

Trump's new \$100K visa fee could pummel red state hospitals

Rural areas that overwhelmingly voted for the president employ a high concentration of doctors on H-1B visas.

By Nick Niedzwiadek, Alice Miranda Ollstein and Simon J. Levien 10/02/2025 06:00 PM EDT

Hospitals and medical groups around the country are pleading with the Trump administration to exempt doctors and other health workers from a new \$100,000 fee for high-skilled visa holders, warning the policy could decimate an already fragile workforce in rural communities.

Some are even enlisting the help of Republican lawmakers despite the party's antipathy toward the visa program. Sens. Shelley Moore Capito (R-W.V.) and Joni Ernst (R-Iowa) said in interviews Wednesday that hospitals in their states — which have the highest rates of immigrant visa-holders working in health care — have asked them to push for a carveout.

“It alarmed a lot of people,” said Capito, adding that West Virginia University’s health system was particularly worried about the impact on their medical staff. “In rural areas, this is critical health care delivery. We’ve got to keep it.”

President Donald Trump’s directive gives the Department of Homeland Security the power to exempt individual workers, companies or even entire industries from his H-1B visa fee if it deems doing so is “in the national interest.” The White House has said a carveout for health workers is possible but has not yet made any commitments.

“There’s just not enough certainty around it,” lamented Capito.

Without an exemption for the health care sector, hospitals around the country would be affected, but those in red states with rural populations that voted overwhelmingly for Trump are set to be the hardest hit.

Nearly a quarter of the nation’s physicians are international medical graduates, and they are overrepresented in places that tend to have doctor shortages. While large states with Democratic governors have the highest total number of health workers on H-1B visas, a study published this summer found that three GOP-led states — Iowa, North Dakota and West Virginia — employ the highest percentages of such physicians.

Sen. John Hoeven (R-N.D.) told POLITICO that he has not yet heard concerns from hospitals in his state, but wants to ensure the new policy does not make provider shortages worse.

“It’s important that we make sure that they’re able to get medical professionals, whether it’s doctors or nurses,” he said.

The American Hospital Association and 50 groups led by the American Medical Association argued for exemptions from the fee in recent letters to Homeland Security Secretary Kristi Noem, writing that the country's health care workforce depends on foreign-born and foreign-trained clinicians who supplement rather than displace American workers.

"With the U.S. already facing a shortage of doctors, making it harder for [international medical graduates] to train and practice here means patients will wait longer and drive farther to get care," AMA president Bobby Mukkamala said in a statement.

The American Hospital Association warned that the new fee could trigger shortages not only of doctors but also nurses, pharmacists, therapists and lab workers, forcing "a reduction in the services they are able to provide."

The \$100,000 fee "could mean that rural hospitals or safety net clinics, which often struggle to recruit domestically, will become less able to attract foreign clinicians due to the additional financial burden," said Jack Salmon, an economics research fellow at the conservative think tank Mercatus.

Salmon added that hospitals would likely respond by hiring fewer international doctors, increasing the cost of health services or cutting non-clinical programs.

Other types of work visas are available to foreign-born workers in medicine, but they carry additional limitations compared with H-1B. International medical graduates enrolled in residencies or fellowships for speciality training commonly come to the U.S. on J-1 visas for exchange programs — but they have to return to their home countries for at least two years after the visa expires, though that restriction can be waived. Some visas are only available to people from certain countries with existing agreements with the U.S., and others mandate that prospective immigrants demonstrate exceptional ability in certain fields.

The new fee could also affect universities and medical schools that use the prospect of transitioning into a high-skilled visa after graduation to recruit international students.

"Who, if anyone, is going to be able to swallow an extra \$100,000?" said Gil Guerra, an immigration policy analyst at the libertarian-leaning Niskanen Center. "All of this creates a morass."

To date, the Trump administration has given little indication of whether or how it will dole out exemptions, beyond the broad discretion given to DHS in the proclamation that the president signed.

White House spokesperson Taylor Rogers called the \$100,000 fee a "commonsense action" that will deter "companies from spamming the system and driving down wages."

“It also gives certainty to American businesses who actually want to bring high-skilled workers into our great country but have been trampled on by abuses of the system,” she said in a statement to POLITICO.

The White House and many conservative immigration hardliners have argued that employers stretched the H-1B visa program beyond its original intent — which was to hire solely for specialized occupations — in order to recruit entry-level foreign talent at the expense of domestic workers. The six-figure fee, combined with a proposed DHS regulation reconfiguring the visa lottery system, could disadvantage new doctors and other early-career workers who tend to earn less than more experienced peers.

“If this sticks, this is going to be a category that is really just top-tier individuals — C-suite talent, things like that,” said Jorge Lopez, who chairs the immigration practice at the employment law firm Littler Mendelson.

Yet, even as GOP discontent with the H-1B system grows, Trump has on occasion nodded to a desire to keep top foreign talent in the country.

“You need brilliant people,” he said in a 2024 interview on the “All-In” podcast. “And we force the brilliant people, the people that graduate from college, the people that are number one in their class from the best colleges [to leave.]”