



AB 2303 – Supporting the Community Health Center Workforce

PURPOSE

Assembly Bill 2303 seeks to support community health centers (CHCs) and health center workers in their mission to provide accessible, affordable, equitable, and high-quality health care for all Californians.

BACKGROUND

CHCs are a vital part of California’s safety net, providing comprehensive care to 7,700,000 people – more than one in five Californians. CHCs encompass California’s federally qualified health centers (FQHCs), community clinics, tribal health centers, free clinics, and rural health centers (RHCs).

CHCs are paid a predetermined rate for the health care services they provide through a restrictive and complex structure governed by state and federal law called the Prospective Payment System (PPS). A community health center is only allowed to request a reevaluation of its PPS rate, essentially a rate change request, under certain circumstances.

State-mandated increases in the minimum wage are not among these circumstances. CHCs are essentially on a fixed income and, unlike other entities or businesses, cannot raise the prices of their services to adjust to increases in the minimum wage.

CHCs are eager to support their workers with higher wages, but unfortunately will struggle to pay these higher wages and maintain high quality patient care without rates that match their actual operational costs.

EXISTING LAW

In 2023, the Governor signed SB 525 into law raising the minimum wage for healthcare workers, specifically in CHCs to \$21 an hour by June 2024, \$22 an hour by June 2026, and \$25 an hour by June 2027.

SOLUTION

AB 2303 will ensure CHCs have a mechanism to address SB 525 by requiring the Department of Health Care Services, on or before April 1, 2025, to submit a request for approval to the federal Centers for Medicare and Medicaid Services to authorize a waiver for specified health care facilities to augment its rate in order to sustainably implement wage increases.

SUPPORT

California Primary Care Association Advocates – (Sponsor)

CONTACT

Kulraj Nagra
kulraj.nagra@asm.ca.gov
916-319-2039