

- 1) Increases the minimum wage for health care employees as follows:
 - a) For a covered health care facility employer with 10,000 or more full-time equivalent (FTE) employees, any covered health care facility employer that is part of an integrated health care delivery system, a county health care system with 10,000 or more FTE employees, a dialysis clinic, or a covered health care facility owned, affiliated, or operated by a county with a population of more than 5,000,000 as of January 1, 2023, the minimum wage for covered health care employees shall be:
 - i) \$23 per hour from June 1, 2024, to May 31, 2025,
 - ii) \$24 per hour from June 1, 2025, to May 31, 2026, and
 - iii) \$25 per hour from June 1, 2026, until adjusted, as specified.
 - b) For a hospital with a governmental payor mix, an independent hospital with an elevated government payor mix, a rural independent covered health care facility, or a covered health care facility that is owned, affiliated, or operated by a county with a population of less than 250,000 as of January 1, 2023, the minimum wage for covered health care employees shall be:
 - i) \$18 per hour from June 1, 2024, to May 31, 2033, with 3.5 percent annual increases; and
 - ii) \$25 per hour from June 1, 2033, until adjusted as specified.
 - c) For primary care clinics, community clinics, rural health clinics, and urgent clinics owned and operated by primary care clinics, the minimum wage for covered health care employees shall be:
 - i) \$21 per hour from June 1, 2024, to May 31, 2026,
 - ii) \$22 per hour from June 1, 2026, to May 31, 2027, and
 - iii) \$25 from June 1, 2027, until adjusted as specified.
 - d) For all other covered health care facility employers including hospitals, skilled nursing facilities as specified, integrated delivery systems, ambulatory surgical centers, urgent care clinics, medical groups, medical foundations, county mental health facilities, and county correctional health facilities, the minimum wage shall be:
 - i) \$21 per hour from June 1, 2024, to May 31, 2026,
 - ii) \$23 per hour from June 1, 2026, to May 31, 2028, and
 - iii) \$25 per hour from June 1, 2028, until adjusted as specified.

- 2) Provides that following the implementation of a \$25 minimum wage increase, on or before August 1 of the following year and annually thereafter, the Director of Finance shall calculate an adjusted minimum wage that increases by the lesser of 3.5 percent or the rate of change in the non-seasonally adjusted U.S. Consumer Price Index, as specified.

- 3) Requires the Department of Health Care Access and Information to publish on their website, on or before January 31, 2024, specified information, including a list of hospitals that qualify under certain classifications, as specified. This bill provides, until January 31, 2025, a process for hospitals excluded from that list to request classification.
- 4) Directs the Department of Health Care Access and Information to classify a requesting hospital as a hospital with a high governmental payor mix, independent hospital with an elevated governmental payor mix, or a rural independent covered health care facility if they meet the definitions provided under the provisions of this bill.
- 5) Authorizes, until January 1, 2025, the adoption of any necessary rules and regulations for purposes of implementing the bill's provisions as emergency regulations in accordance with the Administrative Procedure Act and deems the adoption of those emergency regulations an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.
- 6) Requires the Department of Health Care Access and Information to consider input from specified stakeholders when adopting those rules and regulations, as specified.
- 7) Provides that the health care worker minimum wage provisions can be enforced by the Labor Commissioner or by a covered worker through a civil action, through the same means and relief available for existing minimum wage violations.
- 8) Defines "covered health care employee" to mean any of the following:
 - a) An employee of a health care facility employer who provides patient care, health care services, or supportive services, which includes but is not limited to nurses, physicians, caregivers, medical residents, interns or fellows, patient care technicians, janitors, housekeeping staff persons, groundskeepers, guards, clerical workers, nonmanagerial administrative staff, food service staff, gift shop staff, technical and ancillary services workers, medical coding and billing personnel, schedulers, call center and warehouse workers, and laundry workers, regardless of formal job title.
 - b) Contracted or subcontracted health care employees where the health care facility employer directly or indirectly exercises control over the employee's wages, hours, or working conditions, as specified.

- 9) Specifies that “covered health care employee” does not include:
- a) Employment as an outside salesperson;
 - b) Any work performed in the public sector where the primary duties performed are not health care services;
 - c) Delivery or waste collection work on the premises of a covered health care facility, provided that the delivery or waste collection worker is not an employee of any person that owns, controls, or operates a covered health care facility; or
 - d) Medical transportation services in or out of a covered health care facility, provided that the medical transportation services worker is not an employee of a person that owns, controls, or operates a covered health facility.
- 10) Defines “covered health care facility” as any of the following:
- a) A facility or work site that is part of an integrated health care delivery system.
 - b) A licensed general acute care hospital, as defined, including a distinct part of any such hospital.
 - c) A licensed acute psychiatric hospital, as defined, including a distinct part of any such hospital.
 - d) A special hospital, as defined.
 - e) A licensed skilled nursing facility, as defined, if owned, operated, or controlled by a hospital or integrated health care delivery system or health care system.
 - f) A patient’s home when health care services are delivered by an entity owned or operated by a general acute care or psychiatric hospital.
 - g) A licensed home health agency, as defined.
 - h) A clinic, as defined, including a specialty care, or dialysis clinic.
 - i) A psychology clinic, as defined.
 - j) An outpatient clinic of a hospital.

- k) A clinic operated by, or affiliated with, any institution of learning that teaches a recognized healing art and is approved by the state board or commission vested with responsibility for regulation of the practice of that healing art.
 - l) A nonprofit clinic that conducts medical research and health education and provides health care to its patients through a group of 40 or more physicians and surgeons, who are independent contractors representing not less than 10 board-certified specialties, and not less than two-thirds of whom practice on a full-time basis at the clinic.
 - m) A licensed residential care facility for the elderly, as defined, if affiliated with an acute care provider or owned, operated or controlled by a general acute care hospital, acute psychiatric hospital, or the parent entity of such.
 - n) A psychiatric health facility, as defined.
 - o) A mental health rehabilitation center, as defined.
 - p) A community clinic, as defined, an intermittent clinic, as specified, or a clinic operated by the state or any of its political subdivisions, including, but not limited to, the University of California or a city or county that is exempt from licensure, as specified.
 - q) A rural health clinic, as defined.
 - r) An urgent care clinic.
 - s) An ambulatory surgical center, as specified.
 - t) A physician group.
 - u) A county correctional facility that provides health care services.
 - v) A county mental health facility.
- 11) Provides that a “covered health care facility” does not include either of the following:
- a) A hospital owned, controlled, or operated by the Department of State Hospitals.

- b) A tribal clinic or outpatient setting conducted, maintained, or operated by a federally recognized Indian Tribe, tribal organization, or urban Indian organization, as specified.
- 12) Defines “employer” as a person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of any person including the state, political subdivisions of the state, the University of California, and municipalities.
- 13) Defines “FTE employee” as the total paid ours at a covered health care facility, including an integrated health care delivery system, as of January 1, 2022, as per Department of Health Care Access and Information guidance, divided by 2,080.
- 14) Defines “health care services” as patient care-related services including nursing; caregiving; services provided by medical residents, interns, or fellows; technical and ancillary services; janitorial work; housekeeping; groundskeeping; guard duties; business office clerical work; food services; laundry; medical coding and billing; call center and warehouse work; scheduling; and gift shop work; but only where such services support patient care.
- 15) Defines “health care system” as a parent entity that owns, controls, or operates two or more separately licensed hospitals.
- 16) Defines “hospital with a high governmental payor mix” means a licensed acute care hospital, as defined in subdivision (a) or (b) of Section 1250 of the Health and Safety Code, where the combined Medicare and Medi-Cal payor mix is 90 percent or greater, as specified.
- 17) Defines “independent hospital with an elevated governmental payor mix” as a hospital, as defined, where the combined Medicare and Medi-Cal payor mix is 75 percent or greater, as specified, and not owned, controlled, or operated by any parent entity with two or more separately licensed hospitals.
- 18) Defines “integrated health care delivery system” means an entity or group of related entities, as specified, that includes one or more hospitals and one or more physician groups, health care service plans, medical foundation clinics, other health care facilities, or other entities, providing health care or supporting the provision of health care.
- 19) Defines “physician group” as a medical group practice, including a professional medical corporation, as defined, or another form of corporation

controlled by physicians and surgeons, or a medical partnership, provided that the group includes a total of 25 or more physicians.

- 20) Defines “rural independent covered health care facility” as a hospital that is not part of an integrated health care delivery system and is not owned, controlled, or operated by any parent entity with two or more separately licensed hospitals, a specified.
- 21) Defines “urgent care clinic as a facility or clinic that provides immediate, nonemergent ambulatory medical care to patients, including, but not limited to, facilities known as walk-in clinics or centers or urgent care centers.
- 22) Specifies that the bill’s provisions are severable and if any provision or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect.
- 23) Makes several findings and declarations regarding the necessity of a special statute for health care workers and that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

Background

California's current minimum wage is \$15.50 per hour. Some cities in California have established minimum wages that are higher than the current statewide minimum wage. Since the start of 2022, spearheaded by SEIU-United Health Workers, several California cities have passed or introduced ordinances for a \$25 per hour minimum wage for healthcare workers. Some of these ordinances have been challenged and put on hold after petitions for referendum were submitted to put the matter before city voters. This bill incorporates a limited moratorium on such future initiatives, but preserve the recent health care worker \$25 minimum wage initiative passed by voters in Inglewood. An initiative cleared for the November 2024 ballot, The Living Wage Act, would increase the state minimum wage to \$18 an hour over several years.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

Fiscal impact unknown with 9/11/23 amendments, which struck the flat minimum wage increase provisions and instead implemented a tiered schedule of increases for differing employers based on specified factors.

SUPPORT: (Verified 9/14/23)

SEIU California (source)
AFSCME Local 3299
Alameda County Democratic Party
Alameda Labor Council
All Home
American Medical Student Association
Antelope Valley African American Leadership Council
Ascend Learning
Asian Americans Advancing Justice-Southern California
Asian Democrats of Los Angeles County
Board of Behavioral Sciences
Buen Vecino
California Advocates for Nursing Home Reform
California Calls
California Children's Hospital Association
California Commission on the Status of Women and Girls
California Conference of Carpenters
California Environmental Voters
California Faculty Association
California Hospital Association
California Immigrant Policy Center
California League of United Latin American Citizens
California Pan - Ethnic Health Network
California Physicians Alliance
California Professional Firefighters
California Teamsters Public Affairs Council
Care Workers Council
Center on Policy Initiatives
Central Coast Alliance United for a Sustainable Economy
Central Coast Labor Council
Central Labor Council of Contra Costa County
Central Labor Council, Fresno-Madera-Tulare-Kings Counties, AFL-CIO
Central Valley Health Network
City and County of San Francisco Board of Supervisors
City of Bakersfield Vice Mayor Andrae Gonzales
City of Downey Mayor Pro Tem Mario Trujillo
City of Fresno Councilmember Luis Chavez
City of Fresno Vice President Annalisa Perea
City of Irvine Councilmember Larry Agran

City of Irvine Mayor Khan
City of La Mesa
City of La Mesa Councilmember Jack Shu
City of La Mesa Councilmember Patricia N. Dillard
City of Long Beach Vice Mayor and Councilwoman Cindy Allen
City of Lynwood Councilmember Jose Luis Solache
City of Lynwood Councilmember Juan Munoz-Guevara
City of Manteca
City of Merced Councilmember Fue Xiong
City of Modesto Councilmember Chris Ricci
City of Monterey Park Councilmember Henry Lo
City of Riverside Councilmember Gaby Plascencia
City of Santa Ana Councilmember Jonathan Ryan Hernandez
City of Stockton Councilmember Dan Wright
City of Stockton Vice Mayor Kimberly Warmsley
Clergy and Laity United for Economic Justice
Community and Labor Center at UC Merced
Contra Costa Central Labor Council
County of Fresno Board of Supervisors Chair Sal Quintero
County of Monterey
County of San Diego Supervisor Terra Lawson-Remer
Courage California
Democratic Party of Contra Costa County
Democratic Party of Sacramento County
Democratic Woman's Club of San Diego County
Dolores Huerta Foundation
East Bay Alliance for a Sustainable Economy
East Contra Costa Democratic Club
Encinitas4Equality
End Poverty in California
Engineers and Scientists of California, IFPTE Local 20, AFL-CIO
Ensuring Opportunity Campaign to End Poverty in Contra Costa County
Fem Dems of Sacramento
Fresno Barrios Unidos
Fresno County Democratic Central Committee
Fund Her
Heartland Firefighters of La Mesa
Indivisible San Jose
Justin Cummings, Supervisor Third District, County of Santa Cruz
Latino and Latina Roundtable of the San Gabriel and Pomona Valley

Latino Medical Student Association
Lawyers' Committee for Civil Rights of the San Francisco Bay Area
Let's Green CA!
Los Angeles Alliance for a New Economy
Los Angeles County Young Democrats
LULAC California
Madera County Democratic Central Committee
Marin County Democratic Party
Mi Familia Vota
MILPA (Motivating Individual Leadership for Public Advancement)
Moms in Office
Monterey Bay Central Labor Council, AFL-CIO
Monterey County Board of Supervisor Luis A. Alejo
Monterey County Board of Supervisors, District 4
Monument Impact
Napa County Democratic Party
Napa-Solano Labor Council, AFL-CIO
National Action Network Sacramento Chapter
National Association of Social Workers, California Chapter
North Bay Labor Council
North Valley Labor Federation
Office of Mario Trujillo, Mayor Pro Tem Downey
Orange County Labor Federation, AFL-CIO
Organize Sacramento
Physicians for National Health Program – California
Public Health Advocates
Restaurant Opportunity Center United
Sacramento City Councilmember Caity Maple
Sacramento City Councilmember Karina Talamantes
Sacramento City Councilmember Mai Vang
San Clemente Mayor Chris Duncan
San Fernando Valley Young Democrats
San Francisco Democratic Party
San Joaquin Community Foundation
San Joaquin County Supervisor Miguel A. Villapudua
San Joaquin Democratic Central Committee
San Joaquin Pride Center
San Mateo County Central Labor Council
San Mateo County Democratic Party
Santa Ana City Council

Santa Clara County Democratic Party
Santa Monica Democratic Club
SEIU - United Healthcare Workers
Silicon Valley Asian Pacific American Democratic Club
Silicon Valley Democratic Club
Silicon Valley Rising Action
SIREN: Services Immigrant Rights and Education Network
Solano County Democratic Central Committee
Sonoma County Democratic Party
South Bay Labor Council
Stanislaus County Democratic Central Committee
Stanislaus County Supervisor Channce A. Condit
State Building and Construction Trades Council of California
Steinberg Institute
Sunrise Silicon Valley
Supervisor Terra Lawson-Remer, County of San Diego Board of Supervisors
TechEquity Collaborative
UAW Local 2865
UAW Local 5810
Ventura County Clergy and Laity United for Economic Justice
Ventura County Democratic Central Committee
Western Center on Law & Poverty, Inc.
Working Partnerships USA
Four individuals

OPPOSITION: (Verified 9/14/23)

Achievable Health
Alameda Health Consortium
Aliados Health
Alliance Medical Center
Alliance of Catholic Health Care
AltaMed Health Services
Altura Centers for Health
America's Physician Groups
Ampla Health
Anderson Valley Health Center
APLA Health
Arroyo Vista Family Health Center
Assisted Healthcare Services
Assisted Hospice Care

Association of California Healthcare Districts
Association of Independent California Colleges and Universities
Aveanna Healthcare
Axis Community Health
Barlow Respiratory Hospital
Barstow Community Hospital
Barton Health
Black Women for Wellness Action
Brea Chamber of Commerce
CalAsian Chamber of Commerce
California Ambulatory Surgery Association
California Assisted Living Association
California Association for Health Services at Home
California Association of Health Facilities
California Business Properties Association
California Chapter American College of Cardiology
California Chapter of the American College of Cardiology
California Children's Hospital Association
California Clinical Laboratory Association
California Dialysis Council
California Medical Business Services, LLC
California Nurses Association/National Nurses United
California Orthopedic Association
California Podiatric Medical Association
California Radiological Society
California Retailers Association
California Rheumatology Alliance
California Senior Advocates League
California Society of Anesthesiologists
California Society of Plastic Surgeons
California State Sheriffs' Association
California Taxpayers Association
CalPACE
Canyon Ridge Hospital
Carlsbad Chamber of Commerce
Casa Colina Hospital and Centers for Healthcare
Catalina Island Medical Center
Cedars Sinai
Central City Community Health Center
Channing House

Chapa-De Indian Health
Children's Hospital of Orange County
Chino Valley Medical Center
Clinica de Salud del Pueblo dba Innercare
Clinica Sierra Vista
Clinicas del Camino Real, Inc.
Coalition of California Chambers – Orange County
Coalition of Orange County Community Health Centers
CommuniCare Health Centers
Community Clinic Association of Los Angeles County
Community Health Association of Inland Southern Region
Community Health Partnership
Community Health Systems, Inc.
Community Medical Centers, Inc.
Community Memorial Health System
Comprehensive Community Health Centers, Inc.
Coppertower Family Medical Center, Inc. dba Alexander Valley Healthcare
Corona Chamber of Commerce
County of Ventura
Del Amo Behavioral Health System of Southern California
Desert Aids Project dba. DAP Health
Dientes Community Dental Care
District Hospital Leadership Forum
East Valley Community Health Center
Eisenhower Health
Eisner Health
El Dorado Community Health Centers
El Proyecto del Barrio, Inc.
Elica Health Centers
Enloe Medical Center
Fairchild Medical Center
Family Health Centers of San Diego
Fontana Chamber of Commerce
Foothill Regional Medical Center
Fresno American Indian Health Project
Fresno County Board of Supervisors
Gardner Family Health Network, Inc.
Gardner Health Services, Inc.
Gilroy Chamber of Commerce
Golden Valley Health Centers

Greater Coachella Valley Chamber of Commerce
Greater Escondido Chamber of Commerce
Greater Fresno Health Organization, INC.
Greater High Desert Chamber of Commerce
Greater San Fernando Valley Chamber of Commerce
Grossmont Healthcare District
Harbor Community Clinic dba Harbor Community Health Centers
Hazel Hawkins Memorial Hospital
Health Alliance of Northern California
Health and Life Organization, Inc.
Health Center Partners of Southern California
Hill Country Community Clinic
Hillcrest Brethren Homes
Huntington Beach Chamber of Commerce
Huntington Health
Independent Physical Therapists of California
Indian Health Center of Santa Clara Valley
Indian Health Council, Inc.
John Muir Health
Kaweah Delta Health Care District
Kern County Board of Supervisors
Kern Medical
LA Cañada Flintridge Chamber of Commerce and Community Association
La Clinica de la Raza, Inc.
LA Downtown Medical Center
Latinx Physicians of California
LeadingAge California
Lifelong Medical Care
Livingstone Community Health Clinic
Long Beach Area Chamber of Commerce
Los Angeles County Business Federation
Mad River Community Hospital
Mammoth Hospital
Marin Community Clinics
Marshall Medical Center
Mayers Memorial Healthcare District
Mee Memorial Healthcare System
Mendocino Coast Clinics
Mendocino Community Health Centers
Montclair Hospital Medical Center

Mountain Communities Healthcare District
Mountain Valleys Health Centers
Murrieta Wildomar Chamber of Commerce
National Federation of Independent Business California
Neighborhood Healthcare
North Coast Clinics Network
North East Medical Services
North East Valley Health Corporation
NorthBay Health
Northeast Valley Health Corporation
Northeastern Rural Health Clinics
Northern Inyo Healthcare District
Norwalk Chamber of Commerce
Oceanside Chamber of Commerce
Ole Health
Open Door Community Health Centers
OPSAM Health
Orange County Business Council
Orchard Hospital
Pacific Association of Building Service Contractors
Palo Verde Hospital
Palos Verdes Peninsula Chamber of Commerce
Paso Robles & Templeton Chamber of Commerce & Visitor Centers
Paso Robles Chamber of Commerce
Peachtree Health
Pediatric Day Health Care Coalition
PIH Health
Plumas District Hospital
Pomona Community Health Center dba. ParkTree Community Health Center
Pomona Valley Hospital Medical Center
Private Essential Access Community Hospitals
Ravenswood Family Health Network in East Palo Alto
Redwood Coast Medical Services
Redwoods Rural Health Center
Ridgecrest Regional Hospital
Roseville Area Chamber of Commerce
SAC Health
Salinas Valley Health
Samuel Dixon Family Health Center, Inc.
San Bernardino Mountains Community Hospital District

San Diego Regional Chamber of Commerce
San Fernando Community Health Center
San Francisco Community Clinic Consortium
San Geronio Memorial Hospital
San Juan Capistrano Chamber of Commerce
San Ysidro Health
Santa Barbara South Coast Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santa Cruz Community Health
Santa Rosa Community Health
Santee Chamber of Commerce
Seneca Healthcare District
Share Our Selves
Shasta Cascade Health Centers
Shasta Community Health Center
Shasta Regional Medical Center
Shingletown Medical Center
Sierra View Medical Center
Simi Valley Chamber of Commerce
Sonoma Valley Hospital
South Central Family Health Center
South County Chambers of Commerce
Southern California Healthcare System, Inc.
Southern California Hospital at Culver City
Southern California University of Health Sciences
Southern Indian Health Council, Inc.
Southside Coalition of Community Health Centers
Southwest California Legislative Council
Southwest Healthcare – Inland Valley and Rancho Springs Hospitals
St. Jude Neighborhood Health Center
Stanford Health Care
Stockton Regional Rehabilitation Hospital
T.H.E. (To Help Everyone) Health and Wellness Center
Tahoe Forest Health System
TCC Family Health
Temecula Valley Hospital
Templeton Chamber of Commerce
Torrance Area Chamber of Commerce
Tri County Chamber Alliance
Trinity Hospital

Tulare Chamber of Commerce
Tulare County Board of Supervisors, District Five
Tulare County Board of Supervisors, District One
United Health Centers of the San Joaquin Valley
United Hospital Association
Valley Children's Healthcare
Valley Community Healthcare
Valley Industry and Commerce Association
Venice Family Clinic
Via Care Community Health Center
Vista Chamber of Commerce
West County Health Centers, Inc.
Western Sierra Medical Clinic
Westside Council of Chambers of Commerce
Westside Family Health Center

ARGUMENTS IN SUPPORT: SEIU California is sponsoring this bill arguing, among other things that “Care work has historically been undervalued by society. A recent report on the California nursing home workforce characteristics found that 1 out of every 2 Skilled Nursing Facility workers earns less than \$20 per hour. These workers are also primarily women (81%) and workers of color (77%), with almost half of them identified as Hispanic.”

ARGUMENTS IN OPPOSITION: Opponents argue that, “In the aftermath of the COVID-19 pandemic, health care providers in California are in dire financial straits. One major hospital has already closed, others are on the brink, and more than half are losing money every day to care for patients.” They also argue that, “SB 525’s added costs will force health providers to cut hours, positions and services. With fewer positions and potentially fewer providers, health care professionals will have fewer opportunities, be at heightened risk of job loss, and have less flexibility in the positions that are available.”

The California Nurses Association/National Nurses United is opposed unless amended to exempt RNs from the scope of the bill. They argue that, “the inclusion of RNs in this bill will ultimately lower the wage floor for RNs, encouraging employers to propose takeaways on wages during bargaining. California RNs are currently among the highest paid in the nation well above the proposed \$25 minimum hourly wage for health care workers in SB 525. According to the U.S. Bureau of Labor Statistics, the median hourly wage for California RNs is \$60.26, while RNs in the lower 10th percentile make \$37.53. In other words, one would be

extremely hard pressed to identify anyone working as an RN in California who makes below \$25/hour.”

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