

Senate File 530 - Introduced

SENATE FILE 530
BY CELSI

A BILL FOR

1 An Act relating to support of direct care services and the direct
2 care workforce, establishing a state minimum hourly wage for
3 direct care workers under the Medicaid program, and including
4 a contingent effective date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

DIRECT CARE WORKFORCE SUPPORT PROGRAMS

Section 1. NEW SECTION. **84A.22 Direct care workers — wage survey.**

Beginning January 1, 2027, and each odd-numbered year thereafter, the department of workforce development shall replicate the survey entitled "Direct Care Workers of Iowa 2019 Wage & Benefit Survey", released in June 2019, to survey wages and benefits for direct care workers. The survey shall measure the wages and benefits of direct care workers employed through temporary staffing agencies separately from direct care workers employed directly by a facility or employer, and shall measure wages and benefits delineated by direct care workers' years of experience to determine the effect of seniority on current wages and benefits. A report containing the results of the survey shall be published on the department of workforce development's internet site no later than December 15.

Sec. 2. NURSING FACILITY FUNDING — REVIEW AND

REPORTING. The department of health and human services shall do all of the following:

1. Review the appropriation made pursuant to 2023 Iowa Acts, chapter 112, section 30, subsection 1, paragraph "a", subparagraph (1), subparagraph division (a), for the fiscal period beginning July 1, 2023, and ending June 30, 2025, for rebasing of case-mix nursing facilities including the fifteen million dollars provided for this purpose, to identify how the additional funding was utilized by the nursing facilities and the extent to which the wages of direct care workers as defined in section 249L.2 were increased as a result of the additional funding. The department shall report initial findings and recommendations by December 15, 2025, and final findings and recommendations by December 15, 2026, to the governor and the general assembly.

2. Review the outcomes of initiatives funded through the federal American Rescue Plan Act of 2021, Pub. L. No. 117-2,

1 to support the health care workforce including use of the
2 funds to increase the pay and benefits of direct support
3 professionals, and train, recruit, retain, and expand the direct
4 support professional workforce, to determine if the initiatives
5 should be continued. The department shall report findings and
6 recommendations to the governor and the general assembly by
7 December 15, 2025.

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DIVISION II

9 DIRECT CARE WORKER MINIMUM WAGE REQUIREMENTS — MEDICAID PROGRAM

10 Sec. 3. DIRECT CARE WORKER MINIMUM WAGE REQUIREMENTS —
11 MEDICAID PROGRAM.

12 1. a. Notwithstanding section 91D.1, the state hourly wage
13 for an employee employed as a direct care worker by a provider
14 reimbursed under the Medicaid program shall be at least \$15.00
15 beginning July 1, 2026; at least \$16.00 beginning July 1, 2027;
16 at least \$17.00 beginning July 1, 2028; at least \$18.00 beginning
17 July 1, 2029; at least \$19.00 beginning July 1, 2030; and at
18 least \$20.00 beginning July 1, 2031. On or after July 1, 2032,
19 the state hourly wage for an employee employed as a direct care
20 worker by a provider reimbursed under the Medicaid program shall
21 be increased by a cost-of-living adjustment as determined by
22 applying the percent change in the consumer price index for urban
23 wage earners and clerical workers, United States city average,
24 as published annually in October in the federal register by the
25 federal department of labor, bureau of labor statistics.

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

30 2. For the purposes of this section, "direct care worker"
31 means an individual who provides supportive services and care
32 in home-based, community-based, or facility settings to people
33 experiencing health conditions, illness, or a disability, and who
34 receives compensation for such services. "Direct care worker"
35 includes but is not limited to direct support professionals,

1 supported community living workers, home health aides, universal
2 workers, hospice aides, personal assistants, patient care
3 technicians, consumer directed attendant care providers, senior
4 helpers or companions, and certified nursing assistants.

5 Sec. 4. CONTINGENT EFFECTIVE DATE. This division of this
6 Act takes effect upon the effective date of an increased
7 appropriation to the department of health and human services for
8 the Medicaid program to provide a reimbursement rate increase to
9 Medicaid providers who are subject to payment of the required
10 minimum wage for direct care workers under this division of
11 this Act in an amount that offsets the increase in the required
12 minimum wage paid by such Medicaid providers.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 This bill includes measures to support direct care services
17 and the direct care workforce.

18 DIVISION I. Division I of the bill includes provisions
19 relating to support of the direct care workforce.

20 Beginning January 1, 2027, and each odd-numbered year
21 thereafter, Iowa workforce development shall replicate the survey
22 entitled "Direct Care Workers of Iowa 2019 Wage & Benefit
23 Survey", released in June 2019, to survey wages and benefits for
24 direct care workers, and publish the results of the survey on
25 Iowa workforce development's internet site no later than December
26 15.

27 The bill requires the department of health and human services
28 (HHS) to review the funding appropriated for the fiscal period
29 beginning July 1, 2023, and ending June 30, 2025, for rebasing
30 of case-mix nursing facilities to identify how the additional
31 funding was utilized, and the extent to which direct care worker
32 wages were increased as a result of the additional funding. HHS
33 must report initial and final findings and recommendations to
34 the governor and the general assembly. HHS is also required
35 to review the outcomes of initiatives funded through the federal

1 American Rescue Plan Act to support the health care workforce
2 and report findings and recommendations to the governor and the
3 general assembly by December 15, 2025.

4 DIVISION II. Division II of the bill requires Medicaid
5 providers to comply with direct care worker minimum wage
6 requirements. The bill provides that notwithstanding Code
7 section 91D.1 (minimum wage requirements — exceptions), the
8 state hourly wage for an employee employed as a direct care
9 worker, as defined in the bill, by a Medicaid provider shall be
10 at least \$15.00 beginning July 1, 2026, and the minimum shall
11 increase by \$1.00 per year to at least \$20.00 beginning July 1,
12 2031. The bill does not authorize a Medicaid provider who is
13 paying a direct care worker an hourly wage above the required
14 minimum to decrease the direct care worker's current hourly wage.
15 On or after July 1, 2032, this state hourly wage shall be
16 increased by a cost-of-living adjustment amount as determined by
17 applying the percent change in the consumer price index for urban
18 wage earners and clerical workers, United States city average,
19 as published annually in October in the federal register by the
20 federal department of labor, bureau of labor statistics. This
21 division of the bill takes effect upon the effective date of
22 an increased appropriation to HHS for the Medicaid program to
23 provide a reimbursement rate increase to Medicaid providers who
24 are subject to payment of the required minimum wage for direct
25 care workers in an amount that offsets the increase in the
26 required minimum wage paid by such Medicaid providers.