

Senate File 2305 - Introduced

SENATE FILE 2305

BY CELSI, DONAHUE, DOTZLER,
BISIGNANO, BOULTON,
T. TAYLOR, PETERSEN,
WEINER, QUIRMBACH, JOCHUM,
TRONE GARRIOTT, WINCKLER,
KNOX, WAHLS, and BENNETT

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:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

DIVISION I

DIRECT CARE WORKER MINIMUM WAGE REQUIREMENTS — MEDICAID PROGRAM

Section 1. DIRECT CARE WORKER MINIMUM WAGE REQUIREMENTS — MEDICAID PROGRAM.

1. a. Notwithstanding section 91D.1, the state hourly wage for an employee employed as a direct care worker by a provider reimbursed under the Medicaid program shall be at least \$15.00 beginning July 1, 2025; at least \$16.00 beginning July 1, 2026; at least \$17.00 beginning July 1, 2027; at least \$18.00 beginning July 1, 2028; at least \$19.00 beginning July 1, 2029; and at least \$20.00 beginning July 1, 2030. On or after July 1, 2031, the state hourly wage for an employee employed as a direct care worker by a provider reimbursed under the Medicaid program shall be increased by a cost-of-living adjustment as determined by applying the percent change in the consumer price index for urban wage earners and clerical workers, United States city average, as published annually in October in the federal register by the federal department of labor, bureau of labor statistics.

b. Paragraph "a" shall not be construed to authorize a provider that employs a direct care worker whose current hourly wage is above the minimum wage pursuant to paragraph "a", to decrease the direct care worker's current hourly wage.

2. For the purposes of this section, "direct care worker" means an individual who provides supportive services and care in home-based, community-based, or facility settings to people experiencing health conditions, illness, or a disability, and who receives compensation for such services. "Direct care worker" includes but is not limited to direct support professionals, supported community living workers, home health aides, universal workers, hospice aides, personal assistants, patient care technicians, consumer directed attendant care providers, senior helpers or companions, and certified nursing assistants.

1 and the direct care workforce.

2 DIVISION I. Division I of the bill requires Medicaid
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
11 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.

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

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.

11 The bill also requires Iowa workforce development to
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.