
A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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 existing 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 evaluation 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 be only 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, and pharmacists
18 in primary care also require training from specialty preceptors.
19 The legislature further recognizes that the health care
20 workforce has shortages in professions beyond those included in
21 the tax credit and whose workforce expansion is also limited by



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

11 Accordingly, 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 and social workers to the
19 list of preceptors and in the definition of "eligible
20 student";



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

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

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

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



1 "Eligible professional degree or training certificate"
2 means a degree or certificate that fulfills a requirement to be
3 a physician [or], osteopathic physician, or physician assistant
4 pursuant to chapter 453[~~r~~]; an advanced practice registered
5 nurse[~~r~~] pursuant to chapter 457[~~r~~ or]; a pharmacist[~~r~~] pursuant
6 to chapter 461[~~r~~]; or a social worker pursuant to chapter 467E.

7 "Eligible student" means an advanced practice registered
8 nurse student, medical student, [or] pharmacy student, physician
9 assistant student, or social work student or resident who is
10 enrolled in an eligible academic program[~~r~~], residency program,
11 or fellowship.

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

20 "Nationally accredited" means holding an institutional
21 accreditation by name to offer post-secondary medical [~~primary~~



1 ~~care~~] education. Accreditation for medical students shall be
2 offered by the Liaison Committee on Medical Education [or],
3 American Osteopathic Association Commission on Osteopathic
4 College Accreditation[or], or any other accreditation body
5 recognized by the preceptor credit assurance committee.
6 Accreditation for advanced practice registered nurse students
7 shall be offered by the Commission on Collegiate Nursing
8 Education[or] or any other accreditation body recognized by the
9 preceptor credit assurance committee. Accreditation for nursing
10 residency programs shall be offered by the Commission on
11 Collegiate Nursing Education, American Nurses Credentialing
12 Center, Consortium for Advanced Practice Providers, or any other
13 accreditation body recognized by the preceptor credit assurance
14 committee. Accreditation for pharmacy students shall be offered
15 by the Accreditation Council for Pharmacy Education or any other
16 accreditation body recognized by the preceptor credit assurance
17 committee. Accreditation for pharmacy residency programs shall
18 be offered by the American Society of Health System Pharmacists.
19 Accreditation for physician assistant students shall be offered
20 by the Accreditation Review Commission on Education for the
21 Physician Assistant, Inc. or any other accreditation body



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

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

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



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

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

16 "Residency program" means a residency or fellowship program
17 that provides continuing training for eligible professions, in
18 the role of resident or fellow, to obtain the additional
19 qualifications that support professional practice. "Residency
20 program" includes programs offered through employers or
21 nationally accredited academic programs.



1 "Social work student" means an individual participating in
2 an academic program that is nationally accredited for the
3 training of individuals to become a social worker licensed
4 pursuant to chapter 467E.

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

15 (1) Clinical training above or beyond clinical salary or
16 reimbursements for clinical services; and
17 (2) Provision of clinical training services from tuition
18 funds or from state general funds."

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

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



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

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



(i) Clinical training above or beyond clinical salary or reimbursements for clinical services; and

(ii) Provision of clinical training services from tuition funds or from state general funds; and

Other information deemed necessary by the committee.

committee shall be composed of [representatives of the Hawaii/Pacific basin area health education center;] The director of health or the director's designee; and [representatives of: The Hawaii/Pacific basin area health education center; The center for nursing; and] Representatives of: Academic programs with eligible students; and Residency programs with eligible students. Academic programs with eligible students.] " amending subsection (e) to read:



1 "(e) As used in this section, "academic program",
2 "eligible student", "preceptor", "residency program", and
3 "volunteer-based supervised clinical training rotation" shall
4 have the same 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, upon its approval, shall apply to
8 taxable years beginning after December 31, 2025.

9

INTRODUCED BY:



JAN 16 2026



H.B. NO. 1591

Report Title:

Healthcare Preceptor Tax Credit; 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 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 representatives of residency programs with eligible students to the Preceptor Credit Assurance Committee. Applies to taxable years beginning after 12/31/2025.

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

