
A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 PART I

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

13 The purpose of the existing healthcare preceptor tax credit
14 is to incentivize volunteer preceptors to offer professional
15 instruction, training, and supervision to students and residents
16 seeking careers as healthcare providers. The first-year
17 implementation of the healthcare preceptor tax credit found



1 that, although a large number of providers trained eligible
2 students in 2019, only a small subset met the eligibility
3 requirements due to the primary care qualifying criteria.

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

12 Therefore, the purpose of this part is to:

- 13 (1) Amend the definitions of "preceptor" and "volunteer-
14 based supervised clinical training rotation" to
15 improve accessibility for providers to receive income
16 tax credits for acting as preceptors; and
- 17 (2) Revise the membership of the preceptor credit
18 assurance committee to include the director of health.

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

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



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

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

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

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

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

20 "Medical student" means an individual participating in a
21 nationally accredited academic program leading to the medical



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

7 "Nationally accredited" means holding an institutional
8 accreditation by name to offer post-secondary medical primary
9 care education. Accreditation for medical students shall be
10 offered by the Liaison Committee on Medical Education or
11 American Osteopathic Association Commission on Osteopathic
12 College Accreditation. Accreditation for advanced practice
13 registered nurse students shall be offered by the Commission on
14 Collegiate Nursing Education.

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.

19 "Preceptor" means a physician or osteopathic physician,
20 licensed pursuant to chapter 453, an advanced practice
21 registered nurse, licensed pursuant to chapter 457, or a



1 pharmacist, licensed pursuant to chapter 461, who is a resident
2 of Hawaii [~~and who~~], maintains a professional [~~primary care~~]
3 practice in this State[-], and whose specialty supports the
4 development and training of an eligible student in primary care.

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

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



- 1 (1) Uncompensated for the clinical training above or
- 2 beyond clinical salary or reimbursements for clinical
- 3 services; or
- 4 (2) Uncompensated from state general or tuition funds for
- 5 the clinical training services."

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

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

- 12 (1) Developing a process ensuring that requests for credit
- 13 certification are reviewed and verifications are
- 14 processed no later than thirty days following the
- 15 close of each calendar year; and
- 16 (2) Developing the documentation process for the committee
- 17 to certify a preceptor for the tax credit; provided
- 18 that the documentation to be collected shall include:
- 19 (A) The preceptor's name, address, place of practice,
- 20 and Hawaii provider license number;



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

3 (C) Attestation that the preceptor is uncompensated
4 for the volunteer-based supervised clinical
5 training rotation; ~~and~~

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

9 ~~(D)~~ (E) Other information deemed necessary by the
10 committee.

11 (b) The committee shall be composed of ~~representatives~~:

12 (1) The director of health, or the director's designee;
13 and

14 (2) Representatives of:

15 ~~(1)~~ (A) The Hawaii/Pacific basin area health education
16 center;

17 ~~(2)~~ (B) The center for nursing; and

18 ~~(3)~~ (C) Academic programs with eligible students."

19 PART II

20 SECTION 4. The purpose of this part is to require the
21 state health planning and development agency to consider the



1 relationship to the existing health care system of an area,
2 including workforce availability, as part of its certificate of
3 need review.

4 SECTION 5. Section 323D-43, Hawaii Revised Statutes, is
5 amended by amending subsection (c) to read as follows:

6 "(c) The state agency may adopt criteria for certificate
7 of need review ~~[which]~~ that are consistent with this section.
8 Such criteria may include but are not limited to need[];
9 cost[]; quality[]; accessibility[]; availability[];
10 relationship to the existing health care system of the area,
11 including the availability of workforce; and acceptability.

12 Each decision of the state agency to issue a certificate of
13 need shall, except in an emergency situation that poses a threat
14 to public health, be consistent with the state health services
15 and facilities plan in effect under section 323D-15. Each
16 certificate of need issued shall be valid for a period of one
17 year from the date of issuance unless the period is extended for
18 good cause by the state agency and expenditures for the project
19 shall not exceed the maximum amount of the expenditures approved
20 in the certificate of need."

21 PART III



1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act shall take effect on July 1, 2050.



Report Title:

Preceptors; Healthcare Preceptor Tax Credit; Preceptor Credit Assurance Committee; Certificate of Need

Description:

Amends 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. Include the director of health on the preceptor credit assurance committee. Amends the criteria for certificate of need review to including the relationship to the existing health care system of the area. Effective 7/1/2050. (HD1)

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