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# 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. The legislature finds that although many providers have



1 trained eligible students, modifications to the exiting program  
2 will amplify the success of the program.

3 The legislature further finds that the preceptor tax credit  
4 program has been successful in facilitating the growth of the  
5 preceptor program. The five-year evaluation of the program  
6 found a seventy-seven per cent increase in active preceptors who  
7 taught at least one rotation, and seventy-six providers started  
8 precepting during this five-year period. The report also  
9 recommended that to improve the function of the program,  
10 additional health care provider professions that have  
11 established schools in Hawaii should be added to the tax credit  
12 eligibility, the primary care specialty requirement for  
13 preceptors should be removed, and the requirement that the  
14 preceptor credit should only be for precepting students enrolled  
15 in a primary care program should be removed.

16 The legislature recognizes that programs training  
17 physicians, advanced practice registered nurses, pharmacists,  
18 and physician assistants in primary care also require training  
19 from specialty preceptors. The legislature further recognizes  
20 that the health care workforce has shortages in professions  
21 beyond those included in the tax credit and whose workforce



1 expansion is also limited by available preceptors, including  
2 social workers, physician assistants, and registered dietitians,  
3 as well as workers in high-demand specialties such as behavioral  
4 health. As such, the healthcare preceptor tax credit should not  
5 be limited to physicians, advanced practice registered nurses,  
6 and pharmacists and should be expanded to be applied across all  
7 eligible professions. Finally, the legislature finds that the  
8 definition of "volunteer-based supervised clinical training  
9 rotation" should be clarified to facilitate the preceptor credit  
10 assurance committee's implementation of the tax credit.

11 Therefore, the purpose of this Act is to:

- 12 (1) Amend the definitions of "preceptor" and  
13 "volunteer-based supervised clinical training  
14 rotation" to improve accessibility for providers to  
15 receive income tax credits for acting as preceptors,  
16 including removing "primary care" from the criteria to  
17 qualify as a preceptor;
- 18 (2) Add physician assistants, social workers, and licensed  
19 dietitians to the list of preceptors and in the  
20 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 representatives of residency programs with eligible students.

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

"(g) For the purposes of this section:

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

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

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

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



1       "Dietician student" means an individual participating in an  
2 academic program that is nationally accredited for the training  
3 of individuals to become licensed dietitians pursuant to  
4 chapter 448B.

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

12       "Eligible student" means an advanced practice registered  
13 nurse student, medical student, ~~[or]~~ pharmacy student, physician  
14 assistant student, dietitian student, or social work student or  
15 resident who is enrolled in an eligible academic program[7],  
16 residency program, or fellowship.

17       "Medical student" means an individual participating in a  
18 nationally accredited academic program leading to the medical  
19 doctor or doctor of osteopathy degree. "Medical student"  
20 includes graduates from nationally accredited academic programs  
21 who have continued their training, in the role of resident or



1 fellow, to obtain the additional qualifications needed for  
2 medical licensure, pursuant to chapter 453, or specialty  
3 certification.

4 "Nationally accredited" means holding an institutional  
5 accreditation by name to offer post-secondary medical [~~primary~~  
6 ~~care~~] education. Accreditation for medical students shall be  
7 offered by the Liaison Committee on Medical Education [~~or~~],  
8 American Osteopathic Association Commission on Osteopathic  
9 College Accreditation, or any other accreditation body  
10 recognized by the preceptor credit assurance committee.

11 Accreditation for advanced practice registered nurse students  
12 shall be offered by the Commission on Collegiate Nursing  
13 Education[~~-~~] or any other accreditation body recognized by the  
14 preceptor credit assurance committee. Accreditation for nursing  
15 residency programs shall be offered by the Commission on  
16 Collegiate Nursing Education, American Nurses Credentialing  
17 Center, Consortium for Advanced Practice Providers, or any other  
18 accreditation body recognized by the preceptor credit assurance  
19 committee. Accreditation for pharmacy students shall be offered  
20 by the Accreditation Council for Pharmacy Education or any other  
21 accreditation body recognized by the preceptor credit assurance



1 committee. Accreditation for physician assistant students shall  
2 be offered by the Accreditation Review Commission on Education  
3 for the Physician Assistant, Inc. or any other accreditation  
4 body recognized by the preceptor credit assurance committee.  
5 Accreditation for physician assistant residency programs shall  
6 be offered by the Consortium for Advanced Practice Providers;  
7 Accreditation Review Commission on Education for the Physician  
8 Assistant, Inc.; or any other accreditation body recognized by  
9 the preceptor credit assurance committee. Accreditation for  
10 dietician students shall be offered by the Accreditation Council  
11 for Education in Nutrition and Dietetics or any other  
12 accreditation body recognized by the preceptor credit assurance  
13 committee. Accreditation for social work students shall be  
14 offered by the Council on Social Work Education or any other  
15 accreditation body recognized by the preceptor credit assurance  
16 committee. New or additional accreditation bodies may be  
17 eligible; provided that they are recognized by the preceptor  
18 credit assurance committee.

19 "Pharmacy student" means an individual participating in an  
20 academic program that is nationally accredited for the training



1 of individuals to become registered pharmacists pursuant to  
2 chapter 461.

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

8 "Preceptor" means a physician ~~[or]~~, osteopathic physician,  
9 or physician assistant licensed pursuant to chapter 453~~[7]~~; an  
10 advanced practice registered nurse, licensed pursuant to chapter  
11 457~~[7-or]~~; a pharmacist, licensed pursuant to chapter 461~~[7]~~; a  
12 dietician, licensed pursuant to chapter 448B; or a social  
13 worker, licensed pursuant to chapter 467E who is a resident of  
14 Hawaii ~~[and who]~~, maintains a professional ~~[primary care]~~  
15 practice in ~~[this]~~ the State~~[7]~~, and whose specialty supports  
16 the development and training of an eligible student for clinical  
17 health care practice.

18 ~~["Primary care" means the principal point of continuing~~  
19 ~~care for patients provided by a healthcare provider, including~~  
20 ~~health promotion, disease prevention, health maintenance,~~  
21 ~~counseling, patient education, diagnosis and treatment of acute~~





1 ~~and chronic illnesses, and coordination of other specialist care~~  
2 ~~that the patient may need.]~~

3 "Residency program" means a residency or fellowship program  
4 that provides continuing training for eligible professions, in  
5 the role of resident or fellow, to obtain the additional  
6 qualifications that supports professional practice. "Residency  
7 program" includes programs offered through academic programs or  
8 employers; provided that those programs are nationally  
9 accredited.

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

14 "Volunteer-based supervised clinical training rotation"  
15 means ~~[an uncompensated]~~ a period of supervised clinical  
16 training ~~[of]~~ to an eligible student that totals at least eighty  
17 hours of supervisory time annually, in which a preceptor  
18 provides personalized instruction, training, and supervision to  
19 an eligible student to enable the eligible student to obtain an  
20 eligible professional degree or training certificate~~[+]~~;



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

3 (1) Uncompensated for the clinical training above or  
4 beyond clinical salary or reimbursements for clinical  
5 services; or

6 (2) Uncompensated for the provision of clinical training  
7 services from tuition funds or from state general  
8 funds."

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

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

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

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



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

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

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

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

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

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

(D) Other information deemed necessary by the committee.



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

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

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

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

(B) The center for nursing;

(C) Academic programs with eligible students; and

(D) Residency programs with eligible students.

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

2. By amending subsection (e) to read:

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

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



1       SECTION 5. This Act shall take effect on July 1, 2025;  
2   provided that section 2 of this Act shall apply to taxable years  
3   beginning after December 31, 2025.



**Report Title:**

Healthcare Preceptor Tax Credit; Dietitians; Physician Assistants; Social Workers; Residency Programs; Preceptor Credit Assurance Committee; Director of Health

**Description:**

Expands 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. Adds dietitians, physician assistants, and social workers to the list of preceptors and eligible students. Expands eligibility for the tax credit to include accredited residency programs that require preceptor support. Adds the Director of Health and residency programs with eligible students to the Preceptor Credit Assurance Committee. Applies to taxable years beginning after 12/31/2025. (SD1)

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