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# A BILL FOR AN ACT

RELATING TO HEALTH.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that there is a shortage  
2 of primary care providers in the State, which will be  
3 exacerbated by the projected retirements of current physicians,  
4 advanced practice registered nurses, and pharmacists. Further,  
5 although students are interested in pursuing careers in the  
6 healthcare service industry in Hawaii, in-state educational  
7 institutions are constrained by the lack of clinical education  
8 sites in Hawaii and the limited supply of qualified primary care  
9 preceptors. One way to encourage participation of preceptors is  
10 to offer a tax credit for professionals who serve as preceptors.

11           The purpose of the existing preceptor tax credit is to  
12 incentivize volunteer preceptors to offer professional  
13 instruction, training, and supervision to students and residents  
14 seeking careers as healthcare providers by providing a tax  
15 credit to volunteer preceptors. The first-year implementation  
16 of the preceptor tax credit found that though a large number of  
17 providers trained eligible students in 2019, only a small subset



1 met the eligibility requirements due to the primary care  
2 qualifying criteria.

3 The legislature further finds that training physicians,  
4 advanced practice registered nurses, and pharmacists in primary  
5 care requires training from specialties that support primary  
6 care, in addition to training from primary care providers, and  
7 that the definition of volunteer-based supervised clinical  
8 training rotation may be improved for clarity to facilitate the  
9 preceptor tax credit assurance committee's implementation of the  
10 credit.

11 Therefore, the purpose of this Act is to:

12 (1) Amend the definition of "primary care providers" and  
13 "volunteer based supervised clinical training  
14 rotation" to improve accessibility for providers to  
15 receive income tax credits for acting as preceptors;

16 and

17 (2) Revise the membership of the preceptor credit  
18 assurance committee to include the director of health  
19 and director of taxation.

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



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

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

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

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

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

13           "Eligible professional degree or training certificate"  
14 means a degree or certificate that fulfills a requirement to be  
15 a physician or osteopathic physician, pursuant to chapter 453,  
16 an advanced practice registered nurse, pursuant to chapter 457,  
17 or a pharmacist, pursuant to chapter 461.

18           "Eligible student" means an advanced practice registered  
19 nurse student, medical student, or pharmacy student who is  
20 enrolled in an academic program.



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. Accreditation for medical students shall be  
12 offered by the Liaison Committee on Medical Education or  
13 American Osteopathic Association Commission on Osteopathic  
14 College Accreditation. Accreditation for advanced practice  
15 registered nurse students shall be offered by the Commission on  
16 Collegiate Nursing Education.

17 "Pharmacy student" means an individual participating in an  
18 academic program that is nationally accredited for the training  
19 of individuals to become registered pharmacists pursuant to  
20 chapter 461.



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

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

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



1 students to obtain an eligible professional degree or training  
2 certificate."

3 SECTION 3. Section 321-2.7, Hawaii Revised Statutes, is  
4 amended by amending subsections (a) and (b) to read as follows:

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

9 (1) Developing a process ensuring that requests for credit  
10 certification are reviewed and verifications are  
11 processed no later than thirty days following the  
12 close of each calendar year;

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

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

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



1 (C) Attestation that the preceptor is uncompensated  
2 for the volunteer-based supervised clinical  
3 training rotation; [~~and~~]

4 (D) Itemized specialties that support the development  
5 and training of the eligible student in primary  
6 care; and

7 [~~(D)~~] (E) Other information deemed necessary by the  
8 committee.

9 (b) The committee shall be composed of representatives of:

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

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

12 (3) Academic programs with eligible students[-];

13 (4) Director of health, or the director's designee; and

14 (5) Director of taxation, or the director's designee."

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

17 SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Primary Care Providers; Preceptors

**Description:**

Revises the definition of "primary care providers" and "volunteer based supervised clinical training rotation" to improve accessibility for providers to receive income tax credits for acting as preceptors. Revises preceptor credit assurance committee. (SD1)

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

