



[California State Budget Plan, 2022-23](#)

Health Care Worker Retention Pay

In May, Gov. Newsom proposed that the state allocate \$933 million to provide hospital and nursing facility workers with retention payments recognizing the invaluable contributions of California's pandemic heroes and the impact the pandemic has had on retaining essential workers. While the initial language created implementation and administration questions, CHA has worked closely with the administration and organized labor to resolve those issues. The budget plan approved by the Legislature and expected to be signed by the Governor includes a proposal for \$1.077 billion in funding that would:

- Apply to general acute care hospitals, psychiatric hospitals, skilled-nursing facilities (SNFs), clinics owned, affiliated, or controlled by hospitals or SNFs, physician organizations in an integrated health care system, and specified public hospitals
- Provide a base retention payment of \$1,000 (State will match optional bonus/COVID-19 related payments provided by covered entities to employees up to \$500) for full-time employees
- Provide a base retention payment of \$750 (State will match optional bonus/COVID-19 related payments provided by covered entities to employees up to \$500) for part-time employees
- Provide a \$1,000 (no matching option) retention payment for physicians who work in hospitals.
- Set the time frame for providing optional qualifying bonuses/COVID-19-related payments for state matching funds from December 1, 2021, through December 31, 2022
- Require contractors to apply separately for their eligible employees
- Provide robust liability protections for employers, including clear language stating that these payments are not wages, and the Private Attorneys General Act is not applicable

The qualifying period will be set by the Department of Health Care Services (DHCS), but it is likely that eligible full-time and part-time employees will need to be employed by an employer from mid-July to mid-October (91 days) in 2022. Retention payments are not due to former employees.

After the 91 days, employers would need to provide specified information to DHCS, including the names, addresses, work hours, and retention payment amounts. DHCS will receive this information from all employers, calculate the benefit amounts, and then transmit the funds to the employers. The employers will then have 60 days to disburse the funds to the workers or return the funds to DHCS.