

---

## 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, including primary care  
3 providers and specialty providers, which will be exacerbated by  
4 the projected retirement of existing physicians, advanced  
5 practice registered nurses, pharmacists, and other health care  
6 workers. Although students are interested in pursuing careers  
7 in Hawaii's health care service industry, in-state educational  
8 institutions are constrained by the lack of clinical education  
9 sites in the State and the limited supply of expert clinicians  
10 who volunteer as qualified preceptors. One way to encourage the  
11 participation of preceptors is to offer an income tax credit for  
12 health care professionals who serve as 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 graduate schools in Hawaii should be added to the  
12 tax credit eligibility, the primary care specialty requirement  
13 for 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 removing the primary care  
17 specialty provision expands the program to specialty areas and  
18 also elevates the training opportunities in primary care.

19 Programs training future health care providers in primary care  
20 benefit by exposing students to technical training in focused  
21 specialty areas like cardiology, pulmonology, and behavioral



1 health. The legislature further recognizes that the health care  
2 workforce has shortages in professions beyond those included in  
3 the tax credit and whose workforce expansion is also limited by  
4 available preceptors, including social workers, physician  
5 assistants, and licensed dietitians, as well as workers in high-  
6 demand specialties, such as behavioral health. Furthermore, the  
7 advanced training environments, such as residencies, provide an  
8 extended safety net for new-career health care professionals and  
9 rely on preceptors for mentorship and clinical advancement of  
10 the residents. As such, the healthcare preceptor tax credit  
11 should not be limited to medical, advanced practice registered  
12 nurse, and pharmacy students. Rather, the program should expand  
13 to apply to physician assistants, licensed dieticians, and  
14 social workers and include qualified residency programs for  
15 eligible professions.

16 Finally, the legislature finds that the definition of  
17 "volunteer-based supervised clinical training rotation" should  
18 be clarified to facilitate the preceptor credit assurance  
19 committee's implementation of the tax credit.

20 Accordingly, the purpose of this Act is to:



4 (A) Removing language limiting access to only those  
5 in primary care;

6 (B) Adding physician assistants, licensed dietitians,  
7 and social workers as eligible preceptors and  
8 students; and

9 (C) Expanding eligibility to residency and fellowship  
10 programs; and

11 (2) Revise the membership of the preceptor credit  
12 assurance committee to include the director of health  
13 and representatives of residency programs with  
14 eligible students.

15 SECTION 2. Section 235-110.25, Hawaii Revised Statutes, is  
16 as follows:

17 1. By amending subsection (e) to read:

18        "(e) If in any taxable year the annual amount of certified  
19 credits for all taxpayers reaches \$1,500,000 in the aggregate,  
20 the preceptor credit assurance committee shall immediately  
21 discontinue certifying credits and notify the department of



1 taxation. In no instance shall the preceptor credit assurance  
2 committee certify a total amount of credits exceeding \$1,500,000  
3 per taxable year. To comply with this restriction, the  
4 preceptor credit assurance committee shall certify or deny  
5 credits in the order submitted for certification; provided that  
6 credits shall not be submitted for certification ~~[prior to]~~  
7 before the volunteer-based supervised clinical training rotation  
8 being performed."

9 2. By amending subsection (g) to read:

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

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

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

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. "Advanced practice registered nurse



1    student" includes a graduate from a nationally accredited  
2    academic program who has continued their training in the role of  
3    resident or fellow.

4       "Dietetics student" means an individual participating in an  
5    academic program that is nationally accredited for the training  
6    of individuals to become registered dietitians pursuant to  
7    chapter 448B. "Dietetics student" includes students enrolled in  
8    nationally accredited academic programs that require supervised  
9    practice hours.

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

18       "Eligible student" means an advanced practice registered  
19    nurse student, dietetics student, medical student, [or] pharmacy  
20    student, physician assistant student, or social work student, or



1 resident, who is enrolled in an eligible academic program[‐],  
2 residency program, or fellowship.

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

11 "Nationally accredited" means holding an institutional  
12 accreditation by name to offer post-secondary medical [primary  
13 ~~care~~] education. Accreditation [for medical students] shall be  
14 offered as follows:

15 (1) For medical students, by the Liaison Committee on  
16 Medical Education [or], American Osteopathic  
17 Association Commission on Osteopathic College  
18 Accreditation[‐] ~~Accreditation for advanced practice~~  
19 ~~registered nurse students shall be offered~~, or any  
20 other accreditation body recognized by the preceptor  
21 credit assurance committee;



- 1        (2) For advanced practice registered nurse students, by  
2                the Commission on Collegiate Nursing Education[.] or  
3                any other accreditation body recognized by the  
4                preceptor credit assurance committee;
- 5        (3) For nursing residency programs, by the Commission on  
6                Collegiate Nursing Education, American Nurses  
7                Credentialing Center, Consortium for Advanced Practice  
8                Providers, or any other accreditation body recognized  
9                by the preceptor credit assurance committee;
- 10      (4) For pharmacy students, by the Accreditation Council  
11                for Pharmacy Education or any other accreditation body  
12                recognized by the preceptor credit assurance  
13                committee;
- 14      (5) For pharmacy residency programs, by the American  
15                Society of Health-System Pharmacists;
- 16      (6) For physician assistant students, by the Accreditation  
17                Review Commission on Education for the Physician  
18                Assistant;
- 19      (7) For physician assistant residency programs, by the  
20                Consortium for Advanced Practice Providers,  
21                Accreditation Review Commission on Education for the



1                   Physician Assistant, or any other accreditation body  
2                   recognized by the preceptor credit assurance  
3                   committee;

4                   (8)   For dietetics students, by the Accreditation Council  
5                   for Education in Nutrition and Dietetics or any other  
6                   accreditation body recognized by the preceptor credit  
7                   assurance committee; and

8                   (9)   For social work students, by the Council on Social  
9                   Work Education or any other accreditation body  
10                   recognized by the preceptor credit assurance  
11                   committee.

12                   New or additional accreditation bodies may be eligible; provided  
13                   that they are recognized by the preceptor credit assurance  
14                   committee.

15                   "Pharmacy student" means an individual participating in an  
16                   academic program that is nationally accredited for the training  
17                   of individuals to become registered pharmacists pursuant to  
18                   chapter 461.   "Pharmacy student" includes a graduate from a  
19                   nationally accredited academic program who has continued their  
20                   training in the role of resident or fellow.



1        "Physician assistant student" means an individual  
2        participating in an academic program that is nationally  
3        accredited for the education of physician assistants to become a  
4        nationally certified and licensed physician assistant pursuant  
5        to section 453-5.3. "Physician assistant student" includes a  
6        graduate from a nationally accredited academic program who has  
7        continued their training in the role of resident or fellow.

8        "Preceptor" means a licensed dietitian, licensed pursuant  
9        to chapter 448B; a physician [or] osteopathic physician, or  
10      physician assistant, licensed pursuant to chapter 453[7]; an  
11      advanced practice registered nurse, licensed pursuant to chapter  
12      457[7, or]; a registered pharmacist, licensed pursuant to chapter  
13      461[7]; or a social worker, licensed pursuant to chapter 467E,  
14      who is a resident of Hawaii [and who], maintains a professional  
15      [primary care] practice in [this] the State[.], and whose  
16      specialty supports the development and training of an eligible  
17      student for clinical 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 support professional practice. "Residency  
7 program" includes a program offered through academic programs or  
8 employers; provided that the program is nationally accredited  
9 and holds either its principal accreditation or a physical  
10 location in the State.

11        "Social work student" means an individual participating in  
12 an academic program that is nationally accredited for the  
13 training of individuals to become a social worker licensed  
14 pursuant to chapter 467E. "Social work student" includes a  
15 graduate from a nationally accredited academic program who has  
16 continued their training in the role of resident or fellow.

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



1 an eligible student to enable the eligible student to obtain an  
2 eligible professional degree or training certificate[–];  
3 provided that, while a preceptor may be compensated for  
4 providing standard clinical services, the preceptor shall be  
5 uncompensated for:

6 (1) Clinical training above or beyond clinical salary or  
7 reimbursements for clinical services; and  
8 (2) Provision of clinical training services from tuition  
9 funds or from state general funds."

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

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

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

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





3           (1) The director of health, or the director's designee;  
4           and

**5** (2) Representatives of:

6 [+] (A) The Hawaii/Pacific basin area health education  
7 center:

8 [ (2) ] (B) The center for nursing: [ and ]

9 [ -3 ] (C) Academic programs with eligible students [-]; and

**10** (D) Residency programs with eligible students."

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

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

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

14 "volunteer-based supervised clinical training rotation" [shall]

15 have the same meanings as in section 235-110.25."

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

18 SECTION 5. This Act shall take effect upon its approval;  
19 provided that section 2 shall apply to taxable years beginning  
20 after December 31, 2026.



H.B. NO. 2206

INTRODUCED BY:

George R. Brown

JAN 26 2026



# H.B. NO. 2206

**Report Title:**

Healthcare Preceptor Tax Credit; Licensed Dietitians; Physician Assistants; Social Workers; Residency Programs; Preceptor Credit Assurance Committee

**Description:**

Amends the Healthcare Preceptor Tax Credit to remove language limiting access only to those practicing in primary care, to add licensed dietitians, physician assistants, and social workers as eligible preceptors and students, and to include residency and fellowship programs. Adds the Director of Health and a representative of residency programs with eligible students to the Preceptor Credit Assurance Committee. Applies to taxable years beginning after 12/31/2026.

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

