SENATE FILE 2305

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A BILL FOR

- 1 An Act relating to support of direct care services and the 2 direct care workforce, establishing a state minimum hourly 3 wage for direct care workers under the Medicaid program, and 4 including applicability provisions.
- 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I 2 DIRECT CARE WORKER MINIMUM WAGE REQUIREMENTS - MEDICAID PROGRAM 3 4 Section 1. DIRECT CARE WORKER MINIMUM WAGE REQUIREMENTS -5 MEDICAID PROGRAM. Notwithstanding section 91D.1, the state hourly wage 6 1. a. 7 for an employee employed as a direct care worker by a provider 8 reimbursed under the Medicaid program shall be at least \$15.00 9 beginning July 1, 2025; at least \$16.00 beginning July 1, 10 2026; at least \$17.00 beginning July 1, 2027; at least \$18.00 11 beginning July 1, 2028; at least \$19.00 beginning July 1, 2029; 12 and at least \$20.00 beginning July 1, 2030. On or after July 13 1, 2031, the state hourly wage for an employee employed as a 14 direct care worker by a provider reimbursed under the Medicaid 15 program shall be increased by a cost-of-living adjustment as 16 determined by applying the percent change in the consumer price 17 index for urban wage earners and clerical workers, United 18 States city average, as published annually in October in the 19 federal register by the federal department of labor, bureau of 20 labor statistics. b. Paragraph "a" shall not be construed to authorize a 21 22 provider that employs a direct care worker whose current hourly 23 wage is above the minimum wage pursuant to paragraph "a", to 24 decrease the direct care worker's current hourly wage. 2. For the purposes of this section, "direct care worker" 25 26 means an individual who provides supportive services and care 27 in home-based, community-based, or facility settings to people 28 experiencing health conditions, illness, or a disability, 29 and who receives compensation for such services. "Direct 30 care worker" includes but is not limited to direct support 31 professionals, supported community living workers, home health 32 aides, universal workers, hospice aides, personal assistants, 33 patient care technicians, consumer directed attendant care 34 providers, senior helpers or companions, and certified nursing 35 assistants.

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1 Sec. 2. CONTINGENT EFFECTIVE DATE. This division of this 2 Act takes effect upon the effective date of an increased 3 appropriation to the department of health and human services 4 for the Medicaid program to provide a reimbursement rate 5 increase to Medicaid providers who are subject to payment of 6 the required minimum wage for direct care workers under this 7 division of this Act in an amount that offsets the increase in 8 the required minimum wage paid by such Medicaid providers. 9 DIVISION II 10 DIRECT CARE WORKFORCE SUPPORT PROGRAMS NURSING FACILITY FUNDING - REVIEW AND 11 Sec. 3. 12 REPORTING. The department of health and human services shall 13 do all of the following: Review the appropriation made pursuant to 2023 Iowa 14 1. 15 Acts, chapter 112, section 30, subsection 1, paragraph "a", 16 subparagraph (1), subparagraph division (a), for the fiscal 17 period beginning July 1, 2023, and ending June 30, 2025, for 18 rebasing of case-mix nursing facilities including the fifteen 19 million dollars provided for this purpose, to identify how the 20 additional funding was utilized by the nursing facilities and 21 the extent to which the wages of direct care workers as defined 22 in section 249L.2 were increased as a result of the additional 23 funding. The department shall report initial findings and 24 recommendations by December 15, 2024, and final findings and 25 recommendations by December 15, 2025, to the governor and the 26 general assembly. 27 2. Review the outcomes of initiatives funded through the 28 federal American Rescue Plan Act of 2021, Pub. L. No. 117-2, to 29 support the health care workforce including use of the funds to 30 increase the pay and benefits of direct support professionals, 31 and train, recruit, retain, and expand the direct support 32 professional workforce, to determine if the initiatives 33 should be continued. The department shall report findings and 34 recommendations to the governor and the general assembly by 35 December 15, 2024.

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1 Sec. 4. IOWA WORKFORCE DEVELOPMENT SURVEY OF DIRECT 2 CARE WORKERS - DEPARTMENT OF HEALTH AND HUMAN SERVICES 3 DETERMINATION OF IMPACT OF MINIMUM WAGE INCREASE.

Iowa workforce development shall replicate the survey 4 1. 5 entitled "Direct Care Workers of Iowa 2019 Wage & Benefit 6 Survey", released in June 2019, to survey wages and benefits 7 for direct care workers in 2024. The survey shall measure the 8 wages and benefits of direct care workers employed through 9 temporary staffing agencies separately from direct care workers 10 employed directly by a facility or employer, and shall measure 11 wages and benefits delineated by direct care workers' years 12 of experience to determine the effect of seniority on current 13 wages and benefits. A final report of the results of the 14 survey shall be published by January 15, 2025.

The department of health and human services shall use 15 2. 16 the results of the survey published pursuant to subsection 17 1 to determine the appropriate increase in the Medicaid 18 reimbursement rate for Medicaid providers to offset payment of 19 the required minimum wage for direct care workers as specified 20 in division I of this Act, and shall report the reimbursement 21 rate recommendations to the general assembly by March 15, 2025. 3. Following implementation of the minimum wage requirement 22 23 for direct care workers as specified in division I of this 24 Act, the department of health and human services shall use the 25 final report of the results of the survey published pursuant to 26 subsection 1 to develop an ongoing tracking system to determine 27 if the required minimum wage for direct care workers under the 28 Medicaid program is effective in increasing the wages Medicaid 29 providers pay direct care workers, including the extent of the 30 impact of the required minimum wage on wages considering the 31 years of experience of the direct care worker.

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EXPLANATION

- 33 The inclusion of this explanation does not constitute agreement with 34 the explanation's substance by the members of the general assembly.
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This bill includes measures to support direct care services

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1 and the direct care workforce.

DIVISION I. Division I of the bill requires Medicaid 2 3 providers to comply with direct care worker minimum wage 4 requirements. The bill provides that notwithstanding Code 5 section 91D.1 (minimum wage requirements - exceptions), the 6 state hourly wage for an employee employed as a direct care 7 worker, as defined in the bill, by a Medicaid provider shall be 8 at least \$15.00 beginning July 1, 2025, and the minimum shall 9 increase by \$1.00 per year to at least \$20.00 beginning July 1, 10 2030. The bill provides that the setting of a minimum hourly ll wage under the bill does not authorize a Medicaid provider 12 who is paying a direct care worker an hourly wage above the 13 required minimum to decrease the direct care worker's current 14 hourly wage. On or after July 1, 2031, this state hourly 15 wage shall be increased by a cost-of-living adjustment amount 16 as determined by applying the percent change in the consumer 17 price index for urban wage earners and clerical workers, United 18 States city average, as published annually in October in the 19 federal register by the federal department of labor, bureau 20 of labor statistics. This division of the bill takes effect 21 upon the effective date of an increased appropriation to the 22 department of health and human services (HHS) for the Medicaid 23 program to provide a reimbursement rate increase to Medicaid 24 providers who are subject to payment of the required minimum 25 wage for direct care workers in an amount that offsets the 26 increase in the required minimum wage paid by such Medicaid 27 providers.

28 DIVISION II. Division II of the bill includes provisions 29 relating to support of the direct care workforce.

The bill requires HHS to review the funding appropriated for the fiscal period beginning July 1, 2023, and ending June 30, 2025, for rebasing of case-mix nursing facilities identify how the additional funding was utilized, and the extent to which direct care worker wages were increased as a result of the additional funding. HHS must report initial and

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1 final findings and recommendations to the governor and the 2 general assembly. HHS is also required to review the outcomes 3 of initiatives funded through the federal American Rescue 4 Plan Act to support the health care workforce including the 5 use of the funds to increase the pay and benefits of direct 6 support professionals, and train, recruit, retain, and expand 7 the direct support professional workforce, to determine if 8 the initiatives should be continued, and report findings and 9 recommendations to the governor and the general assembly by 10 December 15, 2024.

The bill also requires Iowa workforce development to 11 12 replicate the survey entitled "Direct Care Workers of Iowa 13 2019 Wage & Benefit Survey", released in June 2019, to survey 14 wages and benefits for direct care workers in 2024, and 15 publish a final report of the results of the survey by January 16 15, 2025. The bill requires HHS to use the results of the 17 published survey to determine the appropriate increase in the 18 Medicaid reimbursement rate for Medicaid providers to offset 19 payment of the required minimum wage for direct care workers 20 as specified in the bill, and report the reimbursement rate 21 recommendations to the general assembly by March 15, 2025. 22 Following implementation of the minimum wage requirement as 23 specified in the bill, HHS shall use the report to develop an 24 ongoing tracking system to determine if the required minimum 25 wage is effective in increasing the wages Medicaid providers 26 pay direct care workers, including the extent of the impact of 27 the required minimum wage on such wages considering the years 28 of experience of the direct care worker.

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