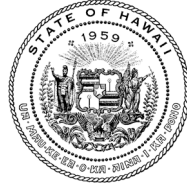


JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1591, H.D.1, S.D.1, Relating to Health Care

BEFORE THE:

Senate Committees on Ways and Means, and Commerce and Consumer Protection

DATE: Tuesday, April 7, 2026
TIME: 10:30 a.m.
LOCATION: State Capitol, Conference Room 211

Chairs Dela Cruz and Keohokalole, Vice-Chairs Moriwaki and Fukunaga, and Members of the Committees:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1591, H.D.1, S.D.1, for your consideration.

H.B. 1591, H.D.1, S.D.1, amends section 235-110.25, Hawaii Revised Statutes (HRS), regarding the Healthcare Preceptor Tax Credit, by expanding the definition 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. It also adds physician assistants, dietitians, and social workers to the list of "preceptors" and "eligible students."

Section 2 of the bill amends section 235-110.25(g), HRS, by:

- 1) Adding a definition for "dietitian student";
- 2) Adding to the definition of "eligible professional degree or training certificate," a degree or certificate that fulfills a requirement to be a

- “physician assistant pursuant to chapter 453,” a “dietitian, pursuant to chapter 448B,” or a “social worker, pursuant to chapter 467E”;
- 3) Adding to the definition of “eligible student,” a “physician assistant student, dietitian student, or social work student, or resident who is enrolled in an eligible academic program, residency program, or fellowship”;
 - 4) Expanding the definition of “nationally accredited,” to include various accreditation bodies, including those recognized by the Department of Health’s (DOH) Preceptor Credit Assurance Committee, and various commissions, consortiums, and committees for medical students, advanced practice registered nurse students, nursing residency programs, pharmacy students, pharmacy residency programs, physician assistant students, physician assistant residency programs, dietitian students, and social work students;
 - 5) Adding a definition for “physician assistant student,” which incorporates the national certification and licensing requirements of a physician assistant by reference to section 453-5.3, HRS.
 - 6) Adding to the definition of “preceptor,” a “physician assistant, licensed pursuant to chapter 453,” a “dietitian, licensed pursuant to chapter 448B” and a “social worker licensed pursuant to chapter 467E”;
 - 7) Removing “primary care” practice as a criterion to qualify as a preceptor, and providing minor language changes for clarify and consistency with other changes under this bill;
 - 8) Adding a definition for “residency program”;
 - 9) Adding a definition for “social work student”; and
 - 10) Clarifying, under the definition of “volunteer-based supervised clinical training rotation,” that while a preceptor may be compensated for providing standard clinical services, they may not be compensated for clinical training services above or beyond clinical salary, or from tuition funds or state general funds, for the purposes of this tax credit.

Section 3 of the bill amends section 321-2.7, HRS, by clarifying that the DOH Preceptor Credit Assurance Committee will be composed of the DOH Director or their designee, and representatives of the Hawaii/Pacific Basin Area Health Education Center, the Center for Nursing, and the academic and residency programs with eligible students.

The bill has an effective date of January 1, 2027.

DOTAX notes that with a January 1, 2027 effective date, it is unclear whether the intent is for the amendments to section 235-110.25, HRS, to apply to tax year 2026, which may be claimed by calendar-year taxpayers in 2027, or whether the intent is for the amendments to apply to tax year 2027, which may be claimed by calendar-year taxpayers in 2028. To avoid ambiguity, DOTAX recommends that the effective date of the bill be amended to apply to taxable years beginning after December 31, 2026.

Thank you for the opportunity to provide comments on this measure.

JOSH B. GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA
MOKU'ĀINA 'O HAWAI'I



KATHERINE AUMER, PhD
COUNCIL CHAIRPERSON
LUNA HO'OMALU O KA PAPA

**STATE OF HAWAI'I
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
STATE COUNCIL ON MENTAL HEALTH**

P.O. Box 3378, Room 256
HONOLULU, HAWAII 96801-3378

**STATE COUNCIL ON MENTAL HEALTH
Testimony to the Senate Committee on Ways and Means
and Committee on Commerce and Consumer Protection
in SUPPORT of H.B. 1591 HD1 SD1
RELATING TO HEALTH CARE
April 7, 2026, 10:30 a.m., Room 211 and Video**

Chairs Dela Cruz and Keohokalole, Vice Chairs Moriwaki and Fukunaga, and Committee members:

HRS §334-10 established the State Council on Mental Health (SCMH) as a 21-member body. It advises on resource allocation, statewide needs, and programs affecting more than one county. It advocates for adults with serious mental illness, children with emotional disturbances, and individuals with co-occurring substance abuse disorders. Members represent mental health providers and recipients, students, youth, parents, and family members. State agency representatives from mental health, judiciary, housing, Medicaid, social services, vocational rehabilitation, and education serve the Council. Members also include representatives from the Hawaii Advisory Commission on Drug Abuse and Controlled Substances and county service area boards.

The Council supports HB1591 HD1 SD1, which expands Hawai'i's Healthcare Preceptor Tax Credit to additional professions, including physician assistants and social workers.

Preceptors and clinical supervisors play a critical role in training the next generation of healthcare professionals. Supervision requires substantial time for teaching, reviewing cases and documentation, coordinating with educational programs, and ensuring trainees meet professional standards—often while maintaining full caseloads. In many settings, this work is unpaid and reduces billable service hours, making it challenging for experienced clinicians to take on trainees, particularly in a high-cost-of-living state like Hawai'i.

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Behavioral Health Administration

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This issue is especially important in behavioral health and other licensed healthcare professions where supervised clinical training is required for education and licensure. Professions such as psychologists, social workers, counselors, marriage and family therapists, physician assistants, and dietitians all depend on qualified supervisors to provide clinical placements and mentorship. The availability of preceptors directly affects how many trainees can complete their required training and enter practice.

A tax credit helps offset the time and financial costs associated with supervision and recognizes precepting as an investment in Hawai'i's workforce pipeline. Supporting preceptors increases student placement opportunities, strengthens training capacity across multiple professions, and helps ensure that locally trained providers can enter the workforce to meet Hawai'i's growing healthcare and behavioral health needs.

Thank you for the opportunity to provide testimony.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Commerce and Consumer Protection
and
Senate Committee on Ways and Means
Tuesday, April 7, 2026 at 10:30 a.m.

By

T. Samuel Shomaker, Dean and
Kelley Withy, MD, Professor, Department of Family Medicine and Community Health,
Hawaii/Pacific Basin Area Health Education Center (AHEC) Director
John A. Burns School of Medicine

and

Clementina D. Ceria-Ulep, Dean
UH School of Nursing and Dental Hygiene

and

Alex Ortega, Dean
UH Manoa Thompson School of Social Work and Public Health
University of Hawai'i at Mānoa

and

Rae Matsumoto, Dean
UH Hilo Daniel K. Inouye College of Pharmacy

and

Vassilis Syrmos, PhD
Interim Provost
University of Hawai'i at Mānoa

and

Bonnie Irwin, Chancellor
University of Hawai'i at Hilo

HB 1591 HD1 SD1 – RELATING TO HEALTH CARE

Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Moriwaki, and Members of the Committees:

This testimony is presented on behalf of UH System, including John A. Burns School of Medicine (JABSOM), UH School of Nursing and Dental Hygiene (SONDH), the Thompson School of Social Work and Public Health, and the UH Hilo Daniel K. Inouye College of Pharmacy and School of Nursing.

Thank you for the opportunity to testify in **strong support** of HB 1591 HD1 SD1 which amends the Preceptor Tax Credit program that allows for income tax incentives to health care providers who volunteer to provide clinical training for Hawaii's future health care workforce. The bill amends the Healthcare Preceptor Tax Credit to remove

language limiting access only to those practicing in primary care to include specialty fields of practice, and adds physician assistants, and social workers as eligible preceptors and students. Additionally, HB 1591 HD1 SD1 adds accredited residency and fellowship programs that require preceptor support, and adds dieticians and dietician students as an eligible profession to participate in the program. **The funding for the preceptor tax credit was previously appropriated, and this bill does not seek any new funding. Funds are currently available to support expanding the tax credit to the additional healthcare preceptors in the bill.** As the amendments would apply to taxable years beginning after 12/31/2026, we request that the bill be amended to include the following language to reflect the appropriate effective date as was contained in the original version of SB 3202:

“Section 5. This Act shall take effect upon its approval; provided that section 2 shall apply to tax years beginning after December 31, 2026.”

In 2017, the Hawai'i State Center for Nursing identified a preceptor shortage. Preceptors are volunteer Advanced Practice Registered Nurses (APRN), physicians (MD and DO), pharmacists (PH), and other healthcare professionals who volunteer their clinical time to teach our students. In speaking to fellow health professional programs, it became evident that the preceptor shortage was not ours alone, but a shared crisis among many of the UH programs in nursing, medicine and pharmacy. In 2018, the Legislature passed Act 43 with the goal to help our state health profession training programs alleviate this crisis by offering state income tax credits for APRN, MD, DO, and PH providers who volunteer as preceptors.

Although the preceptor tax credit program has been successful in attracting more healthcare professionals, questions remain as to the program's language regarding compensation and specialty practice language. This has resulted in fewer providers accessing this tax credit, even though the allocation and credit cap was secured in 2018.

Preceptors, or employed clinical providers who teach students during their workday, with no substantive change to their workload, and no additional compensation for teaching, are concerned that their existing clinical salary equates compensation under the preceptor tax credit provision. Therefore, clarifying the type of the compensation that a preceptor receives would assist in determining eligibility for the tax credit.

Similarly, because over 90% of APRNs are employed, this has affected existing preceptors as well as identifying potential new preceptors. Additionally, as all of our programs lead to primary care certifications and prepare future primary care providers, the educational programs require students to complete specialty rotations to deepen their ability to address common primary care conditions. These specialties include but are not limited to cardiology, endocrinology, pulmonology, and mental and behavioral health. These specialty rotations help the future provider learn when referral to specialists is necessary for a patient and how to refer.

JABSOM as well as other healthcare professions rely on volunteer preceptors who provide training and supervision to our students and residents. These preceptors play a vital role in educating the next generation of physicians, APRNs, pharmacists and other healthcare professions. The amendments to the definitions of “preceptor” and “volunteer-based supervised clinical training program” contained in the bill will expand the field of preceptors so that we may grow our training programs for primary care providers.

Practicum placements are a signature component of both undergraduate and graduate social work education. Students’ work in community-based organizations provides space for their academic work to be applied to real world situations. In order for student practicums to occur, each student must be matched with an individual field instructor who is required by our accrediting body to be a social worker. With the current workforce shortage of social workers and the high needs for their services in the state and beyond, we find it increasingly difficult to recruit practicum instructors. A practicum instructor's work with a student is considered beyond the normal scope of their day-to-day duties. We recognize the tremendous resource social work practicum instructors provide and know the success of the preceptor tax credit in allied professions has been tremendous. Social workers in Hawai’i would very much welcome the opportunity to access this tremendous benefit to support a vital workforce for community wellbeing.

The educational training path for a pharmacist, as well as the way clinical pharmacists practice, differs from nursing and medicine. The pharmacy student’s training curriculum stresses foundation building in the first three years of a four-year curriculum. The final fourth year includes both primary care and specialty care pharmacy rotations. This training is based upon the profession’s pharmacist role that combines both primary care (general medication management) and specialty disease management regardless of whether the practice setting is in the hospital or acute care setting, outpatient clinic or retail/specialty community pharmacy. More advanced post-graduate training through accredited pharmacy residencies is also offered in clinical areas of practice. Preceptors are invaluable in providing training to pharmacy students and residents based on the complexity of their scope of practice and the evolving landscape of healthcare.

Thank you for your support of the state healthcare workforce development and healthcare education in Hawai’i.



April 6, 2026

Position: **SUPPORT** of **HB1591 HD1 SD1**, Relating to Health Care

To: Senators Donovan M. Dela Cruz and Jarrett Keohokalole, Chairs
Senators Sharon Y. Moriwaki and Carol Fukunaga, Vice Chairs
Members of the Senate Committees on Ways and Means, and on Commerce and Consumer Protection

From: Llasmin Chaine, LSW, Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in **SUPPORT** of **HB1591 HD1 SD1**, Relating to Health Care

Hearing: Tuesday, April 7, 2026, 10:30 a.m.
Conference Room 211, State Capitol

The Hawaii State Commission on the Status of Women is dedicated to advancing gender equity and improving access to essential services for women across Hawaii. The Commission **supports HB1591 HD1 SD1** because it **expands the Healthcare Preceptor Tax Credit, strengthening the healthcare workforce pipeline and supporting the professional development of providers who play a critical role in serving women’s health and social needs.**

By broadening the definitions of “preceptor” and “volunteer-based supervised clinical training rotation,” the bill recognizes the vital contributions of physician assistants, dietitians, and social workers, in addition to physicians. These professions are often at the forefront of addressing complex health and social issues disproportionately affecting women, including reproductive health, nutrition, and mental health. Removing the “primary care” restriction and including residency programs further aligns with best practices for building an inclusive and diverse healthcare workforce that reflects the needs of Hawaii’s communities.

Expanding tax credit eligibility is **likely to incentivize more providers to serve as preceptors**, which research suggests can help alleviate provider shortages and improve access to care, especially in underserved areas. **Including social workers and dietitians acknowledges the importance of interdisciplinary care, which is essential for addressing the social determinants of health that impact women and families.**

We respectfully urge this Committee to **pass HB1591 HD1 SD1**.

Thank you for this opportunity to submit testimony.



Hawai'i Psychological Association

For a Healthy Hawai'i

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Honolulu, HI 96808

www.hawaii psychology.org

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SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Tuesday, April 7, 2026, 10:30 AM
Conference Room 211 & Videoconference

SUPPORT FOR HB 1591, HD 1, SD 1, RELATING TO HEALTH CARE

The Hawai'i Psychological Association (HPA) strongly supports HB 1591 which expands and clarifies definitions related to preceptors and supervised clinical training rotations. The measure also broadens eligibility for preceptors and trainees and enhances access to income tax credits for qualified providers who serve in preceptor roles. HPA is deeply concerned about Hawai'i's ongoing shortage of mental health providers and the resulting barriers to timely access to care across the state.

HPA supports this bill for the following reasons:

1. Addressing Health Workforce Shortages

Hawai'i faces significant shortages of health care providers, including behavioral health professionals, which impede access to timely and culturally responsive care. HB 1591 expands eligibility for income tax credits for providers who serve as preceptors, removes the limitation to "primary care," and includes additional disciplines such as social workers and physician assistants. These changes encourage broader participation by experienced clinicians and are particularly important for neighbor island and rural communities, where residents often experience prolonged wait times or are unable to access needed behavioral health services.

2. Strengthening Clinical Training Pathways

Limited availability of supervised clinical training opportunities is a major contributor to Hawai'i's mental health workforce shortage. Psychologists must complete extensive supervised experience, including practica, internships, and postdoctoral training. When incentives and supports for licensed psychologists to serve as preceptors are insufficient, the training pipeline narrows, reducing the number of new psychologists able to complete training and establish practice in Hawai'i. By expanding eligibility to include accredited

residency programs requiring preceptor support and by adding representatives from residency programs and the Department of Health to the Preceptor Credit Assurance Committee, HB 1591 strengthens the infrastructure supporting clinical education. These improvements are essential to preparing future psychologists and allied behavioral health professionals to serve Hawai'i's diverse communities.

3. Promoting Retention of Trainees in Hawai'i

HB 1591 further supports workforce development by clarifying definitions related to preceptors and supervised clinical training and by broadening eligibility for tax credits. Removing unnecessary restrictions and strengthening incentives for preceptors increases the likelihood that trainees will complete their education and supervised experience within the state. This approach supports long-term workforce stability and improves access to care for Hawai'i residents.

4. Behavioral Health Integration

Although broadly framed within health care, the inclusion of behavioral health providers and the expanded definition of supervised clinical training are particularly relevant to behavioral health, where interdisciplinary and collaborative models of care are increasingly recognized as best practice.

In summary, HB 1591 will strengthen Hawai'i's mental health workforce by:

- Expanding access to supervised clinical training opportunities for psychology trainees;
- Encouraging licensed psychologists to serve as preceptors and supervisors;
- Supporting retention of trainees who complete their education and training in Hawai'i; and
- Improving access to timely, high-quality mental and behavioral health care, particularly in underserved communities.

Thank you for the opportunity to provide input on this important bill.

Sincerely,



Alex Lichton, Ph.D.
Chair, HPA Legislative Action Committee



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
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SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

SENATE COMMITTEE COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Date: April 7 2026

From: Hawaii Medical Association (HMA)

Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE HB 1591 HD1 SD1 RELATING TO HEALTHCARE: Healthcare Preceptor Tax Credit; Licensed Dietitians; Physician Assistants; Social Workers; Residency Programs; Preceptor Credit Assurance Committee; Director of Health

Position: Support

This measure would expand 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, add physician assistants, dietitians, and social workers to the list of preceptors and eligible students, expand eligibility for the tax credit to include accredited residency programs that require preceptor support, and add the Director of Health and representatives of residency programs with eligible students to the Preceptor Credit Assurance Committee. Effective 1/1/2027. (SD1) (HD1)

HMA supports this measure which will improve accessibility and further promote the education of health care professionals in Hawaii. Clinical preceptors are vital to the maintenance of solid education and experience for future physicians in Hawaii, as well as the recruitment to our state when training is complete. Additionally, the establishment of a Preceptor Credit Assurance Committee with the Director of Health and representatives of residency programs is necessary to develop processes for certification of a preceptor for the tax credit, as well as credit certification and review.

This preceptor measure will help sustain and grow Hawaii's healthcare workforce including physicians by supporting the essential educators who train our future clinicians. It is an investment in the future health of our communities so that patients have access to high-quality care close to home. HMA strongly supports all efforts to address healthcare professional education and our critical Hawaii physician shortage.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, • Immediate Past President
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

REFERENCES AND QUICK LINKS

University of Hawai'i at Mānoa John A. Burns School of Medicine Area Health Education Center. Annual Report on Findings from the Hawai'i Physician Workforce Assessment Project. Dec. 2025. University of Hawai'i Government Relations. https://www.hawaii.edu/govrel/docs/reports/2026/act18-sslh2009_2026_physician-workforce_annual-report_508.pdf Accessed Jan 25, 2026.

Hay, Jeremy. "Need A Doctor? Hawai'i's Physician Shortage Keeps Getting Worse." *Honolulu Civil Beat*, 8 Jan. 2026, www.civilbeat.org/2026/01/hawaii-physician-shortage-getting-worse/. Accessed Jan 25, 2026.

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Lu A. Factors Exacerbating the Physician Shortage in Hawaii: What is Hawaii Doing to Stem the Tide? Brown University School of Public Health. [April 3 2024](http://Brown University School of Public Health).

2024 Hawaii Medical Association Officers

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Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

2024 Hawaii Medical Association Public Policy Coordination Team

Beth England, MD, Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



HB1591 HD1 SD1 Preceptor Tax Credits for Behavioral Health

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Tuesday, Apr 7, 2026: 10:30: Room 211 Videoconference

Hawaii Substance Abuse Coalition Supports HB1591 HD1 SD1:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the ad hoc leader of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder prevention and treatment agencies and recovery-oriented services.

Hawai‘i’s behavioral health system faces persistent workforce shortages, and one of the most practical bottlenecks is **clinical training capacity**: students cannot become licensed without supervised hours, and providers often cannot afford to take on uncompensated teaching time. This bill addresses that barrier directly by recognizing behavioral health clinicians as eligible preceptors that would include behavioral health practitioners such as social workers and is expanded to include students.

Hawaii is facing a critical shortage of behavioral health professionals, including psychologists, counselors, social workers, and substance use specialists. These workforce gaps are especially severe in rural and underserved communities, where residents often experience long wait times or must travel far to receive care.

- Supporting students pursuing behavioral health degrees
- Reducing the financial burden of professional training
- Encouraging graduates to remain in Hawaii to serve local communities

The preceptor tax credit is a proven workforce tool

The Preceptor Tax Credit program was created to recruit and retain clinicians who provide supervised clinical training, using state income tax credits as an incentive. Expanding the eligibility rules will build upon successful outcomes already for

primary care and it highlights the importance of incentives for expanding precepting capacity.

Preceptor tax credits modernize the program to reflect Hawai‘i’s current needs by **adding behavioral health professions to the definition of “preceptor”** and making them eligible for the credit and including behavioral health students as “eligible students,” expanding training pathways within Hawai‘i-based programs.

By expanding eligible preceptors in behavioral health:

- Increase the number of supervised clinical training placements available locally
- Improve retention by connecting students to Hawai‘i-based clinical sites and mentors
- Reduce waitlists and improve timely access to mental health and counseling services over time

We appreciate the opportunity to provide testimony and are available for questions.



April 7, 2026 at 10:30 am
Conference Room 211

Senate Committee on Commerce and Consumer Protection

To: Chair Jarrett Keohokalole
Vice Chair Carol Fukunaga

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Sharon Y. Moriwaki

From: Paige Heckathorn Choy
VP, Government Affairs
Healthcare Association of Hawaii

Re: Testimony in Support
HB 1591 HD 1 SD 1, Relating to Health Care

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to **support** this measure, which seeks to expand the eligibility criteria for the healthcare preceptor tax credit in Hawaii and make other changes to strengthen the program. This program is important to addressing the pressing shortage of healthcare providers in our state by improving the accessibility of these tax credits for more provider types, including those who may provide specialty care.

Preceptors play an indispensable role in the education and training of our future healthcare workforce. They serve as experienced mentors, providing hands-on clinical training and supervision to students across various healthcare disciplines. This mentorship is vital for students to translate theoretical knowledge into practical skills, ensuring they are well-prepared to deliver high-quality patient care upon entering the workforce.

Expanding the eligibility for this successful program to include a broader range of healthcare providers will help incentivize more professionals to serve as preceptors. This expansion is expected to enhance the training opportunities for students and help to ensure a more robust pipeline of well-trained providers ready to meet the diverse healthcare needs of our population.

Thank you for hearing this important measure and your continued support for building a strong healthcare workforce in Hawaii.



DATE: 2 April 2026

TO: Chair Jarrett Keohokalole & Vice Chair Carol Fukunaga
Senate Committee on Commerce and Consumer Protection

Chair Donovan Dela Cruz & Vice Chair Sharon Moriwaki
Senate Ways and Means Committee

FROM: Leocadia Conlon, PhD, MPH, PA-C
Legislative Liaison, Hawai'i Academy of Physician Assistants

RE: HB1591 HD1 SD1 RELATING TO HEALTH PRECEPTORS

Hearing Date/time: April 7, 2026; 10:30 AM

Place: Conference Room 211 & via Videoconference

Dear Chairs Keohokalole & Dela Cruz and Vice Chairs Fukunaga & Moriwaki,

Thank you for the opportunity to provide testimony on HB1591 HD1 SD1, which expands the definitions of preceptor and volunteer based supervised training rotations 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 and **adds physician assistants and physician assistant students** to the list of preceptors and eligible students.

The Hawai'i Academy of Physician Assistants (HAPA) STRONGLY SUPPORTS HB1591 HD1 SD1. HAPA is the Hawai'i state chapter of The American Academy of PAs (AAPA). HAPA represents a small but vital PA workforce in Hawai'i. HAPA supports PA practice in Hawai'i and works to educate the healthcare and greater community about the role and positive contributions that PAs add to the health care delivery system in Hawaii.

HAPA supports HB1591 HD1 SD1 because it will include physician assistants (PA) and physician assistant students in the Preceptor Tax Credit (PTC) program. This will create equitable opportunities for clinical education among PAs and advanced practice registered nurse (APRN) students of Hawai'i based academic institutions, and equity among PA and APRN preceptors who voluntarily supervise clinical training rotations; whereas currently only physicians and APRNs who precept medical or APRN students are eligible for the PTC. Additionally, the bill supports the clinical training requirements of PA, medical, and APRN students who must receive clinical training in a variety of clinical specialties as set by their respective national accreditation standards.

The Hawai'i Academy of Physician Assistants recognizes that PA education in Hawai'i is crucial for expanding the state's healthcare workforce. The establishment of the Hawai'i Pacific University PA Program on O'ahu, further demonstrates a commitment to training PAs specifically prepared to serve Hawai'i's communities. By supporting clinical preceptors who supervise PA training throughout the state, we can better ensure that PA graduates secure employment and encourage them to build long-term careers in Hawai'i.



Physicians Assistants (PAs) are state-licensed, nationally certified medical providers, who receive rigorous graduate level education modeled on medical school curriculum. PAs play a critical role on healthcare delivery teams, and along with their physician and APRN counterparts, help ensure the delivery of high-quality healthcare.

Amidst a statewide physician shortage, PAs are successfully filling critical gaps in healthcare and reducing health disparities by expanding access to care for communities in Hawai'i. PAs are found in every clinical setting and in every medical specialty and are authorized by the Affordable Care Act (ACA), along with physicians and APRNs, to serve as primary care providers (PCP) for their patients.

It is important to note that the proposed revisions to the PTC will not result in an increase in the Preceptor Tax Credit. The current cap on the tax credit is 1.5 million dollars/tax year. The program as it stands, awarded \$676,000 in tax credits in 2024, with a cumulative \$2,657,000 tax credits issued to Hawai'i's currently eligible preceptors since the program started in 2019. By expanding eligibility to include additional healthcare providers, these excess funds can be allocated more effectively to support a broader range of preceptors and students. Expanding this program ensures that these resources are used to maximize their impact on healthcare education, equality, and access.

Thank you again for the opportunity to provide supportive testimony on this important issue that ultimately impact the quality of care provided to the communities of Hawai'i.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Expand Healthcare Preceptor Tax Credit

BILL NUMBER: HB 1591 SD1

INTRODUCED BY: HHS

EXECUTIVE SUMMARY: 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. Effective 1/1/2027. (SD1)

SYNOPSIS: Amends section 235-110.25, HRS, to define "eligible student" as an advanced practice registered nurse student, medical student, pharmacy student, physician assistant student, dietitian, or social work student or resident who is enrolled in an eligible academic program, residency program, or fellowship.

Deletes the requirement that the preceptor be in primary care practice.

Amends section 321-2.7, HRS, to change the composition of the preceptor credit assurance committee.

Makes technical and conforming amendments to other definitions in the section and section 321-2.7, HRS.

EFFECTIVE DATE: January 1, 2027.

STAFF COMMENTS: The credit for healthcare preceptors was added by Act 43, SLH 2018. This measure appears to arise from the department of health's first five-year evaluation of the program made to the 2024 Legislature. The evaluation noted an increase in preceptors and recommended the addition of other classes of health care providers.

The bill, by allowing physician assistants, dieticians, and social workers into the program and removing the current restriction to primary care, scales the program up and will have a revenue impact.

Digested: 4/3/2026



HIPHI Board

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Hawaiian Research Office*

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*Retired, Hawai'i State Department of
Health*

HIPHI Initiatives

Coalition for a
Tobacco-Free Hawai'i

Community-Based Research &
Evaluation

Community Health
Worker Initiatives

Environmental Health

Hawai'i Climate Change and Health
Working Group

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce Development

Date: April 3, 2026

To: Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Members of the Senate Committee on Commerce & Consumer Protection

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Members of the Senate Committee on Ways & Means

RE: Support for HB 1591 HD1 SD1, Relating to Health Care

Hrg: April 7, 2026, at 10:30 AM, Conference Room 211

The Hawai'i Public Health Institute¹ **supports HB 1591 HD1 SD1**, relating to health care. This bill improves the accessibility of income tax credits for health care providers who serve as preceptors.

A Chronic Health Care Provider Shortage

Hawai'i continues to experience a significant shortage of health care professionals, especially in primary care and rural areas. According to the University of Hawai'i John A. Burns School of Medicine's most recent Hawai'i Physician Workforce Assessment report, of 12,688 licensed physicians in the state, less than a third provide patient care. This leaves the state 644 doctors short of the need for providers, a number that grows to 833 full-time physicians when geography is factored in.²

Hawai'i County had the biggest shortage according to the report, needing 224 doctors to fill its demand gap. That means its supply of physicians needs to grow by 43% to meet demand. Maui would need to grow its provider base by over 35% to meet demand, with other neighbor islands facing similar gaps. Long wait times, decreased preventive care, and additional strain on emergency services are among the challenges caused by these workforce shortages.

A Proven Solution

The preceptor tax credit has a documented record of success in addressing this pipeline issue. Hawai'i's existing preceptor tax credit provides up to \$1,000 per clinical rotation supervised and up to \$5,000

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

² [Annual Report on Findings from the Hawai'i Physician Workforce Assessment Project](#), University of Hawai'i's John A. Burns School of Medicine, December 2025.



per year. It was enacted to encourage clinicians to serve as preceptors for students and residents. When originally evaluated over several years, the program was associated with a 77% increase in active preceptors and brought over 76 new providers into precepting roles, expanding training opportunities for aspiring health professionals in critical fields.³

A Necessary Expansion

By expanding the pool of eligible preceptor professions and broadening the types of eligible training programs the credit covers, this proposal will help grow the number of clinical training sites and mentors available to serve Hawai'i's health care workforce pipeline. More preceptors means greater opportunities for students to complete clinical rotations, increasing the number of local graduates who stay and practice in Hawai'i, a key strategy to addressing shortages in physician, nursing, pharmacy, and allied health professions statewide.

Notably, this measure also extends the preceptor credit to social workers. According to a report from UH's Thompson School of Social Work and Public Health, demand for health care social workers in Hawai'i will increase by more than 18%, and the need for mental health and substance abuse social workers is estimated to increase by roughly 22% over the next 10 years.⁴

In addition to increasing access to training, stronger preceptor incentives help reduce costs and turnover associated with workforce shortages. Such credits also enhance care quality through hands-on mentorship in underserved communities. Neighbor island and rural areas will especially benefit from the credit's expansion, since they are most heavily affected by provider scarcity.

As demand for health care continues to grow, strengthening the workforce pipeline is essential to reinforcing public health. We urge your committee to support this measure to uplift access to health care services for our island home.

Mahalo,

A handwritten signature in black ink that reads "Kris Coffield". The signature is written in a cursive, flowing style.

Policy and Advocacy Associate

³ [Evaluation of Hawai'i Preceptor Tax Credit: Five Year Program Evaluation 2019-2023](#), prepared for the Hawai'i Department of Health, 2024.

⁴ ["Hawai'i's demand for social workers will climb over the next decade, report says"](#), Hawai'i Public Radio, March 30, 2023.



DATE: April 3, 2026

TO: Chair Jarrett Keohokalole & Vice Chair Carol Fukunaga
Senate Committee on Commerce and Consumer Protection

Chair Donovan Dela Cruz & Vice Chair Sharon Moriwaki
Senate Ways and Means Committee

FROM: Alyssa Le PA-S1 & Justise Takasaki PA-S1
Hawai'i Pacific University
Physician Assistant Student(s)

RE: HB1591 HD1 SD1 RELATING TO HEALTH PRECEPTORS

Hearing Date/time: April 7, 2026; 10:30 AM

Place: Conference Room 211 & via Video conference

Dear Chairs Keohokalole & Dela Cruz and Vice Chairs Fukunaga & Moriwaki,

Thank you for the opportunity to provide testimony on HB1591 SD1, which expands the definitions of preceptor and volunteer based supervised training rotations 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 and **adds physician assistants and physician assistant students** to the list of preceptors and eligible students.


Our testimony is in STRONG SUPPORT OF HB1591 SD1 because it will include physician assistants (PA) and physician assistant students in the Preceptor Tax Credit (PTC) program. This will create equitable opportunities for clinical education among PAs and advanced practice registered nurse (APRN) students of Hawai'i based academic institutions, and equity among PA and APRN preceptors who voluntarily supervise clinical training rotations; whereas currently only physicians and APRNs who precept medical or APRN students are eligible for the PTC.

As physician assistant students, we strongly support the inclusion of PAs in this legislative bill. Expanding eligibility to physician assistants creates meaningful opportunities for students by increasing access to clinical training sites and strengthening the future workforce. Including PAs helps retain local students in Hawai'i, supporting continuity of care and addressing provider shortages in our communities. Additionally, extending benefits to preceptors recognizes the essential role they play in training future clinicians and helps sustain high-quality clinical education. Preceptors already balance significant responsibilities while caring for patients and dedicating additional time to teaching and mentoring students; recognizing their contributions through expanded benefits acknowledges the vital role they play. Supporting PA inclusion ultimately expands access to healthcare, strengthens the local workforce, and benefits both patients and the professionals who serve them while also addressing health-care shortages.

It is important to note that the proposed revisions to the PTC will not result in an increase in the Preceptor Tax Credit. The current cap on the tax credit is 1.5 million dollars/tax year. The program as it stands, awarded \$676,000 in tax credits in 2024, with a cumulative \$2,657,000 tax credits issued to Hawai'i's currently eligible preceptors since the program started in 2019. By expanding eligibility to include additional healthcare providers, these excess funds can be allocated more effectively to support a broader range of preceptors and students. Expanding this program ensures that these resources are used to maximize their impact on healthcare education, equality, and access.

Thank you again for the opportunity to provide supportive testimony on this important issue that ultimately impact the quality of care provided to the communities of Hawai'i.

Respectfully,

Two handwritten signatures in black ink. The first signature is on the left, and the second is on the right, both appearing to be cursive and somewhat stylized.

Alyssa Le PA-S1 & Justise Takasaki PA-S1

On Behalf of the Physician Assistant Students at



Tuesday, April 7, 2026 at 10:30 AM
Via Video Conference; Conference Room 211

Senate Committee on Commerce and Consumer Protection

To: Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Senate Committee on Ways and Means

To: Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair

From: Michael Robinson
Vice President, Government Relations & Community Affairs

**Re: Testimony in Support of HB 1591, HD1, SD1
Relating to Health Care**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

HPH writes in SUPPORT of HB 1591, HD1, SD1 which amends the definition of “preceptor” and “volunteer-based supervised clinical training rotation” to improve accessibility for providers to participate in the preceptor tax credit program. The bill also removes “primary care” from the criteria to qualify as a preceptor, and adds physician assistants, dieticians and social workers to the list of preceptors as these providers are invaluable to the training of future health care professionals and reflects Hawai'i's interprofessional training philosophy. The measure further expands eligibility for the tax credit to include accredited residency programs that require preceptor support.

Preceptors are advanced practice registered nurses (APRN), physicians (MD), pharmacists (PH), and other healthcare professionals who volunteer their clinical time to teach and train students. The lack of sufficient numbers of healthcare professionals to act as preceptors impacts many of the University of Hawai'i's programs in nursing, medicine and pharmacy in terms of the programs' ability to train students. Passed in 2018, the preceptor tax credit has helped to increase the pool of health profession training programs and alleviate the crisis of the preceptor shortage. The preceptor tax credit offers state income tax credits for APRN, MD, DO, and PH providers who volunteer as preceptors.

While the tax credit provides an incentive to the preceptors, the current statutory definitions have limited the number of preceptors who are eligible for the credit. Physicians who maintain a primary care practice in the state provide a valuable service, however, physicians in other fields of specialty practice also are vital to providing training in primary care. Expanding the definition of “preceptor” to include other fields of practice would enlarge the pool of available preceptors to train new healthcare providers and allow for enhanced training opportunities to grow our workforce.

Thank you for the opportunity to testify.



**Testimony to the Senate Joint Committee on Ways and Means and Commerce and
Consumer Protection
Tuesday, April 7, 2026; 10:30 a.m.
State Capitol, Conference Room 221
Via Videoconference**

RE: HOUSE BILL NO. 1591, HOUSE DRAFT 1, SENATE DRAFT 1, RELATING TO HEALTH CARE.

Chair Dela Cruz, Chair Keohokalole, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 1591, House Draft 1, Senate Draft 1, RELATING TO HEALTH CARE.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would improve accessibility and further promote education of health care professionals by:

- (1) Removing language from the Healthcare Preceptor Tax Law to limit access solely those in primary care;
- (2) Adding physician assistants, social workers, dietitian students and dietitians as acceptable preceptors and students; and
- (3) Expanding eligibility to residency and fellowship programs.

The bill would also revise the membership of the Preceptor Credit Assurance Committee to include the Director of Health and representatives of residency programs with eligible students, take effect on January 1, 2027, and apply to taxable years beginning after December 31, 2026.

Testimony on House Bill No. 1591, House Draft 1, Senate Draft 1
Tuesday, April 7, 2026; 10:30 a.m.
Page 2

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

This bill would clarify and expand a financial incentive to improve the quality and stock of Hawaii's future healthcare workforce. Accordingly, we commend this effort and wish to participate in future discussions concerning workforce development.

We urge your favorable consideration of this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



**WAIANAЕ COAST
COMPREHENSIVE
HEALTH CENTER**

Tuesday, 04-07-26 10:30 AM
State Capitol, Conference Room 211

Senate Committees on Commerce and Consumer Protection & Ways and Means

To: Senator Donovan M. Dela Cruz, Chair, & Senator Sharon Y. Moriwaki, Vice Chair
Senator Jarrett Keohokalole, Chair & Senator Carol Fukunaga, Vice Chair

From: Ian Ross
Public Affairs Director
ianross@wcchc.com | (808) 697-3457

RE: SUPPORT FOR HOUSE BILL 1591 HD1 SD1 - RELATING TO HEALTH CARE

Aloha and mahalo for the opportunity to provide testimony in **support** of House Bill No. 1591 HD1, SD1.

Waianae Coast Comprehensive Health Center (WCCHC) is a Federally Qualified Health Center dedicated to improving the health and well-being of the West O'ahu community by providing accessible and affordable medical care. We serve over 36,000 patients annually with clinics spanning from Wai'anae to Waipahu. With 53 years of service, WCCHC is committed to providing comprehensive healthcare that supports the whole person and improves long-term health outcomes for the communities we serve.

WCCHC appreciates the opportunity to provide testimony in **support** of this measure, which expands the Healthcare Preceptor Tax Credit to include physician assistants, dietitians, and social workers, and broadens eligibility for both preceptors and students. As a federally qualified health center and a learning center committed to training the next generation of health professionals, WCCHC recognizes the critical role that preceptors play in ensuring a well-prepared healthcare workforce. For years, WCCHC has operated Ka 'Ike Ola, which trains local healthcare workers, such as CNAs and Medical Assistants, to become Practical Nurses.

By removing the "primary care" restriction and including additional professions, this bill addresses persistent shortages in both primary and behavioral health care, as well as allied health fields. Many of our patients face barriers to accessing comprehensive care, particularly in rural and underserved communities. Expanding the tax credit to more preceptors and residency programs will incentivize experienced providers to mentor students and residents, thereby strengthening the pipeline of health professionals who are prepared to serve in areas of greatest need.

Research and best practices indicate that clinical training opportunities and exposure to community-based care settings are key factors in recruiting and retaining providers in underserved regions. The inclusion of social workers and dietitians reflects a holistic approach to health care, acknowledging the importance of behavioral health and nutrition in achieving positive health outcomes. Additionally, broadening committee representation to include the Director of Health and residency program representatives will help ensure that the tax credit program remains responsive to evolving workforce needs.



**WAIANAЕ COAST
COMPREHENSIVE
HEALTH CENTER**

Thank you again for the opportunity to provide testimony in support of this measure.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
Members, Senate Committee on Commerce & Consumer Protection

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Moriwaki, Vice Chair
Members, Senate Committee on Ways and Means

From: Jace Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: April 7, 2026

Re: Support of HB1591 HD1 SD1 - Relating to Health Care

The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide testimony in **support** of HB1591 HD1 SD1, which expands the definitions of "preceptor" and "volunteer-based supervised clinical training rotation" to improve and expand accessibility for providers to receive income tax credits for acting as preceptors..

Queen's supported the creation of the preceptor tax credit in 2018 as one of several methods to address the shortage of primary, community-based and acute care providers in the state of Hawai'i. Preceptor tax credits are considered highly beneficial to healthcare by incentivizing professionals to train students, help reduce our state's ongoing workforce shortages, and increasing clinical placement opportunities. By providing financial offsets, the credits help sustain the pipeline of doctors, nurses, and other practitioners, particularly in rural or underserved areas. Queen's alone has over 131 residents and fellows in our residency program supported by preceptors.

Thank you for the opportunity to testify in support of HB1959 HD1 SD1.

The mission of The Queen's Health System is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



Testimony in SUPPORT of HB1591 HD1 SD1
Presented before the Senate Committees on Consumer Protection and Ways and Means
Tuesday, April 7, 2026

Corrie L. Sanders on behalf of
The Hawai'i Pharmacists Association (HPhA)

Honorable Chairs Dela Cruz and Keohokalole, Vice Chairs Moriwaki and Fukunaga, and
Members of the respective Committees,

Thank you for the opportunity to testify in **strong support of HB1591 HD1 SD1** which amends the already successful Preceptor Tax Credit program that allows for income tax incentives to health care providers who volunteer to provide clinical training for Hawai'i's future health care workforce. This bill removes "primary care" from the criteria to qualify as a preceptor while adding other care professionals for eligibility with the inclusion of residency programs that would have a positive downstream impact on the pharmacy profession.

We would like to acknowledge the interdisciplinary working group within the University of Hawai'i System to expand these tax credits across various health professions. We strongly support the reasoning outlined by this team **further expand this initiative to include pharmacy residency preceptors** across the state that continue to educate the next generation of student pharmacists without any financial incentive.

Currently, there are only four of pharmacy residency programs in Hawai'i, which significantly limits the ability to retain local talent for advanced postgraduate training in specialty practice areas. As a result, many of Hawai'i's pharmacy graduates leave the state to pursue residency training on the mainland. The Hawai'i Pharmacists Association is hopeful that providing a financial incentive through tax credits would support the establishment of additional residency programs across our islands. Expanding such programs would help elevate the standard of care provided by the pharmacy profession, and align with our ongoing advocacy to expand pharmacists' roles within a value-based care model.

On behalf of the Hawai'i Pharmacists Association, mahalo for this opportunity to testify in support of HB1591 HD1 SD1.

Very Respectfully,

Corrie L. Sanders, PharmD., BCACP, CPGx
Executive Director, Hawai'i Pharmacists Association

HB-1591-SD-1

Submitted on: 4/3/2026 11:49:51 AM

Testimony for CPN on 4/7/2026 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronald Taniguchi, Pharm.D., MBA	Individual	Support	Written Testimony Only

Comments:

I strongly support passage of HB1591 HD1 SD1. Mahalo

HB-1591-SD-1

Submitted on: 4/4/2026 8:50:47 AM

Testimony for CPN on 4/7/2026 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
brian panganiban	Individual	Support	Written Testimony Only

Comments:

DATE: 4/4/2026

TO: Chair Jarrett Keohokalole & Vice Chair Carol Fukunaga
Senate Committee on Commerce and Consumer Protection

Chair Donovan Dela Cruz & Vice Chair Sharon Moriwaki
Senate Ways and Means Committee

FROM: Brian Panganiban D.Sc, PA-C Trauma and Emergency Medicine Queens Medical Center Waianae Coast Comprehensive Health Center

RE: HB1591 HD1 SD1 RELATING TO HEALTH PRECEPTORS

Hearing Date/time: April 7, 2026; 10:30 AM

Place: Conference Room 211 & via Videoconference

Dear Chairs Keohokalole & Dela Cruz and Vice Chairs Fukunaga & Moriwaki,

Thank you for the opportunity to provide testimony on HB1591 HD1 SD1, which expands the definitions of preceptor and volunteer based supervised training rotations 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 and adds physician assistants and physician assistant students to the list of preceptors and eligible students.

My testimony is in **STRONG SUPPORT OF HB1591 HD1 SD1** because it will include physician assistants (PA) and physician assistant students in the Preceptor Tax Credit (PTC) program. This will create equitable opportunities for clinical education among PAs and advanced practice registered nurse (APRN) students of Hawai'i based academic institutions, and equity among PA and APRN preceptors who voluntarily supervise clinical training rotations; whereas currently only physicians and APRNs who precept medical or APRN students are eligible for the PTC.

As a Physician Assistant for 19 years with over 14 years dedicated to PA education in both the military and civilian sectors, I have seen firsthand the critical need for robust local training

pipelines. Expanding the preceptor tax credit to include PAs is a vital investment in Hawaii's healthcare future that will directly increase clinical rotations for our local students. By incentivizing experienced clinicians to mentor the next generation, we ensure that more of our graduates can train and remain here in the islands, ultimately strengthening the provider network that keeps our community healthy and safe.

It is important to note that the proposed revisions to the PTC will not result in an increase in the Preceptor Tax Credit. The current cap on the tax credit is 1.5 million dollars/tax year. The program as it stands, awarded \$676,000 in tax credits in 2024, with a cumulative \$2,657,000 tax credits issued to Hawai'i's currently eligible preceptors since the program started in 2019. By expanding eligibility to include additional healthcare providers, these excess funds can be allocated more effectively to support a broader range of preceptors and students. Expanding this program ensures that these resources are used to maximize their impact on healthcare education, equality, and access.

Thank you again for the opportunity to provide supportive testimony on this important issue that ultimately impact the quality of care provided to the communities of Hawai'i.

This statement is submitted in my personal capacity and does not necessarily reflect the official position or views of my employers.

DATE: April 6, 2026

TO: Chair Jarrett Keohokalole & Vice Chair Carol Fukunaga
Senate Committee on Commerce and Consumer Protection

Chair Donovan Dela Cruz & Vice Chair Sharon Moriwaki
Senate Ways and Means Committee

FROM: Melissa Harnsberger, MHS, PA-C
Clinical Coordinator
University of Washington MEDEX PA Program, Kona Campus

RE: HB1591 HD1 SD1 RELATING TO HEALTH PRECEPTORS

Hearing Date/time: April 7, 2026; 10:30 AM

Place: Conference Room 211 & via Videoconference

Dear Chairs Keohokalole & Dela Cruz and Vice Chairs Fukunaga & Moriwaki,

Thank you for the opportunity to provide testimony on HB1591 HD1 SD1, which expands the definitions of preceptor and volunteer based supervised training rotations 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 and **adds physician assistants and physician assistant students** to the list of preceptors and eligible students.

My testimony is in STRONG SUPPORT OF HB1591 HD1 SD1 because it will include physician assistants (PA) and physician assistant students in the Preceptor Tax Credit (PTC) program. This will create equitable opportunities for clinical education among PAs and advanced practice registered nurse (APRN) students of Hawai'i based academic institutions, and equity among PA and APRN preceptors who voluntarily supervise clinical training rotations; whereas currently only physicians and APRNs who precept medical or APRN students are eligible for the PTC.

As the Clinical Coordinator for our Kona-based program, I work directly with our clinical year PA students and the physicians, nurse practitioners, and physician assistants who train them. I regularly visit clinical sites across Hawai'i and personally recruit and support preceptors, giving me firsthand knowledge of both the strength of our local training network and the strain it is under. Our preceptors provide rigorous, hands-on instruction equivalent to that given to medical and nurse practitioner students—yet they do so without compensation or meaningful incentive. At a time when our state faces significant provider shortages, particularly in rural and neighbor island communities, this imbalance makes it increasingly difficult to sustain in-state clinical training opportunities for PA students.

When we are forced to place students in mainland rotations due to limited local capacity, we see a clear pattern: many establish professional ties there and do not return to Hawai'i, where the need is greatest. Equalizing incentives for PA preceptors is not simply about fairness; it is a strategic investment in training and retaining providers from Hawai'i. Based on my direct experience working with students and clinical partners across the state, strengthening support for PA preceptors is essential to maintaining and growing Hawai'i's healthcare workforce.

It is important to note that the proposed revisions to the PTC will not result in an increase in the Preceptor Tax Credit. The current cap on the tax credit is 1.5 million dollars/tax year. The program as it stands, awarded \$676,000 in tax credits in 2024, with a cumulative \$2,657,000 tax credits issued to Hawai'i's currently eligible preceptors since the program started in 2019. By expanding eligibility to include additional healthcare providers, these excess funds can be allocated more effectively to support a broader range of preceptors and students. Expanding this program ensures that these resources are used to maximize their impact on healthcare education, equality, and access.

Thank you again for the opportunity to provide supportive testimony on this important issue that ultimately impact the quality of care provided to the communities of Hawai'i.

HB-1591-SD-1

Submitted on: 4/6/2026 9:30:52 AM

Testimony for CPN on 4/7/2026 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Janice Woo	Individual	Support	Written Testimony Only

Comments:

Dear Chairs Keohokalole & Dela Cruz and Vice Chairs Fukunaga & Moriwaki,

Thank you for the opportunity to provide testimony on HB1591 HD1 SD1, which expands the definitions of preceptor and volunteer based supervised training rotations 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 and adds physician assistants and physician assistant students to the list of preceptors and eligible students.

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Thank you again for the opportunity to provide supportive testimony on this important issue that ultimately impact the quality of care provided to the communities of Hawai'i.