

116TH CONGRESS  
2D SESSION

# H. R. 7158

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2020

Mr. BROWN of Maryland (for himself, Mr. HOYER, Ms. SEWELL of Alabama, Ms. KUSTER of New Hampshire, and Ms. BLUNT ROCHESTER) 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

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## A BILL

To provide for the designation of areas as Health Enterprise 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 Enterprise Zones Act of 2020”.

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

- Sec. 1. Short title; table of contents.  
 Sec. 2. Designation of Health Enterprise Zones.  
 Sec. 3. Consultation.  
 Sec. 4. Tax incentives.  
 Sec. 5. Grants.  
 Sec. 6. Student loan repayment program.  
 Sec. 7. Ten percent increase of payment for items and services payable under Medicare Part B furnished in Health Enterprise Zones.  
 Sec. 8. Reporting.  
 Sec. 9. Definitions.  
 Sec. 10. Authorization of appropriations.

1 **SEC. 2. DESIGNATION OF HEALTH ENTERPRISE 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 En-  
 7 terprise 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 Enterprise 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 eligibility in the special  
 20 supplemental nutrition program under sec-

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

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

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

10                  (C) are part of a Metropolitan Statistical  
11                  Area or Micropolitan Statistical Area identified  
12                  by the Office of Management and Budget.

13                  (b) SOLICITATION OF APPLICATIONS.—The Sec-  
14                  retary shall—

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

18                   (2) publish on the website of the Department of  
19                   Health and Human Services—

20                   (A) the names of all applicants, together  
21                   with the names of each applicant’s coalition  
22                   partners; and

23                   (B) a description of all areas proposed to  
24                   be designated as Health Enterprise Zones.

1           (c) SUBMISSION OF APPLICATIONS.—To seek the  
2 designation of an area as a Health Enterprise Zone, a  
3 community-based nonprofit organization or local govern-  
4 mental agency, in coalition with an array of health care  
5 providers, hospitals, nonprofit community health clinics,  
6 health centers, social service organizations, and other re-  
7 lated organizations shall submit an application to the Sec-  
8 retary.

9           (d) CONTENTS.—An application under subsection (c)  
10 shall—

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

13                   (A) to reduce health disparities;

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

16                   (C) to improve health outcomes; and

17                   (D) to utilize one or more of the incentives  
18 established pursuant to sections 4, 5, 6, and 7  
19 to address health care provider capacity, im-  
20 prove health services delivery, effectuate com-  
21 munity improvements, or conduct outreach and  
22 education efforts; and

23           (2) identify specific diseases or indicators of  
24 health for improvement of health outcomes in such  
25 area, including at least one of the following: cardio-

1       vascular disease, asthma, diabetes, dental health, be-  
2       havioral health, maternal and birth health, sexually  
3       transmitted infections, and obesity.

4       (e) CONSIDERATIONS.—The Secretary—

5             (1) shall consider geographic diversity, among  
6       other factors, in selecting areas for designation as  
7       Health Enterprise Zones; and

8             (2) may conduct outreach efforts to encourage  
9       a geographically diverse pool of applicants, including  
10      for designating Health Enterprise Zones in rural  
11      areas.

12      (f) PRIORITY.—In selecting areas for designation as  
13      Health Enterprise Zones, the Secretary shall give higher  
14      priority to applications based on the extent to which they  
15      demonstrate the following:

16             (1) Support from, and participation of, key  
17      stakeholders in the public and private sectors in the  
18      area proposed for designation, including residents  
19      and local governments of such area.

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

22             (3) Supporting funds from the private sector.

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

1           (5) A plan for evaluation of the impact of des-  
2           ignation of such area as a Health Enterprise Zone.

3           (6) A plan to utilize existing State tax credits,  
4           grants, or other incentives to reduce health dispari-  
5           ties and improve health outcomes in the proposed  
6           Health Enterprise Zone.

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

11          (g) PERIOD OF DESIGNATION.—The designation  
12          under this section of any area as a Health Enterprise Zone  
13          shall expire at the end of the period of 10 fiscal years  
14          following the enactment of this Act.

15          **SEC. 3. CONSULTATION.**

16          The Secretary shall carry out this Act in consultation  
17          with—

18                 (1) the Secretary of Housing and Urban Devel-  
19                 opment; and

20                 (2) the Deputy Assistant Secretary for Minority  
21                 Health.

22          **SEC. 4. TAX INCENTIVES.**

23          (a) WORK OPPORTUNITY CREDIT FOR HIRING  
24          HEALTH ENTERPRISE ZONE WORKERS.—

1           (1) IN GENERAL.—Section 51(d)(1) of the In-  
2           ternal Revenue Code of 1986 is amended by striking  
3           “or” at the end of subparagraph (I), by striking the  
4           period at the end of subparagraph (J) and inserting  
5           “, or”, and by adding at the end the following new  
6           subparagraph:

7                     “(K) a qualified Health Enterprise Zone  
8           worker, to the extent that the qualified first-  
9           year wages with respect to such worker are paid  
10          for qualified Health Enterprise Zone work.”.

11          (2) QUALIFIED HEALTH ENTERPRISE ZONE  
12          WORKER.—Section 51(d) of such Code is amended  
13          by adding at the end the following new paragraphs:

14                     “(16) QUALIFIED HEALTH ENTERPRISE ZONE  
15          WORKER.—The term ‘qualified Health Enterprise  
16          Zone worker’ means any individual who is certified  
17          by the designated local agency as having (as of the  
18          hiring date) a principal place of employment within  
19          a Health Enterprise Zone (as such term is defined  
20          in section 9 of the Health Enterprise Zones Act of  
21          2020).

22                     “(17) QUALIFIED HEALTH ENTERPRISE ZONE  
23          WORK.—The term ‘qualified Health Enterprise Zone  
24          work’ means employment by a Health Enterprise  
25          Zone practitioner (as such term is defined in section

1 9 of the Health Enterprise Zones Act of 2020), the  
 2 primary official duties of which promote access to  
 3 healthcare in a Health Enterprise Zone (as such  
 4 term is defined in section 9 of the Health Enterprise  
 5 Zones Act of 2020).”.

6 (3) EFFECTIVE DATE.—The amendments made  
 7 by this section shall apply to amounts paid or in-  
 8 curred after the date of the enactment of this Act  
 9 to individuals who begin work for the employer after  
 10 such date.

11 (b) CREDIT FOR HEALTH ENTERPRISE ZONE WORK-  
 12 ERS.—

13 (1) IN GENERAL.—Subpart A of part IV of sub-  
 14 chapter A of chapter 1 of the Internal Revenue Code  
 15 of 1986 is amended by inserting after section 25D  
 16 the following new section:

17 **“SEC. 25E. CREDIT FOR QUALIFIED HEALTH ENTERPRISE**  
 18 **ZONE WORKERS.**

19 “(a) ALLOWANCE OF CREDIT.—In the case of a  
 20 qualified Health Enterprise Zone worker, there shall be  
 21 allowed as a credit against the tax imposed by this chapter  
 22 for a taxable year an amount equal to 40 percent of wages  
 23 received for qualified Health Enterprise Zone work.

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



1           “(1) The term ‘qualified Health Enterprise  
2           Zone worker’ means, with respect to wages, an indi-  
3           vidual whose principal place of employment while  
4           earning such wages is within a Health Enterprise  
5           Zone (as such term is defined in section 9 of the  
6           Health Enterprise Zones Act of 2020).

7           “(2) The term ‘qualified Health Enterprise  
8           Zone work’ has the meaning given such term in sec-  
9           tion 51.”.

10           (2) CLERICAL AMENDMENT.—The table of sec-  
11           tions for subpart A of part IV of subchapter A of  
12           chapter 1 of such Code is amended by inserting  
13           after the item relating to section 25D the following  
14           new item:

“Sec. 25E. Credit for qualified Health Enterprise Zone workers.”.

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

18 **SEC. 5. GRANTS.**

19           (a) AUTHORIZATION.—For each area designated  
20           under section 2 as a Health Enterprise Zone, the Sec-  
21           retary may award a grant to the community-based non-  
22           profit organization or local governmental agency that ap-  
23           plied for such designation to support such applicant and  
24           its coalition partners in reducing health disparities and  
25           improving health outcomes in such area.

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

5 (1) SUBGRANTS TO HEALTH CARE PRACTI-  
6 TIONERS.—

7 (A) IN GENERAL.—For the purpose of im-  
8 proving or expanding the delivery of health care  
9 in the respective Health Enterprise Zone, the  
10 grantee may award subgrants to Health Enter-  
11 prise Zone practitioners to defray costs related  
12 to innovative strategies listed in paragraph (2).

13 (B) ELIGIBILITY.—To be eligible to receive  
14 a subgrant pursuant to subparagraph (A), a  
15 Health Enterprise Zone practitioner shall—

16 (i) own or lease a health care facility  
17 in the Health Enterprise Zone; or

18 (ii) provide health care in such a facil-  
19 ity.

20 (C) AMOUNT.—The amount of a subgrant  
21 under subparagraph (A) may not exceed the  
22 lesser of—

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

24 (ii) 50 percent of the costs of the  
25 equipment, or capital or leasehold improve-

1           ments, to be defrayed using the subgrant  
2           to implement innovative strategies listed in  
3           paragraph (2).

4           (2) INNOVATIVE STRATEGIES.—A grantee (or  
5           subgrantee) may use a grant received under this sec-  
6           tion (or a subgrant received under paragraph (1)) to  
7           implement innovative public health strategies in the  
8           respective Health Enterprise Zone, which strategies  
9           may include—

10                   (A) internships and volunteer opportunities  
11                   for students who reside in the Health Enter-  
12                   prise Zone;

13                   (B) funding resources to improve health  
14                   care provider capacity to serve non-English  
15                   speakers;

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

18                   (D) provision of transportation to and  
19                   from medical appointments for patients;

20                   (E) funding resources to improve access to  
21                   healthy food, recreation, and high-quality hous-  
22                   ing;

23                   (F) capital or leasehold improvements to a  
24                   health care facility in the respective Health En-  
25                   terprise Zone; and

1                   (G) medical or dental equipment to be  
2                   used in such a facility.

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

4           (a) IN GENERAL.—The Secretary shall carry out a  
5 loan repayment program under which the Secretary enters  
6 into agreements with eligible Health Enterprise Zone  
7 practitioners to make payments on the principal and inter-  
8 est of the eligible educational loans of such practitioners  
9 for each year such practitioners agree to provide health  
10 care services in a Health Enterprise Zone.

11           (b) LIMITATIONS.—In entering into loan repayment  
12 agreements under this section, the Secretary may not  
13 agree to—

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

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

19           (c) DEFINITIONS.—In this section:

20                   (1) The term “eligible educational loan” means  
21                   any federally funded or guaranteed student loan as  
22                   determined appropriate by the Secretary in coordina-  
23                   tion with the Secretary of Education.

1           (2) The term “eligible Health Enterprise Zone  
2 practitioner” means a Health Enterprise Zone prac-  
3 titioner who agrees—

4           (A) to provide health care services in a  
5 Health Enterprise Zone for a specified period  
6 that is not less than one year; and

7           (B) has one or more eligible educational  
8 loans.

9 **SEC. 7. TEN PERCENT INCREASE OF PAYMENT FOR ITEMS**  
10 **AND SERVICES PAYABLE UNDER MEDICARE**  
11 **PART B FURNISHED IN HEALTH ENTERPRISE**  
12 **ZONES.**

13           Section 1833(a) of the Social Security Act (42 U.S.C.  
14 1395l(a)) is amended by inserting before the period at the  
15 end the following: “. With respect to items and services  
16 payable under this part that are furnished in a Health  
17 Enterprise Zone (as defined in section 9 of the Health  
18 Enterprise Zones Act of 2020) during the period begin-  
19 ning on the first day an area is designated a Health En-  
20 terprise Zone under section 2(a)(1) of such Act and end-  
21 ing on the last day of the fiscal year that is 10 fiscal years  
22 following the enactment of this Act, the payment rates  
23 otherwise established for such items and services shall be  
24 increased by 10 percent”.

1 **SEC. 8. REPORTING.**

2 (a) IN GENERAL.—Not later than the end of each  
3 fiscal year in the period of 10 fiscal years following the  
4 date of enactment of this Act, the Secretary shall submit  
5 to the Congress a report on the implementation of this  
6 Act and the results thereof.

7 (b) CONTENTS.—Each report under subsection (a)  
8 shall—

9 (1) specify the number and types of incentives  
10 provided pursuant to this Act in each Health Enter-  
11 prise Zone designated under section 2;

12 (2) include evidence of the extent to which the  
13 incentives utilized by each Health Enterprise Zone  
14 have succeeded—

15 (A) in attracting health care practitioners  
16 to practice in Health Enterprise Zones;

17 (B) in reducing health disparities and im-  
18 proving health outcomes in Health Enterprise  
19 Zones; and

20 (C) in reducing health costs and hospital  
21 admissions and readmissions in Health Enter-  
22 prise Zones.

23 **SEC. 9. DEFINITIONS.**

24 In this Act:

1           (1) The term “Health Enterprise Zone” means  
2           an area designated under section 2 as a Health En-  
3           terprise Zone.

4           (2) The term “Health Enterprise Zone practi-  
5           tioner” means a health care practitioner who—

6                   (A) is licensed or certified in accordance  
7                   with applicable State law to treat patients in  
8                   the respective Health Enterprise Zone;

9                   (B) provides—

10                           (i) primary care, which may include  
11                           obstetrics, gynecological services, pediatric  
12                           services, or geriatric services;

13                           (ii) behavioral health services, which  
14                           may include mental health or substance  
15                           use disorder services; or

16                           (iii) dental services; and

17                   (C) is a participating provider of services  
18                   or supplier under the Medicare program under  
19                   title XVIII of the Social Security Act (42  
20                   U.S.C. 1395 et seq.) or a participating provider  
21                   under a State plan under title XIX of such Act  
22                   (42 U.S.C. 1396 et seq.).

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

1 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

2       To carry out this Act, there is authorized to be appro-  
3 priated such sums as may be necessary for the period of  
4 10 fiscal years following the date of enactment of this Act.

○