collegiate Nursing Education. Accreditation for pharmacy
6 students shall be offered by the Accreditation Council for
7 Pharmacy Education. Accreditation for physician assistant
8 students shall be offered by the Accreditation Review Commission
9 on Education for the Physician Assistant, Inc. Accreditation
10 for clinical social worker students shall be offered by the
11 Council on Social Work Education. Accreditation for psychology
12 students shall be offered by the _____ . Accreditation for
13 marriage and family therapy students shall be offered by
14 the _____ . Accreditation for mental health counselor
15 students shall be offered by the _____ . Accreditation for
16 rehabilitation counselor students shall be offered by
17 the _____ . Accreditation for school counselor students
18 shall be offered by the _____ .

19 "Pharmacy student" means an individual participating in
20 [~~an~~] a nationally accredited academic program [~~that is~~



1 ~~nationally accredited~~] for the training of individuals to become
2 registered pharmacists pursuant to chapter 461.

3 "Physician assistant student" means an individual
4 participating in a nationally accredited academic program for
5 the education of physician assistants to become a nationally
6 certified and licensed physician assistant pursuant to section
7 453-5.3.

8 "Preceptor" means a marriage and family therapist, licensed
9 pursuant to chapter 451J; a physician [or], osteopathic
10 physician, or physician assistant licensed pursuant to chapter
11 453[7]; a mental health counselor, licensed pursuant to chapter
12 453D; an advanced practice registered nurse, licensed pursuant
13 to chapter 457[7-or] a pharmacist, licensed pursuant to chapter
14 461[7]; a psychologist, licensed pursuant to chapter 465; or a
15 clinical social worker, licensed pursuant to chapter 467E, who
16 is a resident of Hawaii [and who], maintains a professional
17 primary care practice in [this] the State[-], and whose
18 specialty supports the development and training of an eligible
19 student in primary care.

20 "Primary care" means the principal point of continuing care
21 for patients provided by a [~~healthcare~~] health care provider,



1 including health promotion, disease prevention, health
2 maintenance, counseling, patient education, diagnosis and
3 treatment of acute and chronic illnesses, and coordination of
4 other specialist care that the patient may need.

5 "Psychology student" means an individual participating in a
6 nationally accredited academic program leading to a doctoral
7 degree in psychology and recognized by the state board of
8 psychology pursuant to chapter 465.

9 "Rehabilitation counselor student" means an individual
10 participating in a nationally accredited academic program for
11 the training of individuals to become certified rehabilitation
12 counselors.

13 "School counselor student" means an individual
14 participating in a nationally accredited academic program for
15 the training of individuals to become nationally certified
16 school counselors.

17 "Volunteer-based supervised clinical training rotation"
18 means an uncompensated period of supervised clinical training of
19 an eligible student that totals at least eighty hours of
20 supervisory time annually, in which a preceptor provides
21 personalized instruction, training, and supervision to an



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1 eligible student to enable the eligible student to obtain an
2 eligible professional degree or training certificate."

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

5 SECTION 4. This Act, upon its approval, shall apply to
6 taxable years beginning after December 31, 2025.

7

INTRODUCED BY:



JAN 21 2025



H.B. NO. 876

Report Title:

Healthcare Preceptor Tax Credit; Marriage and Family Therapists; Mental Health Counselors; Physician Assistants; Psychologists; Clinical Social Worker; Rehabilitation Counselors; School Counselors

Description:

Adds psychology, physician assistant, marriage and family therapist, mental health counselor, clinical social worker, rehabilitation counselor, and school counselor students to the definition of "eligible student" under the qualifications for the healthcare preceptor tax credit. Amends the definition of "preceptor" by adding psychologists, physician assistants, marriage and family therapists, mental health counselors, clinical social workers, rehabilitation counselors, and school counselors to the list of preceptors eligible to receive the tax credit. Applies to taxable years beginning after 12/31/2025.

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