

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON HEALTH
Mia Bonta, Chair
AB 1811 (Rogers) – As Amended March 19, 2026

SUBJECT: Health professional shortage areas.

SUMMARY: Until January 1, 2035, defines the term “health professional shortage area” to mean (1) an area determined by the Department of Health Care Access and Information (HCAI) to have a shortage of health professionals, (2) a health professional shortage area (HPSA) designated or recognized by the United States Department of Health and Human Services, or (3) an area designated or recognized as a health professional shortage area by the United States Department of Health and Human Services on January 1, 2025, regardless of whether that area remains designated or recognized by the United States Department of Health and Human Services as a HPSA.

EXISTING LAW: Establishes HCAI to, among other functions, collect, analyze, and publish data about healthcare workforce and health professional training, identify areas of health workforce shortages, and provide scholarships, loan repayments, and grants to students, graduates, and institutions providing direct patient care in areas of unmet need. [Health and Safety Code (HSC) § 127000, § 127825, *et seq.*]

FISCAL EFFECT: Unknown. This bill has not been analyzed by a fiscal committee.

COMMENTS:

- 1) **PURPOSE OF THIS BILL.** According to the author, HPSA designations are a critical tool for identifying where resources and workforce programs are most needed to serve underserved populations. The author notes that in his district, there are many rural clinics and hospitals at risk of having their designation withdrawn. By safeguarding and expanding HPSA eligibility, this bill helps reduce health disparities, protect rural and tribal health infrastructure, and ensure that vulnerable communities continue to receive essential health and mental health services. The author concludes that this bill ensures that these areas remain eligible for state programs that place physicians and other health professionals where they are needed most.
- 2) **BACKGROUND.**
 - a) **HPSAs.** HPSAs are geographic areas, population groups, or health care facilities that have been designated by the federal Health Resources and Services Administration (HRSA) as having a shortage of primary care, dental, or mental health providers. Generally, HRSA requires states to update HPSA designations every 3 years to ensure data accuracy, including provider data and geography. HRSA automatically processes the HPSA designations during this cycle and notifies states of updates and corrections needed to maintain the HPSA designations. If states do not update designations or they no longer meet the criteria, HRSA withdraws them in July of that year.
 - b) **Federal HPSA designation process.** The current process for designating a HPSA is dictated entirely at a federal level, by the HRSA Bureau of Health Workforce (BHW),

with no flexibility in criteria. As part of this national update, HRSA/BHW uploads new data, including the most recent U.S. Census data, into the federal Shortage Designation Management System. After the update, if areas no longer meet the federal criteria to qualify as an HPSA, they are automatically placed into “proposed for withdrawal” (PFW) status. However, the underlying cause of this status change could be a data error, a change in geographic unit (e.g., a change in census tract boundaries), or other technical issues.

For the 2025 update, changes in census data triggered geographic boundary changes, which automatically put many HPSAs in PFW status. In this instance, HRSA used a system that could not accurately read California’s census information, leading to geography errors and requiring HCAI to manually fix errors. This has caused a significant backlog, uncertainty on future actions, and increased staff time.

In California, HRSA flagged 306 of 400 designations as PFW in September of 2025. HCAI has until July 2026 before HRSA officially withdraws the areas. HCAI and its Primary Care Office (PCO) staff verify the data that HRSA has for areas that are in PFW status. If the data is not correct, the PCO staff revises the PFW HPSA information and submits a request to HRSA to approve and retain the HPSA. The PCO staff has until HRSA’s March 8, 2026 deadline to update and submit these requests to ensure the PFW HPSAs are not officially withdrawn.

If no request to retain the HPSA is submitted or the data shows that an area in PFW no longer qualifies as an HPSA, the HPSA designation will be withdrawn by HRSA in July 2026. HPSA designations can be updated or reinstated at any time after a designation withdrawal if they meet the federal HPSA criteria. After the March 8 deadline, HCAI PCO will continue to review and update data to reinstate withdrawn HPSAs. However, HRSA cannot guarantee that requests to update a PFW HPSA after the March deadline will be approved in time to prevent a July 2026 withdrawal; reinstatement may occur afterward.

- c) **Effects of HPSA withdrawal.** Unfortunately, many state administered programs are also linked to HPSA designations. As federal standards for calculating HPSA's remain unchanged and inflexible, there are HPSAs being PFW even though there is still a health profession shortage. These areas will lose the ability to benefit from federal programs, but also statewide programs, that recruit and retain healthcare providers. At the state level, the HPSA designation signals prioritization for state resources. Losing the designation will minimize the state’s understanding of the high need areas within California. Additionally, once a designation is withdrawn, the service area must submit another application to be considered again. Some examples of the effects are below:
- i) A risk of reduced eligibility for National Health Service Corps (NHSC) loan repayment and scholarship programs. Current NHSC participants can finish their service commitments even if their site loses designation. A significant majority of these awards go to Federally Qualified Health Centers and other federally designated clinics that are not impacted by this HPSA process, but some clinics may have a gap in eligibility as HCAI works to restore their HPSA designation.

- ii) Medicare Bonus Payments for physicians and psychiatrists continue through the calendar year of withdrawal. If reinstated before December 31, 2026, bonus payments can continue in 2027 (using a billing modifier).
- iii) Potential loss of HRSA workforce federal grant prioritization for affected communities/facilities.

HCAI notes they will still honor withdrawn designations for prioritization of state-funded workforce programs, where applicable.

- d) **Summary of Progress.** A total of 306 HPSAs needed updates, 142 have been updated and reviewed between June 2025 and March 2026. HCAI is drawing on recently developed in-house provider data to streamline and efficiently update the provider data more quickly for HPSA designations. Additionally, HCAI is directing IT and staffing resources to support the processing of the remaining at risk HPSAs with a goal of submitting those to HRSA by July. This should provide HRSA enough time to approve and reinstate those designations by the end of 2026. However, as noted above, HRSA cannot guarantee that requests to update a PFW HPSA after the March deadline will be approved in time to prevent a July 2026 withdrawal.
 - e) **HCAI health care provider data.** With the passage of AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, HCAI launched the California Health Workforce Research Data Center (Center). The Center serves as the state's central repository for health workforce data, and will collect, analyze, and distribute information on educational and employment trends for healthcare occupations in the state. HCAI will produce an annual report that discusses: supply and demand of the health workforce; geographical distribution of the health workforce; diversity of the health workforce, by specialty (including, but not limited to, data on race, ethnicity, and languages spoken); current and forecasted demand for healthcare workers, by specialty; educational capacity to produce trained, certified, and licensed healthcare workers, by specialty and by geographical distribution. HCAI, in partnership with the Medical Board of California and the Department of Consumer Affairs (DCA), has developed a workforce survey for licensed health care providers to complete during the electronic licensure renewal process. The survey will incorporate the requirements of AB 133, as well as the current regarding training and practice characteristics for each provider licensed in California.
- 3) **SUPPORT.** The Rural County Representatives of California and the Association of California Healthcare Districts are the sponsors of this bill which is supported by a broad swath of health care providers and facilities, including the California Hospital Association, California Association of Health Facilities and many others. The supporters of this bill state that HPSA designations, determined HRSA, identify areas and populations with critical workforce shortages and enable access to key recruitment and retention tools, including loan repayment programs, scope-of-practice flexibilities, and enhanced Medicare and Medicaid reimbursements. Although HPSA determinations are made at the federal level, many state-administered workforce programs rely on these designations for prioritization. The supporters note that in 2026, 285 of approximately 5,000 California HPSA designations are proposed for withdrawal, despite continued workforce shortages in those areas. This bill would preserve HPSA designations held as of January 1, 2025, through January 1, 2035, for purposes of state benefits, incentives, and resource prioritization, and would authorize HCAI

to authorize new HPSAs. Without state action, the loss of these designations will jeopardize access to critical programs for healthcare providers in underserved areas. The supporters conclude that maintaining HPSA designations is essential to the state's ability to identify and support high-need communities.

- 4) RELATED LEGISLATION.** AB 2527 (Hoover) would require DPH and HCAI to coordinate and act concurrently, to the extent practicable and consistent with applicable law, in the review and processing of any hospital application requiring approval from both departments, as specified. Would require the departments to commence review of a hospital application upon receipt of a complete application and payment of any applicable fee. Would prohibit the automatic imposition of a waiting period, but would authorize imposition of a reasonable waiting period if the applicant has demonstrated a documented pattern of failure to honor a payment obligation for prior submissions. AB 2527 is pending in the Assembly Health Committee.
- 5) PREVIOUS LEGISLATION.**
- a) AB 1991 (Bonta) Chapter 369, Statutes of 2024 requires all healing arts boards under DCA to require their licensees or registrants who electronically renews their license or registration to provide to that board the licensee's or registrant's individual National Provider Identifier, if they have one.
 - b) AB 133 (Committee on Budget) Chapter 143, Statutes of 2021 among other provisions, amends the Business and Professions Code to require healing arts licensing boards to collect or request certain demographic and other data from its licensees for future health workforce planning.
- 6) POLICY COMMENT.** In order to provide HCAI with data necessary to verify HPSA designations, as this bill moves forward, the author may wish to consult with HCAI to include additional requested information on provider re-licensing surveys (as discussed in the Background, above) to help ensure that HCAI has all the information required to verify HPSA designations for the federal government.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Healthcare Districts (ACHD) (Co-Sponsor)
 Rural County Representatives of California (RCRC) (Co-Sponsor)
 Antelope Valley Medical Center
 California Association of Health Facilities
 California Dental Hygienists' Association
 California Hospital Association
 California Special Districts Association
 Del Puerto Health Care District
 Desert Healthcare District and Foundation
 Eden Health District
 Fallbrook Regional Health District
 Healthy Petaluma District and Foundation
 LeadingAge California

Mayers Memorial Healthcare District
Plumas District Hospital
Salinas Valley Health
San Bernardino Mountains Community Hospital District
Sequoia Healthcare District
Sierra View Health Care District
Soledad Community Health Care District

Opposition

None on file

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