Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1671(Tangipa) – As Amended March 19, 2026

Policy Committee: Health Vote: 16 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires, upon appropriation by the Legislature, the Office of Rural Health (ORH) develop and administer a competitive grant program to compensate qualified providers to deliver medical services, or to support, sustain, or expand the delivery of medical services, to individuals who reside in rural areas.

Specifically, this bill:

1) Authorizes ORH to expend up to $3 million annually for the purposes of this bill.

2) Authorizes a qualified provider to apply to ORH once per year for a grant of up to $10,000.

3) Requires ORH to establish the criteria and standards for the grant program and publish this information on or before January 1, 2028, and annually thereafter.

4) Defines “qualified provider” to include a registered nurse, physician, certified nurse-midwife, dentist, dental hygienist, physical therapist, physician assistant, podiatrist, pharmacist, psychologist, optometrist, chiropractor, speech-language pathologist or audiologist, and occupational therapist.

5) Defines “support, sustenance, or expansion of the delivery of medical services” to include workforce support, equipment, infrastructure improvements, operational costs, and other expenses necessary to increase access to care.

FISCAL EFFECT:

General Fund costs of $3 million one-time to the Department of Health Care Access and Information (HCAI), ORH. The author is preparing a request for $3 million in the state budget to fund the requirements of this bill.

The Legislative Analyst’s Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

> Rural communities in California have long faced significant challenges in attracting and retaining qualified medical professionals, leaving residents without consistent access to essential healthcare services. …By helping offset operational, workforce, and practice-related costs, this bill strengthens provider retention and stabilizes healthcare access in underserved regions. Improving continuity of care in rural communities can reduce reliance on emergency rooms, support preventive and primary care services, and promote healthier, more economically stable communities.

2) **Background.** ***Rural Health Care Provider Workforce.*** According to 2023 data from the Medical Board of California, the supply of primary care physicians (PCPs) in California barely met the recommended minimum. However, for rural areas, the physician workforce is not adequate: four of the nine regions fell short of the recommended supply of PCPs, and one region was below the recommended supply of specialists. The Inland Empire, San Joaquin Valley, Northern, and Sierra regions had the lowest ratios of PCPs and specialists per 100,000 population of all regions in the state. An August 2025 report from the Healthforce Center at the University of California San Francisco asserts the health care provider shortage is especially severe in the San Joaquin Valley, where structural barriers, economic inequities, and geographic isolation deepen health care disparities. Six of the region's eight counties – Fresno, Kings, Madera, Merced, San Joaquin, and Tulare – are designated as federal Health Professional Shortage Areas, facing critical shortages in primary care, dental, and mental health providers. All eight counties, including Kern and Stanislaus, are also federally designated Medically Underserved Areas, signaling insufficient access to basic but essential primary care services.

   California Rural Health Transformation (CA-RHT) Program. The federal Centers for Medicare and Medicaid Services (CMS) recently awarded California $233.6 million for federal fiscal year 2026 to support rural and frontier communities across the state. The federal RHT program is funded by a five-year initiative to strengthen health care in rural communities where access, workforce shortages, and infrastructure gaps create unique challenges. The CA-RHT will target the state's 2.7 million rural residents, with a focus on high-need geographies that demonstrate the most persistent health and infrastructure gaps. Program emphasis will focus on rural Californians living in counties with a high burden of chronic disease; limited access to primary, maternity, and specialty care; and reliance on geographically isolated hospitals with constrained resources.

3) **Related Legislation.** AB 1431 (Tangipa), of the current legislative session, would have allowed a credit under the Personal Income Tax Law for certain health care providers who perform services in a rural area of the state. AB 1431 was held in the Assembly Committee on Revenue and Taxation.

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