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Amends General Minimum Wage Order and IWC Industry and Occupation Orders

OFFICIAL NOTICE

California Minimum Wage



MW-2024

SUPPLEMENT FOR COVERED HEALTH CARE EMPLOYEES

Every covered healthcare facility employer shall pay to each employee wages not less than the following:

Minimum Wages Effective as of October 16, 2024:	
Health care facilities with 10,000 or more full time equivalent employees	\$23 per hour
Dialysis clinics	\$23 per hour
Hospitals with a higher governmental payor mix, independent hospitals with an elevated governmental payor mix, or rural independent health care facilities	\$18 per hour
Intermittent clinics, community clinics, rural health clinics, or urgent care clinics associated with community or rural health clinics except for those that have been granted a waiver to postpone the minimum wage increase	\$21 per hour
Other covered health care facilities (see below for delays and exclusions)	\$21 per hour

Additional information regarding the healthcare minimum wage, including the types of health care facilities covered, may be found here: <u>Health Care Worker Minimum Wage Frequently Asked Questions</u>

SUMMARY OF ACTIONS

TAKE NOTICE that the Governor of California signed legislation passed by the California Legislature, raising the minimum wage payable by certain health care facility employers (SB 525, Ch. 890 Stats. 2023; SB 828, Ch. 12, Stats. 2024; and SB 159, Ch. 40, Stats. 2024). Pursuant to its authority to conform MW-2024 to recently enacted SB 525, SB 828, and SB 159, the Department of Industrial Relations publishes this Supplement to the General Minimum Wage Order, MW-2024 for covered health care employees.

This Supplement must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained by downloading online at <u>https://www.dir.ca.gov/iwc/WageOrderIndustries.htm</u> or by contacting your local Labor Commissioner's office.

1. APPLICABILITY

This Supplement only applies to covered health care employees under Part 4 of Division 2 of the Labor Code (commencing with Labor Code section 1182.14). This order incorporates the definitions of terms in Labor Code section 1182.14(b).

2. MINIMUM WAGES

Except as provided in Subsection (E) of this section and pursuant to definitions, coverage requirements, conditions, and exceptions provided in **Labor Code section 1182.14**, Health care facility employers shall pay to each employee wages not less than the following, on each effective date, per hour for all hours worked.

(A) For any covered health care facility employer with 10,000 or more full-time equivalent employees; that is part of an integrated health care delivery system or health care system with 10,000 or more full-time equivalent employees; that is a dialysis clinic as defined in subdivision (b) of section 1204 of the Health and Safety Code or that is a person that owns, controls, or operates a dialysis clinic, or that is owned, affiliated, or operated by a county with a population of more than 5 million as of January 1, 2023, the minimum wage for all covered health care employees shall be as follows:

(1) From October 16, 2024 to June 30, 2025, inclusive, twenty-three dollars (\$23) per hour.

(2) From July 1, 2025 to June 30, 2026, inclusive, twenty-four dollars (\$24) per hour.

(3) From July 1, 2026 and until adjusted for inflation, twenty-five dollars (\$25) per hour.

For information regarding lists of health care facilities with 10,000 or more full-time equivalent employees, visit: <u>https://hcai.ca.gov/wp-content/uploads/2024/04/SB-525-Fact-Sheet-HCAI-Hospital-Lists-04_23_24.pdf</u>

(B) For any hospital that is a hospital with a high governmental payor mix; an independent hospital with an elevated governmental payor mix; a rural independent covered health care facility or a 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 all covered health care employees shall be as follows:

(1) From October 16, 2024 to June 30, 2025, inclusive, eighteen dollars (\$18) per hour; from July 1, 2025 to June 30, 2026, inclusive, eighteen dollars and sixty-three cents (\$18.63); from July 1, 2026 to June 30, 2027, inclusive, nineteen dollars and twenty-eight cents (\$19.28); from July 1, 2027 to June 30, 2028, inclusive, nineteen dollars and ninety-five cents (\$19.95); from July 1, 2028 to June 30, 2029, inclusive, twenty dollars and sixty-five cents (\$20.65); from July 1, 2029 to June 30, 2030, inclusive, twenty-one dollars and thirty-seven cents (\$21.37); from July 1, 2030 to June 30, 2031, inclusive, twenty-two dollars and twelve cents (\$22.12); from July 1, 2031 to June 30, 2032, inclusive, twenty-three dollars and eighty-nine cents (\$23.89).

(2) From July 1, 2033 and until adjusted for inflation, twenty-five (\$25) per hour.

For information regarding lists of health care facilities with a high governmental payor mix, independent hospitals with an elevated governmental payor mix, or rural independent covered health care facilities, visit: <u>https://hcai.ca.gov/wp-content/uploads/2024/04/SB-525-Fact-Sheet-HCAI-Hospital-Lists-04_23_24.pdf</u>

(C)(1) For any health care facility specified in clauses (a) to (d), inclusive, the minimum wage for all covered health care employees shall be as set forth in subparagraph (2).

(a) A clinic as defined in subdivision (h) of section 1206 of the Health and Safety Code, that is not operated by or affiliated with a clinic described in subdivision (b) of section 1206 of the Health and Safety Code.

(b) A community clinic licensed under subdivision (a) of section 1204 of the Health and Safety Code, and any associated intermittent clinic exempt from licensure under subdivision (h) of section 1206 of the Health and Safety Code.

(c) A rural health clinic, as defined in paragraph (1) of subdivision (l) of section 1396d of Title 42 of the United States Code, that is not license-exempt.

(d) An urgent care clinic that is owned by or affiliated with a facility defined in clause (a) or (b).

(2)(a) From October 16, 2024 to June 30, 2026, inclusive, twenty-one dollars (\$21) per hour.

(b) From July 1, 2026 to June 30, 2027, inclusive, twenty-two dollars (\$22) per hour.

(c) From July 1, 2027 and until adjusted for inflation, twenty-five dollars (\$25) per hour.

(D) For all other covered health care facility employers pursuant to Labor Code section 1184.14, the minimum wage for all covered health care employees shall be as follows:

(1) From October 16, 2024 to June 30, 2026, inclusive, twenty-one dollars (\$21) per hour.

(2) From July 1, 2026 to June 30, 2028, inclusive, twenty-three dollars (\$23) per hour.

(3) From July 1, 2028 and until adjusted for inflation, twenty-five dollars (\$25) per hour.

(E) Exceptions or Delayed Implementation.

(1) The State. The health care minimum wage does not apply to any facility owned, controlled, or operated by the state or any state agency, including every state office, officer, department, division, board, and commission under the executive branch, California State University or California State Community College. Health care districts and the University of California are covered by the law.

(2) Counties. A covered health care facility that is county owned, affiliated, or operated shall not be required to comply with Subsections (A) and (B) of this section before January 1, 2025, but shall comply with the appropriate schedule in Subsections (A) and (B) of this section commencing on January 1, 2025.

(3) Waivers: certain clinics. A covered health care facility that is a clinic under Subsection (C)(1) of this section may apply for—and the Department of Industrial Relations shall grant—a waiver to postpone implementation of the applicable minimum wage if the clinic meets specific requirements.

3. AMENDED PROVISIONS

This Supplement only establishes a special minimum wage amount applicable to covered health care employees separate from the amount stated in Section 2 of the general minimum wage order (MW-2024) and Section 4 of IWC Orders 4 and 5. This Supplement makes no other changes to any other sections of the minimum wage amounts in other industry and occupation orders.

This Supplement to the Wage Orders shall be in effect as of October 16, 2024.

Questions about enforcement should be directed to the Labor Commissioner's Office. For the address and telephone number of the office nearest you, information can be found on the internet at <u>www.dir.ca.gov/DLSE/dlse.html</u> or under a search for "California Labor Commissioner's Office" on the internet or any other directory. The Labor Commissioner has offices in the following cities: Bakersfield, El Centro, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, and Van Nuys.