

118TH CONGRESS
1ST SESSION

H. R. 6475

To provide for the designation of areas as Health Disparity Zones to reduce health disparities and improve health outcomes in such areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2023

Mr. THANEDAR introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the designation of areas as Health Disparity Zones to reduce health disparities and improve health outcomes in such areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Health Disparity Zones Act of 2023”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

- Sec. 2. Designation of Health Disparity Zones.
- Sec. 3. Consultation.
- Sec. 4. Tax incentives.
- Sec. 5. Grants.
- Sec. 6. Student loan repayment program.
- Sec. 7. 10-percent increase of payment for items and services payable under Medicare Part B furnished in Health Disparity Zones.
- Sec. 8. Reporting.
- Sec. 9. Definitions.
- Sec. 10. Authorization of appropriations.

1 SEC. 2. DESIGNATION OF HEALTH DISPARITY ZONES.

2 (a) DESIGNATION.—

3 (1) IN GENERAL.—Not later than 18 months
4 after the date of enactment of this Act, the Sec-
5 retary shall, pursuant to applications submitted
6 under subsection (c), designate areas as Health Dis-
7 parity Zones to reduce health disparities and im-
8 prove health outcomes in such areas.

9 (2) ELIGIBILITY OF AREA.—To be designated
10 as a Health Disparity Zone under this section, an
11 area must—

12 (A) be a contiguous geographic area in one
13 census tract or ZIP Code;

14 (B) have measurable and documented ra-
15 cial, ethnic, or geographic health disparities and
16 poor health outcomes, demonstrated by—

17 (i) average income below 150 percent
18 of the Federal poverty line;

19 (ii) a rate of participation in the spe-
20 cial supplemental nutrition program under

1 section 17 of the Child Nutrition Act of
2 1966 (42 U.S.C. 1786) that is higher than
3 the national average rate of participation
4 in such program;

5 (iii) lower life expectancy than the na-
6 tional average;

7 (iv) a higher percentage of instances
8 of low birth weight than the national aver-
9 age; or

10 (v) designation under section 332 of
11 the Public Health Service Act (42 U.S.C.
12 254e) as a health professional shortage
13 area; and

14 (C) are part of a Metropolitan Statistical
15 Area or Micropolitan Statistical Area identified
16 by the Office of Management and Budget.

17 (b) SOLICITATION OF APPLICATIONS.—The Sec-
18 retary shall—

19 (1) not later than 12 months after the date of
20 enactment of this Act, solicit applications under sub-
21 section (c); and

22 (2) publish on the website of the Department of
23 Health and Human Services—

1 (A) the names of all applicants, together
2 with the names of each applicant's coalition
3 partners; and

4 (B) a description of all areas proposed to
5 be designated as Health Disparity Zones.

6 (c) SUBMISSION OF APPLICATIONS.—To seek the
7 designation of an area as a Health Disparity Zone, a com-
8 munity-based nonprofit organization or local governmental
9 agency, in coalition with an array of health care providers,
10 hospitals, nonprofit community health clinics, health cen-
11 ters, social service organizations, and other related organi-
12 zations shall submit an application to the Secretary.

13 (d) CONTENTS.—An application under subsection (c)
14 shall—

15 (1) include an effective and sustainable plan
16 with respect to the area proposed for designation—

17 (A) to reduce health disparities;

18 (B) to reduce the costs of, or to produce
19 savings to, the health care system;

20 (C) to improve health outcomes; and

21 (D) to utilize one or more of the incentives
22 established pursuant to sections 4, 5, 6, and 7
23 to address health care provider capacity, im-
24 prove health services delivery, effectuate com-

1 munity improvements, or conduct outreach and
2 education efforts; and

3 (2) identify specific diseases or indicators of
4 health for improvement of health outcomes in such
5 area, including at least one of the following: cardio-
6 vascular disease, asthma, diabetes, dental health, be-
7 havioral health, maternal and birth health, sexually
8 transmitted infections, and obesity.

9 (e) CONSIDERATIONS.—The Secretary—

10 (1) shall consider geographic diversity, among
11 other factors, in selecting areas for designation as
12 Health Disparity Zones; and

13 (2) may conduct outreach efforts to encourage
14 a geographically diverse pool of applicants, including
15 for designating Health Disparity Zones in rural
16 areas.

17 (f) PRIORITY.—In selecting areas for designation as
18 Health Disparity Zones, the Secretary shall give higher
19 priority to applications based on the extent to which they
20 demonstrate the following:

21 (1) Support from, and participation of, key
22 stakeholders in the public and private sectors in the
23 area proposed for designation, including residents
24 and local governments of such area.

1 (2) A plan for long-term funding and sustain-
2 ability.

3 (3) Supporting funds from the private sector.

4 (4) Integration with any applicable State health
5 improvement process or plan.

6 (5) A plan for evaluation of the impact of des-
7 ignation of such area as a Health Disparity Zone.

8 (6) A plan to utilize existing State tax credits,
9 grants, or other incentives to reduce health dispari-
10 ties and improve health outcomes in the proposed
11 Health Disparity Zone.

12 (7) Such other factors as the Secretary deter-
13 mines are appropriate to demonstrate a commitment
14 to reduce health disparities and improve health out-
15 comes in such area.

16 (g) PERIOD OF DESIGNATION.—The designation
17 under this section of any area as a Health Disparity Zone
18 shall expire at the end of the period of 10 fiscal years
19 following the enactment of this Act.

20 **SEC. 3. CONSULTATION.**

21 The Secretary shall carry out this Act in consultation
22 with—

23 (1) the Secretary of Housing and Urban Devel-
24 opment; and

1 (2) the Deputy Assistant Secretary for Minority
2 Health.

3 **SEC. 4. TAX INCENTIVES.**

4 (a) WORK OPPORTUNITY CREDIT FOR HIRING
5 HEALTH DISPARITY ZONE WORKERS.—

6 (1) IN GENERAL.—Section 51(d)(1) of the In-
7 ternal Revenue Code of 1986 is amended—

8 (A) in subparagraph (I), by striking “or”
9 at the end;

10 (B) in subparagraph (J), by striking the
11 period at the end and inserting “, or”; and

12 (C) by adding at the end the following:

13 “(K) a qualified Health Disparity Zone
14 worker, to the extent that the qualified first-
15 year wages with respect to such worker are paid
16 for qualified Health Disparity Zone work.”.

17 (2) QUALIFIED HEALTH DISPARITY ZONE
18 WORKER.—Section 51(d) of such Code is amended
19 by adding at the end the following new paragraphs:

20 “(16) QUALIFIED HEALTH DISPARITY ZONE
21 WORKER.—The term ‘qualified Health Disparity
22 Zone worker’ means any individual who is certified
23 by the designated local agency as having (as of the
24 hiring date) a principal place of employment within
25 a Health Disparity Zone (as such term is defined in

1 section 9 of the Health Disparity Zones Act of
2 2023).

3 “(17) QUALIFIED HEALTH DISPARITY ZONE
4 WORK.—The term ‘qualified Health Disparity Zone
5 work’ means employment by a Health Disparity
6 Zone practitioner (as such term is defined in section
7 9 of the Health Disparity Zones Act of 2023), the
8 primary official duties of which promote access to
9 healthcare in a Health Disparity Zone (as such term
10 is defined in section 9 of the Health Disparity Zones
11 Act of 2023).”.

12 (3) EFFECTIVE DATE.—The amendments made
13 by this section shall apply to amounts paid or in-
14 curred after the date of the enactment of this Act
15 to individuals who begin work for the employer after
16 such date.

17 (b) CREDIT FOR HEALTH DISPARITY ZONE WORK-
18 ERS.—

19 (1) IN GENERAL.—Subpart A of part IV of sub-
20 chapter A of chapter 1 of the Internal Revenue Code
21 of 1986 is amended by inserting after section 25E
22 the following new section:

1 **“SEC. 25F. CREDIT FOR QUALIFIED HEALTH DISPARITY**
 2 **ZONE WORKERS.**

3 “(a) ALLOWANCE OF CREDIT.—In the case of a
 4 qualified Health Disparity Zone worker, there shall be al-
 5 lowed as a credit against the tax imposed by this chapter
 6 for a taxable year an amount equal to 40% of wages re-
 7 ceived for qualified Health Disparity Zone work.

8 “(b) DEFINITIONS.—For purposes of this section—

9 “(1) The term ‘qualified Health Disparity Zone
 10 worker’ means, with respect to wages, an individual
 11 whose principal place of employment while earning
 12 such wages is within a Health Disparity Zone (as
 13 such term is defined in section 9 of the Health Dis-
 14 parity Zones Act of 2023).

15 “(2) The term ‘qualified Health Disparity Zone
 16 work’ has the meaning given such term in section
 17 51.”.

18 (2) CLERICAL AMENDMENT.—The table of sec-
 19 tions for subpart A of part IV of subchapter A of
 20 chapter 1 of such Code is amended by inserting
 21 after the item relating to section 25D the following
 22 new item:

“Sec. 25F. Credit for qualified Health Disparity Zone workers.”.

23 (3) EFFECTIVE DATE.—The amendments made
 24 by this section shall apply to amounts paid or in-
 25 curred after the date of the enactment of this Act.

1 **SEC. 5. GRANTS.**

2 (a) **AUTHORIZATION.**—For each area designated
3 under section 2 as a Health Disparity Zone, the Secretary
4 may award a grant to the community-based nonprofit or-
5 ganization or local governmental agency that applied for
6 such designation to support such applicant and its coali-
7 tion partners in reducing health disparities and improving
8 health outcomes in such area.

9 (b) **USE OF FUNDS.**—Programs and activities funded
10 through a grant under this section shall be consistent with
11 the grantee’s plan submitted pursuant to section 2(d)(1)
12 and may include the following:

13 (1) **SUBGRANTS TO HEALTH CARE PRACTI-**
14 **TIONERS.**—

15 (A) **IN GENERAL.**—For the purpose of im-
16 proving or expanding the delivery of health care
17 in the respective Health Disparity Zone, the
18 grantee may award subgrants to Health Dis-
19 parity Zone practitioners to defray costs related
20 to innovative strategies listed in paragraph (2).

21 (B) **ELIGIBILITY.**—To be eligible to receive
22 a subgrant pursuant to subparagraph (A), a
23 Health Disparity Zone practitioner shall—

24 (i) own or lease a health care facility
25 in the Health Disparity Zone; or

1 (ii) provide health care in such a facil-
2 ity.

3 (C) AMOUNT.—The amount of a subgrant
4 under subparagraph (A) may not exceed the
5 lesser of—

6 (i) \$5,000,000; or

7 (ii) 50 percent of the costs of the
8 equipment, or capital or leasehold improve-
9 ments, to be defrayed using the subgrant
10 to implement innovative strategies listed in
11 paragraph (2).

12 (2) INNOVATIVE STRATEGIES.—A grantee (or
13 subgrantee) may use a grant received under this sec-
14 tion (or a subgrant received under paragraph (1)) to
15 implement innovative public health strategies in the
16 respective Health Disparity Zone, which strategies
17 may include—

18 (A) internships and volunteer opportunities
19 for students who reside in the Health Disparity
20 Zone;

21 (B) funding resources to improve health
22 care provider capacity to serve non-English
23 speakers;

24 (C) operation of medical, mental and be-
25 havioral health, and dental mobile clinics;

1 (D) provision of transportation to and
2 from medical appointments for patients;

3 (E) funding resources to improve access to
4 healthy food, recreation, and high-quality hous-
5 ing;

6 (F) capital or leasehold improvements to a
7 health care facility in the respective Health Dis-
8 parity Zone; and

9 (G) medical or dental equipment to be
10 used in such a facility.

11 **SEC. 6. STUDENT LOAN REPAYMENT PROGRAM.**

12 (a) IN GENERAL.—The Secretary shall carry out a
13 loan repayment program under which the Secretary enters
14 into agreements with eligible Health Disparity Zone prac-
15 titioners to make payments on the principal and interest
16 of the eligible educational loans of such practitioners for
17 each year such practitioners agree to provide health care
18 services in a Health Disparity Zone.

19 (b) LIMITATIONS.—In entering into loan repayment
20 agreements under this section, the Secretary may not
21 agree to—

22 (1) make payments for more than 10 years with
23 respect to a practitioner; or

1 (2) pay more than \$10,000 per year, or more
2 than a total of \$100,000, with respect to a practi-
3 tioner.

4 (c) INELIGIBILITY FOR DOUBLE BENEFITS.—No
5 borrower may, for the same service, receive a reduction
6 of loan obligations or a loan repayment under both—

7 (1) this section; and

8 (2) any federally supported loan forgiveness
9 program, including under section 338B, 338I, or
10 846 of this Act, or section 428J, 428L, 455(m), or
11 460 of the Higher Education Act of 1965.

12 (d) DEFINITIONS.—In this section:

13 (1) The term “eligible educational loan” means
14 any federally funded or guaranteed student loan as
15 determined appropriate by the Secretary in coordina-
16 tion with the Secretary of Education.

17 (2) The term “eligible Health Disparity Zone
18 practitioner” means a Health Disparity Zone practi-
19 tioner who agrees—

20 (A) to provide health care services in a
21 Health Disparity Zone for a specified period
22 that is not less than one year; and

23 (B) has one or more eligible educational
24 loans.

1 **SEC. 7. 10-PERCENT INCREASE OF PAYMENT FOR ITEMS**
2 **AND SERVICES PAYABLE UNDER MEDICARE**
3 **PART B FURNISHED IN HEALTH DISPARITY**
4 **ZONES.**

5 Section 1833(a) of the Social Security Act (42
6 U.S.C.1395l(a)) is amended by inserting before the period
7 at the end the following: “. With respect to items and serv-
8 ices payable under this part that are furnished in a Health
9 Disparity Zone (as defined in section 9 of the Health Dis-
10 parity Zones Act of 2023) during the period beginning on
11 the first day an area is designated a Health Disparity
12 Zone under section 2(a)(1) of such Act and ending on the
13 last day of the fiscal year that is 10 fiscal years following
14 the enactment of this Act, the payment rates otherwise
15 established for such items and services shall be increased
16 by 10 percent. The cost-sharing requirements (if any) ap-
17 plicable to an item or service described in the preceding
18 sentence furnished to an individual shall be calculated as
19 if such preceding sentence did not apply”.

20 **SEC. 8. REPORTING.**

21 (a) IN GENERAL.—Not later than the end of each
22 fiscal year in the period of 10 fiscal years following the
23 date of enactment of this Act, the Secretary shall submit
24 to the Congress a report on the implementation of this
25 Act and the results thereof.

1 (b) CONTENTS.—Each report under subsection (a)
2 shall—

3 (1) specify the number and types of incentives
4 provided pursuant to this Act in each Health Dis-
5 parity Zone designated under section 2;

6 (2) include evidence of the extent to which the
7 incentives utilized by each Health Disparity Zone
8 have succeeded—

9 (A) in attracting health care practitioners
10 to practice in Health Disparity Zones;

11 (B) in reducing health disparities and im-
12 proving health outcomes in Health Disparity
13 Zones; and

14 (C) in reducing health costs and hospital
15 admissions and readmissions in Health Dis-
16 parity Zones.

17 **SEC. 9. DEFINITIONS.**

18 In this Act:

19 (1) The term “Health Disparity Zone” means
20 an area designated under section 2 as a Health Dis-
21 parity Zone.

22 (2) The term “Health Disparity Zone practi-
23 tioner” means a health care practitioner who—

1 (A) is licensed or certified in accordance
 2 with applicable State law to treat patients in
 3 the respective Health Disparity Zone;

4 (B) provides—

5 (i) primary care, which may include
 6 obstetrics, gynecological services, pediatric
 7 services, or geriatric services;

8 (ii) behavioral health services, which
 9 may include mental health or substance
 10 use disorder services; or

11 (iii) dental services; and

12 (C) is a participating provider of services
 13 or supplier under the Medicare program under
 14 title XVIII of the Social Security Act (42
 15 U.S.C. 1395 et seq.) or a participating provider
 16 under a State plan under title XIX of such Act
 17 (42 U.S.C. 1396 et seq.).

18 (3) The term “Secretary” means the Secretary
 19 of Health and Human Services.

20 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

21 To carry out this Act, there is authorized to be appro-
 22 priated such sums as may be necessary for the period of
 23 10 fiscal years following the date of enactment of this Act.

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