
A BILL FOR AN ACT

RELATING TO HEALTHCARE PRECEPTORS.

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. Training
5 for primary care requires precepting experiences with both
6 primary care providers and specialist providers. Although
7 students from Hawaii are interested in pursuing careers in the
8 health care service industry in Hawaii, in-state educational
9 institutions are constrained by the lack of clinical education
10 sites in Hawaii and limited supply of qualified preceptors. One
11 way to encourage the participation of preceptors is to offer an
12 income tax credit for health care professionals who serve as
13 preceptors.

14 The purpose of the existing healthcare preceptor income tax
15 credit established under section 235-100.25, Hawaii Revised
16 Statutes, is to incentivize volunteer preceptors to offer
17 professional instruction, training, and supervision to students



1 and residents seeking careers as health care providers. During
2 the first-year implementation of the tax credit, a large number
3 of providers trained eligible students in 2019, but only a small
4 subset met the eligibility requirements due to the primary care
5 qualifying criteria.

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

14 Therefore, the purpose of this Act is to:

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



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

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

4 "Academic program" means an academic degree granting
5 program or graduate medical education program that:

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

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

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

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



1 "Eligible student" means an advanced practice registered
2 nurse student, medical student, or pharmacy student who is
3 enrolled in an academic program.

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

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

20 "Pharmacy student" means an individual participating in an
21 academic program that is nationally accredited for the training



1 of individuals to become registered pharmacists pursuant to
2 chapter 461.

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

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

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



1 eligible professional degree or training certificate[-];
2 provided that, while a preceptor may be compensated for
3 providing standard clinical services, the preceptor shall be:

4 (1) Uncompensated for the clinical training above or
5 beyond clinical salary or reimbursements for clinical
6 services; or

7 (2) Uncompensated for the provision of clinical training
8 services from tuition funds or from state general
9 funds."

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

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

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

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



- 1 (2) Developing the documentation process for the committee
2 to certify a preceptor for the tax credit; provided
3 that the documentation to be collected shall include:
4 (A) The preceptor's name, address, place of practice,
5 and Hawaii provider license number;
6 (B) Dates and hours of volunteer-based supervised
7 clinical training rotation per eligible student;
8 (C) Attestation that the preceptor is uncompensated
9 for the volunteer-based supervised clinical
10 training rotation [~~+~~and]; provided that, if the
11 preceptor is compensated for providing standard
12 clinical services, attestation that the preceptor
13 is:
14 (i) Uncompensated for the clinical training
15 above or beyond clinical salary or
16 reimbursements for clinical services; or
17 (ii) Uncompensated for the provision of clinical
18 training services from tuition funds or from
19 state general funds;



1 (D) Itemized specialties that support the development
2 and training of the eligible student in primary
3 care; and

4 ~~(D)~~ (E) Other information deemed necessary by the
5 committee.

6 (b) The committee shall be composed of ~~[representatives]~~:

7 (1) The director of health or the director's designee; and

8 (2) Representatives of:

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

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

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

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

14 "(e) As used in this section, "academic program",
15 "eligible student", "preceptor", "primary care", and "volunteer-
16 based supervised clinical training rotation" shall have the same
17 meanings as in section 235-110.25."

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2022;
2 provided that section 2 shall apply to taxable years beginning
3 after December 31, 2021.



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. Includes the Director of Health on the Preceptor Credit Assurance Committee. (SD1)

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