

THE HEALTH CARE WORKER RECOGNITION AND RETENTION ACT (AB 650)

FREQUENTLY ASKED QUESTIONS

HOW AB 650 WORKS

What are recognition and retention bonuses?

These bonuses would be paid to health care workers in recognition of their efforts and sacrifices during the COVID-19 pandemic and with the goal of sustaining them in their professions in order to maintain the strength of California's health care workforce to meet future need.

What workers would this law apply to?

The law would apply to all non-executive employees of private healthcare companies in California who work during the COVID-19 pandemic. It would cover workers at hospitals, nursing homes, clinics, medical groups, and other private health care companies.

How much would health care workers receive?

As introduced, the bill requires health care employers to pay bonuses that amount to:

- \$10,000 for full-time employees
- \$6,000 for part-time employees
- \$4,000 for less than part-time employees

When would these bonuses be paid?

If AB 650 is enacted, the bonuses would be paid in the year 2022, after the law goes into effect.

AFFORDABILITY

Can health care companies afford this?

Yes, they can. Despite concerns at the start of the COVID-19 pandemic, California health care companies are doing well financially, with profits driven by huge stock market gains and billions in federal funds. Some examples of health care company profits in 2020:

- \$6.4 billion — Kaiser Permanente
- \$3.7 billion — HCA
- \$2.8 billion in the last six months of 2020 — Common Spirit (formerly Dignity Health)
- \$2.5 billion — Fresenius (dialysis clinics)
- \$994 million — DaVita Kidney Care (dialysis clinics)

What about small companies?

Recognizing that smaller health care companies have different financial challenges, AB 650 exempts health care employers with fewer than 100 employees.



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FREQUENTLY ASKED QUESTIONS, CONTINUED

THE FUTURE OF HEALTH CARE IN CALIFORNIA

Why do we need AB 650?

With this pandemic, health care workers have faced dangerous and grueling working conditions. They experienced physical fatigue and emotional trauma — and many contracted COVID-19, exposed their loved ones to infection, and even died.

This law recognizes workers for their enormous efforts and sacrifices and provides support to sustain workers in order to ensure that our state will have the experienced workforce it needs to meet the health needs of all Californians.

Will this help with projected shortages of health care workers in California?

The demand for healthcare workers is outpacing the number of people entering the workforce. In California alone, there is a need for approximately 500,000 new healthcare workers by 2024.

The pandemic threatens to make the shortages 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. Supporting health care workers is crucial to ensuring we can provide care for everyone who needs it.

OTHER

What will it take to pass and enact AB 650?

Like any bill, AB 650 will go through a legislative process that includes many points of negotiation — and we can expect that health care corporations will do all they can to stop or weaken the legislation. The bill will have to win votes in the State Assembly, then the State Senate, and finally will need to be signed into law by Governor Newsom.

Why is AB 650 limited to health care workers?

Many other essential workers who have also sacrificed during this pandemic. AB 650 is focused on health care workers, but we support other essential workers and hope that passing AB 650 will help those workers win additional compensation from their employers as well.