
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 tax credit
14 is to incentivize volunteer preceptors to offer professional
15 instruction, training, and supervision to students and residents
16 seeking careers as health care providers in the State. The
17 legislature finds that although many providers have trained



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

3 The legislature further finds that the healthcare preceptor
4 tax credit program has been successful in facilitating the
5 growth of the preceptor program. The five-year evaluation of
6 the program found a seventy-seven per cent increase in active
7 preceptors who taught at least one rotation, and seventy-six
8 providers started precepting during this five-year period. The
9 evaluation also recommended that to improve the function of the
10 program, 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, dietitians, and
2 physician assistants, as well as workers in high-demand
3 specialties such as behavioral health. As such, the healthcare
4 preceptor tax credit should not be limited to physicians,
5 advanced practice registered nurses, and pharmacists and should
6 be expanded to be applied across all eligible professions.
7 Finally, the legislature finds that the definition of
8 "volunteer-based supervised clinical training rotation" should
9 be clarified to facilitate the preceptor credit assurance
10 committee's implementation of the tax credit.

11 Accordingly, the purpose of this Act is to make various
12 amendments related to the healthcare preceptor tax credit,
13 including:

14 (1) Amending the definitions of "preceptor" and
15 "volunteer-based supervised clinical training
16 rotation" to improve accessibility for providers to
17 receive income tax credits for acting as preceptors,
18 including removing "primary care" from the criteria to
19 qualify as a preceptor;



- 1 (2) Adding physician assistants, dieticians, and social
2 workers to the list of preceptors and in the
3 definition of "eligible student";
- 4 (3) Expanding eligibility for the tax credit to include
5 accredited residency programs that require preceptor
6 support; and
- 7 (4) Revising the membership of the preceptor credit
8 assurance committee to include the director of health
9 and representatives of residency programs with
10 eligible students.

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

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

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

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

20 "Advanced practice registered nurse student" means an
21 individual participating in a nationally accredited academic



1 program that is for the education of advanced practice
2 registered nurses and recognized by the state board of nursing
3 pursuant to chapter 457.

4 "Dietitian student" means an individual participating in an
5 academic program that is nationally accredited for the training
6 of individuals to become licensed dietitians pursuant to chapter
7 448B.

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

16 "Eligible student" means an advanced practice registered
17 nurse student, medical student, ~~ø~~ pharmacy student, physician
18 assistant student, dietitian student, or social work student, or
19 resident, who is enrolled in an eligible academic program[-],
20 residency program, or fellowship.



1 "Medical student" means an individual participating in a
2 nationally accredited academic program leading to the medical
3 doctor or doctor of osteopathy degree. "Medical student"
4 includes graduates from nationally accredited academic programs
5 who have continued their training, in the role of resident or
6 fellow, to obtain the additional qualifications needed for
7 medical licensure, pursuant to chapter 453, or specialty
8 certification.

9 "Nationally accredited" means holding an institutional
10 accreditation by name to offer post-secondary medical [~~primary~~
11 ~~care~~] education. For purposes of this definition, accreditation
12 shall be offered by the following institutions or bodies, or any
13 other accreditation body recognized by the preceptor credit
14 assurance committee:

15 (1) Accreditation for medical students shall be offered by
16 the Liaison Committee on Medical Education or American
17 Osteopathic Association Commission on Osteopathic
18 College Accreditation[-];

19 (2) Accreditation for advanced practice registered nurse
20 students shall be offered by the Commission on
21 Collegiate Nursing Education[-];



- 1 (3) Accreditation for nursing residency programs shall be
2 offered by the Commission on Collegiate Nursing
3 Education, American Nurses Credentialing Center, or
4 Consortium for Advanced Practice Providers;
- 5 (4) Accreditation for pharmacy students shall be offered
6 by the Accreditation Council for Pharmacy Education;
- 7 (5) Accreditation for pharmacy residency programs shall be
8 offered by the American Society of Health-System
9 Pharmacists;
- 10 (6) Accreditation for physician assistant students shall
11 be offered by the Accreditation Review Commission on
12 Education for the Physician Assistant, Inc.;
- 13 (7) Accreditation for physician assistant residency
14 programs shall be offered by the Consortium for
15 Advanced Practice Providers or Accreditation Review
16 Commission on Education for the Physician Assistant,
17 Inc.;
- 18 (8) Accreditation for dietitian students shall be offered
19 by the Accreditation Council for Education in
20 Nutrition and Dietetics; and



1 (9) Accreditation for social work students shall be
2 offered by the Council on Social Work Education.
3 New or additional accreditation bodies may be eligible; provided
4 that they are recognized by the preceptor credit assurance
5 committee.

6 "Pharmacy student" means an individual participating in an
7 academic program that is nationally accredited for the training
8 of individuals to become registered pharmacists pursuant to
9 chapter 461.

10 "Physician assistant student" means an individual
11 participating in an academic program that is nationally
12 accredited for the education of physician assistants to become a
13 nationally certified and licensed physician assistant pursuant
14 to section 453-5.3.

15 "Preceptor" means a physician or osteopathic physician,
16 licensed pursuant to chapter 453~~[7]~~; a physician assistant,
17 licensed pursuant to chapter 453; an advanced practice
18 registered nurse, licensed pursuant to chapter 457~~[7-0#]~~; a
19 pharmacist, licensed pursuant to chapter 461~~[7]~~; a dietitian,
20 licensed pursuant to chapter 448B; or a social worker, licensed
21 pursuant to chapter 467E, who is a resident of Hawaii [~~and who~~],



1 maintains a professional [~~primary care~~] practice in [~~this~~] the
2 State[-], and whose specialty supports the development and
3 training of an eligible student for clinical health care
4 practice.

5 [~~"Primary care" means the principal point of continuing~~
6 ~~care for patients provided by a healthcare provider, including~~
7 ~~health promotion, disease prevention, health maintenance,~~
8 ~~counseling, patient education, diagnosis and treatment of acute~~
9 ~~and chronic illnesses, and coordination of other specialist care~~
10 ~~that the patient may need.]~~

11 "Residency program" means a residency or fellowship program
12 that provides continuing training for eligible professions, in
13 the role of resident or fellow, to obtain the additional
14 qualifications that support professional practice. "Residency
15 program" includes programs offered through employers or
16 nationally accredited academic programs.

17 "Social work student" means an individual participating in
18 an academic program that is nationally accredited for the
19 training of individuals to become a social worker licensed
20 pursuant to chapter 467E.



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

- 11 (1) Clinical training above or beyond clinical salary or
- 12 reimbursements for clinical services; and
- 13 (2) Provision of clinical training services from tuition
- 14 funds or from state general funds."

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

- 17 1. By amending subsections (a) and (b) to read:
- 18 "(a) There is established the preceptor credit assurance
- 19 committee within the department of health. The committee shall
- 20 develop and implement a plan for certifying healthcare preceptor
- 21 tax credits under section 235-110.25, including:



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



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

4 (D) Other information deemed necessary by the
5 committee.

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

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

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

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

14 (B) The center for nursing;

15 (C) Academic programs with eligible students; and

16 (D) Residency programs with eligible students.

17 [~~+3 Academic programs with eligible students.~~]"

18 2. By amending subsection (e) to read:

19 "(e) As used in this section, "academic program",

20 "eligible student", "preceptor", "residency program", and



1 "volunteer-based supervised clinical training rotation" shall
2 have the same meanings as in section 235-110.25."

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

5 SECTION 5. This Act shall take effect on July 1, 2050;
6 provided that sections 2 and 3 shall apply to taxable years
7 beginning after December 31, 2026.



Report Title:

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

Description:

Expands the definitions of "preceptor" and "volunteer-based supervised clinical training rotation" applicable to the Healthcare Preceptor Tax Credit 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, dietitians, 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 12/31/2026. Effective 7/1/2050. (SD2)

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

