



June 28, 2022

Senator Nancy Skinner, Chair
Senate Budget Committee
1021 O St., Room 8630
Sacramento, CA 95814

The Honorable Phil Ting, Chair
Assembly Budget Committee
1021 O St., 8230
Sacramento, CA 95814

SUBJECT: AB 184 (Ting)/SB 184 (Skinner): Retention Payments – SUPPORT

Dear Senator Skinner and Assemblymember Ting:

Gov. Newsom's recent proposal to provide health care workers with \$1.07 billion in retention payments represents an important step toward recognizing the invaluable contributions of California's pandemic heroes. The state's decision to provide up to \$1,500 for full-time health care employees and up to \$1,250 for part-time employees is an incredible, historic step. Not only will these funds fulfill the public purpose of retaining health care workers and ensuring that all Californians have access to health care, but the retention payments will send the message that all Californians recognize and honor health care workers.

The final proposal, which permits hospitals to serve as a conduit for the state for these retention payments, is the result of significant effort and partnership by all stakeholders. Therefore, on behalf of our more than 400 hospital and health system members, the California Hospital Association (CHA) proudly expresses our **full support** of AB 184/SB 184, a vitally important and much-needed trailer bill.

Several key provisions of the bill would ensure that the hospitals can appropriately serve as a conduit for the state's retention payment program. They include:

- 1) **Broad Inclusion of Employees** — As drafted, the language begins the time frame to qualify for state retention pay matches on December 1, 2021. This would include employees who received bonuses at the end of 2021, ensuring that the broadest group of employees can receive these retention benefits.
- 2) **Contracted Employment Requirements** — The language treats both hospitals and contracted employers equally, allowing contracted services employers to apply and transmit payments to temporary employees and contractors. This ensures that vitally important health care workers are not excluded from the retention payment program.
- 3) **Clear Guidance** — The bill clearly and explicitly answers key questions around the retention pay program, including the eligible employees, the hourly threshold for the varying retention payments, the covered employers, and similarly detailed compliance information. This guidance

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will ensure that hospitals, as a conduit for these funds, can disburse the funds quickly and efficiently on behalf of the state. Similarly, the bill gives clear and explicit authority to the Department of Health Care Services to promulgate guidance.

- 4) **Vital Employee Protections** — The bill provides explicit paths for employees to resolve disputes around the retention payment, up to and including the theft of the retention payment by the employer. These provisions protect employees, create a level playing field for all employers, and ensure that enforcement resources are appropriately focused on bad actors, rather than clerical errors.

For these reasons we ask that you support the retention pay proposal in AB 184/SB 184. If you have any questions about CHA's position on the retention pay trailer bill, please don't hesitate to contact me at kscott@calhospital.org or Mark Farouk at mfarouk@calhospital.org.

Sincerely,



Kathryn Austin Scott
Senior Vice President, State Relations and Advocacy

Cc: The Honorable members of the California State Senate
The Honorable members of the California State Assembly
Richard Figueroa, Deputy Cabinet Secretary, Office of the Governor