

ALEX PADILLA

U.S. SENATOR for CALIFORNIA

Health Investment Zones Act of 2026

Senator Alex Padilla (D-Calif.) and Representative Josh Harder (D-Calif.-09)

Many communities face preventable gaps in access to health care that drive higher emergency room use, hospital admissions, and costs. Targeted state-level approaches have proven to reduce more than 18,000 inpatient stays in three years and generated an estimated \$108 million in net savings on a \$15 million investment by deploying incentives, care coordination, and community partnerships. This bill scales that approach nationally by designating Health Investment Zones (HIZs) and aligning tax, grant, loan-repayment, and Medicare incentives to expand services where they're needed most.

The Health Investment Zones Act of 2026 would:

- Designate Health Investment Zones (HIZs) for 10 years in areas with measurable health disparities based on income, life expectancy, or provider shortages.
- Expand the Work Opportunity Tax Credit to include employers hiring qualified Health Investment Zone workers.
- Create a 30% individual tax credit for wages earned by workers employed in HIZ-based health care roles.
- Establish a grant program for zone coalitions to improve health outcomes, with subgrants up to \$5 million for clinics and practitioners.
- Support projects such as mobile clinics, patient transportation, facility upgrades, translation services, and community wellness initiatives.
- Establish a student loan repayment program offering up to \$10,000 per year (maximum \$100,000) for full-time health professionals serving in HIZs.
- Provide a 10% Medicare Part B bonus for services furnished in HIZs, with an additional 5% for care delivered at FQHCs, FQHC Look-Alikes, or independent clinics.