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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 health care service industry in Hawaii, in-state educational  
7 institutions are constrained by the lack of clinical education  
8 sites in Hawaii and 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 healthcare preceptor tax credit  
12 is to incentivize volunteer preceptors to offer professional  
13 instruction, training, and supervision to students and residents  
14 seeking careers as healthcare providers. The first-year  
15 implementation of the healthcare preceptor tax credit found  
16 that, although a large number of providers trained eligible



1 students in 2019, only a small subset met the eligibility  
2 requirements due to the primary care 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. The  
7 legislature also finds that the definition of "volunteer-based  
8 supervised clinical training rotation" may be clarified to  
9 facilitate the preceptor tax credit assurance committee's  
10 implementation of the credit.

11 Therefore, the purpose of this Act is to:

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

16 (2) Revise the membership of the preceptor credit  
17 assurance committee to include the director of health.

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

20 "(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[~~er~~], 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 or students that totals at  
 14 least eighty hours of supervisory time annually, in which a  
 15 preceptor provides personalized instruction, training, and  
 16 supervision to an eligible student or students to enable the  
 17 eligible student or students to obtain an eligible professional  
 18 degree or training certificate[~~er~~]; provided that, while a  
 19 preceptor may be compensated for providing standard clinical  
 20 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 SECTION 4. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Preceptors; Healthcare Preceptor Tax Credit; Preceptor Credit Assurance Committee

**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. Revises the membership of the Preceptor Credit Assurance Committee to include the Director of Health. Effective 7/1/2050. (SD3)

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