

FACT SHEET – AB 650 (MURATSUCHI)

Health Care Worker Recognition and Retention Act

Purpose

In recognition of the risks health care workers have taken during the COVID-19 pandemic and the critical need to maintain a strong health care workforce in California, AB 650 requires private health care employers to provide recognition and retention bonuses to health care workers.

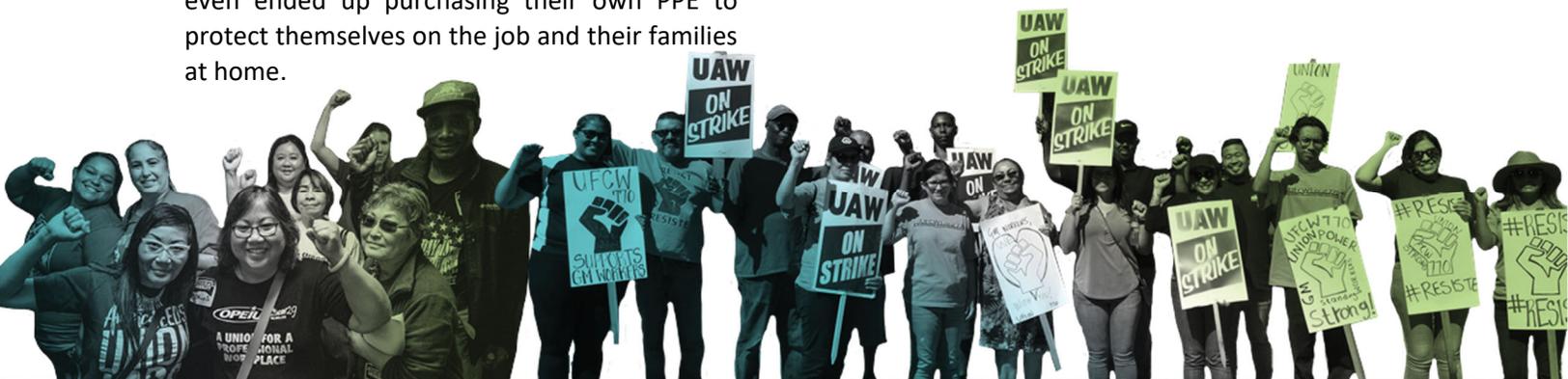
Background

COVID-19 has disproportionately impacted health care workers who put themselves at risk to care for Californians. At the same time, health care companies have prospered financially and have not done enough to support their employees.

Every time they have gone to work during this pandemic, health care workers have known they are entering a dangerous workplace and have put themselves and their families at risk to care for others during this crisis. Health care workers have stepped up to the challenge despite these dangerous working conditions. They have weathered staffing shortages and worked long hours with few breaks in order to fight this disease and save lives. Too often, health care workers have not had access to proper PPE. This meant that PPE was often rationed or reused — counter to safety standards for protecting against infection. Some health care workers even ended up purchasing their own PPE to protect themselves on the job and their families at home.

Health care workers deal with illness and death as part of their jobs. But nothing in their previous experience comes close to what they have experienced during this crisis. Workers who have previously seen a patient die once a week are now seeing patients die every time they come to work. One recent study found mental health conditions among health care workers on par with rates seen by health care workers directly impacted by disasters like the September 11, 2001 terrorist attacks and Hurricane Katrina. *The New York Times* has reported on the emotional toll on health care workers: “Over the last year, there have been the psychological trauma of overworked intensive care doctors forced to ration care, the crushing sense of guilt for nurses who unknowingly infected patients or family members, and the struggles of medical personnel who survived Covid-19 but are still hobbled by the fatigue and brain fog that hamper their ability to work.”

The fear of bringing COVID-19 home to their families and loved ones has taken a toll on health care workers. To cope, many have developed elaborate routines for when they return home from work each day. Others go even further, living away from their families in hotels or other locations.



Numerous projections show that California is facing a future shortage of the health care workers needed to care for our population. The COVID-19 crisis could make that shortage dramatically worse. Since the start of the pandemic, 26% of health care workers have considered leaving their job, with 14% of those considering leaving the profession altogether.

Despite concerns at the start of the COVID-19 pandemic, California health care companies are doing quite well financially, with profits driven by huge stock market gains and billions in federal funds. In 2020, health care giant Kaiser Permanente made \$6.4 billion in profits, HCA made \$3.7 billion, and dialysis clinic operator Fresenius made \$2.5 billion. And the 2021 outlook is strong. Moody's Investors Service says, "Despite the ongoing pandemic, the 2021 financial outlook for the global health care sector is mostly positive, as strong demand for products and services — including those related to COVID-19 — will more than offset lingering pressures from the public health emergency."

Due to the demographic makeup of the health care workforce, these impacts fall disproportionately on women and people of color.

Despite the big profits health care employers are making, health care workers are not seeing financial support in recognition of their sacrifices during this crisis.

What This Bill Will Do

The Health Care Worker Recognition and Retention Act (AB 650) requires health care employers with more than 100 employees to pay all non-executive employees a recognition and retention bonus in 2022.

AB 650 gives health care workers a measure of recognition for their sacrifices and efforts during the COVID-19 pandemic and provides them with financial support to help sustain them in their profession and ensure that California maintains

a robust health care workforce to meet the needs of the population.

Moneys allocated to the Health Care Worker Recognition and Retention Fund would be useable only for the purpose of paying hazard pay and/or bonuses to non-executive health care workers at nonprofit primary care clinics, public sector hospitals, and private sector health care employers that cannot otherwise afford to pay recognition and retention bonuses to their employees that amount to:

- Full-time employees: \$10,000
- Part-time employees: \$6,000
- Less than part-time employees: \$4,000

California Health Facilities Financing Authority (CHFFA) will administer the Fund and oversee the provision of grants to private sector health care employers. As California's state funding from the American Rescue Plan (ARP) must be used by the end of 2024, the Fund will sunset at the end of Fiscal Year 2022-23 and any remaining balance will be returned to the General Fund to be used for other purposes consistent with the ARP.

Support

California Labor Federation, AFL-CIO

Service Employees International Union,
California (Sponsor)

Service Employees International Union – United
Healthcare Workers West (Sponsor)

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