

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB 1160

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: King

3. Committee: Commerce and Energy

4. Title: Paid sick leave; health care providers and grocery store workers.

5. Summary: Requires employers to provide paid sick leave to health care providers, grocery store workers, and home health workers who provide agency-directed services. Under current law, employers are only required to provide paid sick leave to home health workers who provide consumer-directed services. The bill removes requirements that workers work on average at least 20 hours per week or 90 hours per month to be eligible for paid sick leave. Additionally the bill provides that certain health care providers may waive their right to accrue and use paid sick leave and provides an exemption for certain other health care providers.

6. Budget Amendment Necessary: Yes; Items 304 and 403.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

7a. Expenditure Impact, Department of Medical Assistance Services:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>	<i>Dollars</i>	<i>Fund</i>
2023	\$7,784,130	GF	\$8,443,189	NGF
2024	\$8,683,278	GF	\$9,461,815	NGF
2025	\$8,900,360	GF	\$9,698,360	NGF
2026	\$9,122,869	GF	\$9,940,819	NGF
2027	\$9,350,941	GF	\$10,189,340	NGF
2028	\$9,584,714	GF	\$10,444,073	NGF
2029	\$9,818,488	GF	\$10,698,807	NGF

7b. Expenditure Impact, Department of Corrections:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023	\$1,500,000	GF
2024	\$1,500,000	GF
2025	\$1,500,000	GF
2026	\$1,500,000	GF
2027	\$1,500,000	GF
2028	\$1,500,000	GF
2029	\$1,500,000	GF

- 8. Fiscal Implications:** This fiscal impact statement is preliminary and will be updated as additional information becomes available.

Department of Medical Assistance Services

According to the Department of Medical Assistance Services (DMAS), this bill would impact Medicaid expenditures directly through consumer directed attendant care and indirectly through other service areas. In the consumer directed model of care, the Medicaid members select their personal care, respite or companion care attendants and the Medicaid program pays for the wages of the attendant plus appropriate employer taxes and benefits. Currently, home health care workers who are consumer directed attendants and who work more than twenty hours a week receive one hour of sick leave for every thirty hours worked with a maximum of forty hours per year. This bill removes the requirement that home health care workers work on average twenty hours or more a week to qualify for accruing sick leave hours.

DMAS estimates that 7.2 percent of the current hours worked do not qualify for accruing sick leave because the attendant works less than twenty hours per week. DMAS assumes billable rates would need to be raised by 0.24 percent, as calculated by one hour for every thirty, times 7.2 percent. Attendants who work less than twenty hours a week would not reach the forty hours per year limit. DMAS expects to pay \$707 million in consumer directed care in FY 2023. With one month payment lag this rate increase is estimated to cost \$1.6 million (\$700,000 general fund) in fiscal year 2023 and \$1.7 million (\$800,000 general fund) in fiscal year 2024.

This bill also extends full sick leave benefit to agency directed personal care attendants as currently law only applies to consumer directed attendants. In an agency directed model of service, a home care agency employs the attendants who provide personal and respite care. While DMAS does not have information as to the extent home care agencies are currently providing sick leave, it is assumed that this bill's provisions would increase agency operating costs similar to those experienced in consumer direction. Should assumptions similar to those used to generate consumer direction costs be applied to agency directed care, then DMAS reports that a 2.4 percent rate increase would be needed to cover additional agency directed care costs. With one month claims payment lag, costs of a rate increase for these providers is estimated to be \$14.7 million (\$7.0 million general fund) in fiscal year 2023 and \$16.4 million (\$7.8 million general fund) in fiscal year 2024.

Department of Corrections

According to the Department of Corrections, there are currently 97 medical wage staff who would be affected by this bill. The Department anticipates a general fund expenditure impact of \$1.5 million annually.

Department of Labor and Industry

The Department of Labor and Industry would be responsible for enforcement of this bill. Impact estimates from the Department are not yet available.

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services, Department of Corrections, Department of Labor and Industry

10. Technical Amendment Necessary: No

11. Other Comments: This bill is the companion to SB 352, as introduced.