

STAND. COM. REP. NO. **26**

Honolulu, Hawaii

JAN 31, 2025

RE: H.B. No. 303
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Health, to which was referred H.B. No. 303
entitled:

"A BILL FOR AN ACT RELATING TO HEALTHCARE PRECEPTORS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the definitions of "preceptor" and "volunteer-based supervised clinical training rotation" to improve accessibility for providers to receive income tax credits for acting as preceptors, including removing "primary care" from the criteria to qualify as a preceptor;
- (2) Add physician assistants, social workers, and licensed dietitians to the list of preceptors and in the definition of "eligible student";
- (3) Expand eligibility for the tax credit to include accredited residency programs that require preceptor support; and
- (4) Revise the membership of the Preceptor Credit Assurance Committee to include the Director of Health and residency programs with eligible students.

2025-1172 HB303 HD1 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Health; Hawaii Health Systems Corporation Corporate Board of Directors; University of Hawai'i System; Hawai'i State Center for Nursing; Hawai'i Primary Care Association; Healthcare Association of Hawaii; Hawai'i Pacific Health; Hawai'i Association of Professional Nurses; The Queen's Health Systems; Hawaii Medical Association; Kaiser Permanente Hawai'i; Hawai'i Academy of Physician Assistants; The Kahala Clinic for Children and Family; Hawai'i-American Nurses Association; Hawai'i Affiliate of the American College of Nurse-Midwives; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and one individual.

Your Committee finds that there is a shortage of primary care providers in the State. Your Committee further finds that the healthcare preceptor income tax credit is intended to incentivize volunteer preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as health care providers. However, only a small subset of providers meet the credit's eligibility requirements each year. Additionally, some classes of health care providers, such as licensed dietitians, physician assistants, and social workers, are statutorily ineligible for the tax credit. This measure is intended to increase eligibility for the tax credit by clarifying compensation limits for volunteer-based supervised clinical training rotations and expanding the definition of "preceptor" to include additional medical specialties.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 303, H.D. 1, and be referred to your Committee on Economic Development & Technology.



Respectfully submitted on
behalf of the members of the
Committee on Health,



GREGG TAKAYAMA, Chair



