

SB525 (Durazo): \$25 Minimum Wage for Health Care Workers Campaign Toolkit

Summary: This toolkit provides suggestions and guidance on messaging for SB 525, the SEIU sponsored bill that requires a \$25 minimum wage for health care workers. This toolkit includes talking points, frequently asked questions, proposed amendments to SB 525, and social media materials. The toolkit also includes the fact sheet shared by Senator Durazo's office.

SB 525 Talking Points

- Our health centers enthusiastically support higher wages for their employees. Increased wages would increase recruitment and retention of valuable employees and ensure our health centers can continue providing excellent care to our communities.
- Any effort to increase wages must be sustainable, equitable and applicable to all centers, and must not be viewed through a narrow perspective. Increasing the minimum wage for health care workers will require community health centers to take a comprehensive review of all staff wages/salaries and scale increases across the board, drastically increasing organizational costs. Any wage increases must fully consider this reality for the entire workforce; neglecting this consideration ignores the impact on patients' access to care and financial viability of the community-based model of care.
- Community health centers are not-for-profit, patient-led, and operate on a fixed-income. They cannot unilaterally increase revenue to pay for increased wages and other inflationary cost increases because they are primarily funded by Medi-Cal and Medicare payments. These payments are administratively set, fall short of covering the full cost of community-based care and services, and don't allow rates adjustments due to workforce cost increases.
- Community health centers are already facing financial challenges that put them on uncertain ground with the impact of the COVID-19 pandemic, and the loss of millions in 340B funding. We are now facing the existential threat of losing key federal 330B grant funding which must be reauthorized by Congress this year, and the growing demand for broadened services.

- To make these increased wage efforts a reality, CaliforniaHealth+ Advocates is urging the Legislature and the Governor to take a comprehensive look at how our health centers get reimbursed for the essential services we provide and address the historical underfunding of the Medi-Cal program.
- CaliforniaHealth+ Advocates is working with the Legislature to educate elected officials about how our community health centers operate and get reimbursed for the services they provide. Without statutory changes, community health centers would be unable to implement and sustain the proposed wage increases. CaliforniaHealth+ Advocates is reviewing the language of SB 525 and is working in a coalition to address all our concerns or stop the bill entirely.
- Ultimately, our mission is to continue providing excellent, comprehensive care to anyone that walks in our doors. We cannot do that without a talented workforce that is compensated appropriately. However, we are currently prohibited from increasing the costs of our services to meet these wage increases. We are striving to find a solution that both meets the needs of the communities we serve and the employees that must provide these critical services.

Frequently Asked Questions

Q: What does SB 525 do?

A: This bill requires health care workers in health facilities to be paid a minimum wage of \$25 per hour. It also would require an annual increase in the minimum wage of 3.5%. The bill also requires exempt employees to make double the minimum wage (approximately \$104,000 per year). The provisions of this bill would be applicable to “all paid work performed on the premises of any health care facility, regardless of the identity of the employee.” This means the \$25 minimum wage would apply to ALL contractors of CHCs.

Q: What health facilities would be required to pay a \$25 minimum wage under SB 525?

A: A primary care clinic, specialty care clinic, psychology clinic, community clinic, intermittent clinic, rural health clinic, urgent care clinic, ambulatory surgical center, dialysis clinic, general acute care hospital, acute psychiatric hospital, skilled nursing facility, a licensed home health agency, residential care facility, psychiatric health facility, a mental health rehabilitation center, a county mental health facility, a physician group and a county correctional facility that provides health care services.

Q: How would this bill affect salary employees?

A: Under SB 525, when an employee is paid on a salary basis, the employee must earn a monthly salary equivalent to no less than two times the health care worker minimum wage for full-time employment to qualify as exempt from the payment of minimum wage and overtime. This comes to a minimum wage of \$104,000 a year for salaried employees.

Q: When would SB 525 go into effect?

A: As currently written, SB 525 would go into effect January 1, 2024.

Q: Who is the sponsor of this legislation?

A: SEIU State Council

Q: Who is likely to oppose this bill?

A: California Hospital Association, California Medical Association, California Nurses Association, California Association of Health Facilities, California Dialysis Council, the California Chamber of Commerce, and other health care employers.

Q: Traditionally, increases to the California minimum wage have had delayed implementation for small employers, to give them more time to produce the money to comply with the law. Does this bill provide for such delayed implementation?

A: As currently written, SB 525 does not have delayed implementation for small employers/businesses.

Q: If this bill is signed into law, would noncompliance be subject to PAGA? (Private Attorneys General Act)

A: As written, violation of the \$25 minimum wage would be subject to PAGA.

Q: Does this bill include any funding or support for facilities to pay employees the mandated higher wage?

A: SB 525 does not include any funding to support these wage increases.

SB 525 Proposed Amendments

1. Include language permitting CHCs to make a change in scope of service request that would require the State to authorize an increase of its PPS rate to meet the requirements of this legislation;
2. Include language delaying implementation until funding is appropriated by the Legislature or another funding mechanism is specified;
3. Remove the provision requiring employees earn a monthly salary equivalent to no less than double the minimum wage in order to qualify as exempt from the payment of minimum wage and overtime laws (Section 1182.14(f));
4. Remove the annual increase in the minimum wage (Section 1182.14(d)(1)); and
5. Remove language applying SB 525 to independent contractors (Section 1182.14(b)(1)(A)(i));

Social Media

The following materials provide suggestions on ways to share messaging on your social media accounts and promote the messaging posted on CaliforniaHealth+ Advocates' [Twitter, Facebook](#), and brand new [Instagram](#) account!


First, make sure you are following Advocates on all three social media platforms. Click [here to follow Advocates on Twitter](#). Click [here to follow Advocates on Facebook](#). Click [here to follow Advocates on Instagram](#). We encourage you to like, share, and re-tweet Advocates' posts on any of the media platforms you are a part of!

Below are sample captions and graphics you can post to your own social media pages, tagging *@HealthPlusAdv* on Instagram and Twitter and *CaliforniaHealth+ Advocates* on Facebook to amplify these messages further. The graphics can also be directly downloaded [HERE](#).

To post the below content, follow these steps!

1. Download the image you want to use from [HERE](#). Two formats of each graphic are provided with one format for Twitter and one format for Instagram/Facebook.
2. Upload the image to the intended social media platform.
3. Copy and paste a caption from below into the intended social media platform.
4. Tag *@HealthPlusAdv* on Twitter/Instagram or *CaliforniaHealth+ Advocates* on Facebook.
5. Look up your legislative representative's account and tag them in your post @legislativerep if the post language doesn't already do so.
6. Post!

Captions & Images

<p><i>(Clinic or consortia name) and CaliforniaHealth+ Advocates/@HealthPlusAdv support higher wages for community health center workers AND efforts to increase Medi-Cal funding to support these wages. These changes will protect patients' access to healthcare! #ValueCHCs #CHCFunding #CHCWorkforce</i></p>	
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<p>Community health centers must be financially and operationally stable to continue to meet the needs of patients and communities. IT'S VITAL that community health centers have adequate funding and have a strong workforce! @HealthPlusAdv #ValueCHCs #CHCFunding #AccessToCare</p>	<p>Community health centers must be financially and operationally stable to continue to meet the needs of patients and communities.</p>  <p><small>californiahealth+ advocates ADVANCING THE MISSION OF COMMUNITY HEALTH CENTERS</small></p>
<p>Community health centers are battling inflation post COVID-19. Public funding programs need to be adjusted to help community health clinics cover increasing costs and provide patient care! @HealthPlusAdv #ValueCHCs #FightInflation #IncreasePublicFunding</p>	<p>Community health centers are battling inflation.</p>  <p>Adjusting public funding programs would help cover costs and provide access to care!</p> <p><small>californiahealth+ advocates ADVANCING THE MISSION OF COMMUNITY HEALTH CENTERS</small></p>
<p>Californian's health depends on community health centers and their workers! Increasing public funding will support a strong community health center workforce and help cover the costs of employee wages. @HealthPlusAdv #ValueCHCs #IncreasePublicFunding #CHCWorkforce</p>	 <p><small>californiahealth+ advocates ADVANCING THE MISSION OF COMMUNITY HEALTH CENTERS</small></p> <p>Community health centers and health center workers are crucial to the health of Californians!</p>
<p>Did you know that community health centers are not-for-profit patient-led organizations? This means they cannot increase revenue to support increased wages and costs from inflation because they are funded by government payments. @HealthPlusAdv #ValueCHCs #IncreasePublicFunding</p>	<p>Community health centers are not-for-profit and patient-led.</p>  <p>They cannot increase revenue to support increased wages and costs due to inflation because they are mostly funded by Medi-Cal and Medicare payments which are set by the government.</p> <p><small>californiahealth+ advocates ADVANCING THE MISSION OF COMMUNITY HEALTH CENTERS</small></p>



SENATOR
MARIA ELENA DURAZO
LEGISLATIVE FACTSHEET

\$25 Minimum Wage for Health Care Workers

SB 525 (Durazo)

Summary

In response to the healthcare workforce crisis faced by our state, SB 525 would establish a \$25 per hour minimum wage for healthcare workers in California to help retain existing workers and attract additional workers we need to assure quality healthcare for every Californian.

Background and Problem

Healthcare workforce crisis

California is facing a healthcare workforce crisis. Even before the pandemic, California was facing a shortage of 500,000 healthcare workers to care for our aging population.¹ Now, after facing the trauma and dangerous working conditions of the pandemic, many are struggling with low pay and poor working conditions. Huge numbers of healthcare workers are leaving the field and many others are thinking about it: 31% report that they are considering leaving the profession altogether.²

The impacts of the staffing crisis are being felt by healthcare workers and those they care for. In a survey of over 30,000 healthcare worker members of SEIU-UHW, 83% of respondents said their department is understaffed.³ Staffing shortages have a direct impact on patient care: the number of central line-associated bloodstream infections increased 28% in the

second quarter of 2020 compared to the same period in 2019, while rates of patient falls rose by 17% and pressure injuries increased by nearly 42% at skilled nursing facilities during the same period.⁴

According to a survey conducted by the California Primary Care Association, community health clinics are competing with other workplaces like retail, food services, and hospitality for entry-level hourly paid workers. Clinics are seeing turnover at rates significantly higher than previous years. In 2022 the average 12-month turnover rate reported by clinics was 31.4%, compared to 9.5% in 2020. Most of the turnover is driven by employees quitting their jobs. Clinics are also reporting high vacancy rates and are struggling to recruit and retain employees.

California is facing a full-blown patient care crisis that we need to address immediately.

Impact on women and people of color

People of color and women make up a majority of our state's healthcare workforce, which means that they disproportionately bear the brunt of the low wages and understaffed healthcare facilities. According to a report done by the Health Resources and Services Administration, women are vastly over-

¹<https://www.mercer.us/content/dam/mercero/assets/content-images/north-america/united-states/us-healthcare-news/us-2021-healthcare-labor-market-whitepaper.pdf>

²<https://morningconsult.com/2021/10/04/health-care-workers-series-part-2-workforce/>

Last updated: February 14, 2023

³https://seiuuhw.wpenginepowered.com/wp-content/uploads/2022/05/2022-04_Report_Staffing-Survey-10.1_DIGITAL.pdf

⁴<https://www.usnews.com/news/health-news/articles/2022-07-28/staff-shortages-choking-u-s-health-care-system>

represented in healthcare support occupations. Nationwide, 92% of medical assistants are women and 87% of nursing, psychiatric, and home health aides are women.⁵

People of color are well represented in healthcare jobs. Latinos make up 26.1% of Medical Assistants and 18.2% of Personal Care Aides. African Americans represent 32% of Nursing, Psychiatric and Home Health Aides.⁶ Asian Pacific Islanders make up 23% of nursing aides or nursing assistants. Most people of color in healthcare jobs remain in entry-level and often lower paying jobs with little opportunity for advancement and pay increase.⁷

A growing movement to increase healthcare worker pay

Since the start of 2022, several cities in California have voted to set a \$25 minimum wage for local healthcare workers. Los Angeles, Long Beach, Downey, and most recently Lynwood have all passed a healthcare worker minimum wage ordinance.

Unfortunately, the California hospital industry has spent large amounts of money to qualify referendums challenging the laws in Los Angeles, Long Beach, and Downey, putting the implementation on hold until a citywide vote can be held.

In November of 2022, voters in the city of Inglewood passed Measure HC, setting a citywide \$25 minimum wage for healthcare workers in that city, which went into effect in December 2022.

Solution

Raising the minimum wage for all healthcare workers statewide will help retain staff who were considering leaving. Higher wages will also help restore healthcare jobs to the status of a job a person can support a family with, attracting more workers and bolstering efforts to fill the huge shortage of healthcare workers our state is facing.

SB 525 will:

- Establish a \$25 per hour minimum wage for all healthcare workers who provide services that directly or indirectly support patient care.
- Healthcare workers covered include those who provide services in nursing, caregiving, housekeeping, guard duties, clerical, food services, laundry, medical care, and other patient-care related services.
- Healthcare facilities covered by the bill include hospitals, urgent care centers, ambulatory surgical centers, skilled nursing facilities, Federally-Qualified Health Centers and other primary care clinics, outpatient settings, physician offices, dialysis clinics, behavioral health centers, and integrated healthcare delivery systems.

Support

SEIU California (Sponsor)

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⁵ Sex, Race, and Ethnic Diversity of U.S. Health Occupations (2011-2015) (hrsa.gov)

⁶ Ibid.

⁷ Wilbur et al 2020 'Developing Workforce Diversity in the Health Professions: A Social Justice Perspective' Health Professions Education Vol 6 (2)