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# Healthcare Hiring Under Pressure: New H-1B Costs, Delays, and Potential Relief

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Healthcare employers continue to face increasing immigration-related uncertainty at a time of sustained workforce shortages. Recent legislative developments and agency actions may significantly impact your ability to recruit and retain foreign national healthcare professionals.

This alert provides a targeted update on:

1. Proposed legislation exempting certain healthcare workers from new H-1B restrictions
2. The ongoing “benefits pause” affecting adjudications
3. Practical implications for healthcare workforce planning

## **1. Proposed Legislation: H-1Bs for Physicians and the Healthcare Workforce Act**

A new bill introduced in Congress, titled the “H-1Bs for Physicians and the Healthcare Workforce Act,” seeks to address the impact of the September 2025 Presidential Proclamation imposing additional restrictions and fees on H-1B workers.

The bill would exempt certain healthcare workers in H-1B status from the additional restrictions and fees imposed under the Presidential Proclamation, including relief from the \$100,000 employer-paid fee currently required for certain H-1B workers residing abroad. Notably, the exemption is tied to the definition of “health care worker” under the Affordable Care Act (ACA), which covers a wide range of licensed and regulated healthcare professionals, such as:

- Physicians
- Registered nurses
- Physical therapists
- Occupational therapists
- Other allied health professionals

This is significant because it expands relief beyond physicians to include a broad range of healthcare professionals, capturing a substantial portion of the workforce that hospitals and healthcare systems depend on to maintain operations and meet patient care demands.

If enacted, the bill would remove a significant financial barrier to hiring international healthcare workers, particularly by eliminating the substantial

additional fee currently imposed on certain H-1B employees abroad. It would also help restore the viability of overseas recruitment pipelines for H-1B professionals, which many healthcare employers rely on to meet persistent staffing shortages. The impact would be especially pronounced for rural and underserved healthcare systems, where access to foreign-trained providers is often critical to maintaining essential services. That said, the bill has not yet been enacted, and employers should continue to plan strategically under the current restrictions while closely monitoring developments, as these constraints remain fully in effect.

## **2. Ongoing Adjudication Delays from USCIS “Benefits Pause”**

While that legislation works its way through Congress, a recent USCIS policy memorandum has placed adjudications on hold for nationals of nearly 40 countries, adding a separate layer of complexity for healthcare employers. On January 1, 2026, USCIS issued Policy Memorandum PM-602-0194, *Hold and Review of USCIS Benefit Applications Filed by Aliens From Additional High-Risk Countries*, which expands the pause on adjudications of immigration benefit requests for individuals subject to Presidential Proclamation 10998 of December 16, 2025, *Restricting and Limiting the Entry of Foreign Nationals to Protect the Security of the United States*. This policy directs USCIS to place a hold on pending cases and conduct a comprehensive review, and in some cases re-review of previously approved benefits, for affected individuals.

Nationals of these countries are subject to this adjudicative hold and enhanced review, including: Afghanistan, Angola, Antigua and Barbuda, Benin, Burkina Faso, Burma, Burundi, Chad, Côte d'Ivoire, Cuba, Dominica, Republic of the Congo, Equatorial Guinea, Eritrea, Gabon, the Gambia, Haiti, Iran, Laos, Libya, Malawi, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Tanzania, Togo, Tonga, Turkmenistan, Venezuela, Yemen, Zambia, and Zimbabwe. Individuals traveling on Palestinian Authority-issued or endorsed documents are also included. Importantly, the policy applies not only based on nationality, but also to individuals identified by country of birth or those who have acquired citizenship through investment programs tied to these countries.

While formal guidance has been limited, current conditions include delayed adjudications for employment authorization (EADs), change of status requests, and extensions, as well as increased uncertainty for F-1 students transitioning to OPT and later to H-1B status. Employers are also seeing potential delays for initial H-1B filings, even in cap-exempt settings. The pause was initially expected to be updated within 90 days, including guidance on how and when adjudications would resume and whether any exceptions or processing pathways would be implemented; however, no meaningful update or additional direction has been issued to date.

This pause is particularly disruptive in healthcare settings because many employers rely on the F-1 to OPT to H-1B pipeline to recruit and retain nurses, therapists, and other critical professionals. Delays in OPT or EAD adjudications can create gaps in work authorization, directly impacting staffing levels and patient care. Notably, even cap-exempt H-1B

employers, such as nonprofit hospitals affiliated with universities, are not insulated from these processing slowdowns, further compounding workforce challenges across the sector.

### **3. Broader Context: Ongoing Healthcare Workforce Shortages**

These developments come at a time when demand for healthcare workers remains critically high. The United States continues to face persistent shortages of nurses and allied health professionals, with demand expected to grow significantly in the coming years. As a result, employers are increasingly reliant on immigration pathways to fill workforce gaps, particularly in rural hospitals, long-term care facilities, and specialty care settings where staffing challenges are often most acute.

At the same time, healthcare immigration presents unique complexities. Employers must navigate licensure and credentialing requirements, health care worker certification rules that apply to certain occupations, and a limited set of viable visa options for many roles. These structural constraints heighten the impact of both legislative uncertainty and adjudication delays, making workforce planning in the healthcare sector especially challenging.

### **4. Strategic Considerations for Healthcare Organizations**

In the short term, healthcare employers should anticipate continued adjudication delays and proactively plan for potential workforce gaps. It is important to carefully monitor employees in F-1 OPT or pending EAD status, as delays in these processes may lead to interruptions in work authorization. Where available, employers should also consider premium processing or alternative visa strategies to help mitigate timing risks.

From a mid-term planning perspective, employers should closely track the progress of the proposed H-1B healthcare exemption legislation and assess whether members of their workforce may qualify under the ACA definition of a healthcare worker. At the same time, it remains important to continue exploring a range of immigration options, including cap-exempt H-1B strategies, TN status where applicable, and immigrant visa pathways such as Schedule A for nurses and physical therapists.

A strategic approach to workforce planning should include building redundancy into hiring timelines, identifying critical roles that may be at risk of disruption, and developing immigration contingency plans, particularly for departments with high staffing needs.

### **5. Looking Ahead**

While the proposed legislation signals a growing recognition of the healthcare workforce crisis, any meaningful relief is not immediate. In the meantime, employers must continue to navigate a challenging landscape that includes increased costs for H-1B workers abroad, ongoing adjudication delays, and longstanding structural limitations within healthcare immigration pathways.

We will continue to monitor legislative developments and USCIS policy changes closely and provide timely updates as the situation evolves.

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