

Mark your calendars! California’s new minimum wage for health care workers takes effect tomorrow

10.15.2024

The day that most health care facilities and health care workers have been waiting for—although for different reasons—is finally here. The increase in the minimum wage for covered health care workers will go into effect tomorrow, October 16.

In 2023, Gov. Gavin Newsom (D) caused a quite stir in the health care industry when he signed [SB 525](#) into law. SB 525 requires that covered health care facilities gradually increase the minimum wage for health care workers each year until the minimum wage reaches \$25 an hour (unless stated otherwise in the chart below). Each year thereafter, the minimum hourly wage will be adjusted for inflation.

The law was slated to go into effect on June 1, 2024, but implementation was contingent either on state revenues or the initiation of data retrieval about hospital quality assurance fees by the California Department of Health Care Services.

On October 1, the DHCS [informed](#) the Joint Legislative Budget Committee that the data retrieval was initiated. So, per Labor Code section 1182.16, the wage increases will go into effect 15 days later (October 16), unless a different effective date has been identified in the applicable Labor Code sections.

Wage schedule for various health care facilities

The law contains different timetables for various types of covered health care facilities. The table below describes the types of covered health care facilities, the new minimum wage for each type of facility, and the dates of subsequent increases. If the health care worker is paid on a salary basis, the health care worker must earn a monthly salary of no less than 150 percent of the applicable health care worker minimum wage, or 200 percent of the State minimum wage, whichever is greater, for full-time employment.

This table came from the [FAQs](#) on the website of the California Department of Industrial Relations:

Type of Health Care Facility	Minimum Wage when the law takes effect	Full Minimum Wage Schedule
Hospital or integrated health system with 10,000 or more full-time employees (including skilled nursing facilities operated by these employers)	\$23	10/16/24 to 6/30/25: \$23 7/1/25 to 6/30/26: \$24 7/1/26 to 12/31/27: \$25 1/1/28: adjusted for inflation each year
Dialysis Clinics	\$23	10/16/24 to 6/30/25: \$23 7/1/25 to 6/30/26: \$24 7/1/26 to 12/31/27: \$25 1/1/28: adjusted for inflation each year

Safety Net Hospitals (see FAQ 14)	\$18	10/16/24 to 6/30/25: \$18 6/1/25 to 6/30/33: increases 3.5% each year 7/1/33 to 12/31/34: \$25 1/1/35: adjusted for inflation each year
Intermittent clinics, community clinics, rural health clinics, or urgent care clinics associated with community or rural health clinics	\$21	10/16/24 to 6/30/26: \$21 7/1/26 to 6/30/27: \$22 7/1/27 to 12/31/28: \$25 1/1/29: adjusted for inflation each year
All other covered health care facilities not listed in the other categories and not run by Counties	\$21	10/16/24 to 6/30/26: \$21 7/1/26 to 6/30/28: \$23 7/1/28 to 12/31/29: \$25 1/1/30: adjusted for inflation each year
Covered Health Care Facilities run by Large Counties (more than five million people as of 1/1/23)	\$23 (no earlier than 1/1/25)	1/1/25 to 6/30/25: \$23 7/1/25 to 6/30/26: \$24 7/1/26 to 12/31/27: \$25 1/1/28: adjusted for inflation each year
Covered Health Care Facilities run by Medium Sized Counties (250,000 to five million people as of 1/1/23)	\$21 (no earlier than 1/1/25)	1/1/25 to 6/30/26: \$21 7/1/26 to 6/30/28: \$23 7/1/28 to 12/31/29: \$25 1/1/30: adjusted for inflation each year
Covered Health Care Facilities run by Small Counties (less than 250,000 people as of 1/1/23)	\$18 (no earlier than 1/1/25)	1/1/25 to 6/30/25: \$18 6/1/25 to 6/30/33: increases 3.5% each year 7/1/33 to 12/31/34: \$25 1/1/35: adjusted for inflation each year
Skilled Nursing facilities not owned, operated, or controlled by a hospital, integrated health care delivery system, or health care system: **Only takes effect if a patient care minimum spending requirement is passed	No effective date	Schedule <u>if</u> a patient care minimum spending requirement is passed: Once spending requirement passed to 6/30/26: \$21 7/1/26 to 6/30/28: \$23 7/1/28 to 12/31/29: \$25 1/1/30: adjusted for inflation each year

Other helpful information

- **Supplement to the General Minimum Wage Order.** The Department of Industrial Relations has also published a [supplement to the General Minimum Wage Order, MW-2024](#), specifically addressing the new requirements for health care workers. Covered health care facilities should be sure to post this notice with their workplace posters so they are easily accessible to employees.



- **Health Care Worker Minimum Wage Law Clinic Waiver Program.** Certain covered health care facilities (for example, certain intermittent community or free clinics, community clinics, rural health clinics, or urgent care clinics) may apply for a waiver to delay the implementation of the health care minimum wage requirements for one year. Although the deadline for the first health care minimum wage increase expired last month (on September 20), eligible health care facilities may consider applying for a waiver before the next wage increase that applies to them.

If you have questions about covered health care facilities, the minimum wage increase, or would like guidance on ensuring compliance, please contact an attorney in any of our California offices.