

# Department of Planning and Budget

## 2024 Fiscal Impact Statement

**1. Bill Number:** HB 256

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

**2. Patrons:**    Mundon King

**3. Committee:** Labor and Commerce

**4. Title:**        Health Care Providers & Grocery Store workers; employers to provide paid sick leave

**5. Summary:** Requires employers to provide paid sick leave to health care providers and grocery store workers. 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. The bill provides that certain health care providers may waive their right to accrue and use paid sick leave and provides an exemption for employers of certain other health care providers. The bill requires the Department of Labor and Industry to develop guidelines for retail employers that sell groceries to provide sick leave and to publish such guidelines by December 1, 2024. The provisions of the bill other than the requirement for the Department of Labor and Industry to develop guidelines have a delayed effective date of January 1, 2025.

**6. Budget Amendment Necessary:** Yes, Item 288 of HB30/SB30 as introduced.

**7. Fiscal Impact Estimates:** Preliminary, see Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2025	\$457,007	General
	\$534,989	Nongeneral
2026	\$1,114,464	General
	\$1,304,634	Nongeneral
2027	\$1,139,848	General
	\$1,334,350	Nongeneral
2028	\$1,164,587	General
	\$1,363,310	Nongeneral
2029	\$1,192,762	General
	\$1,396,293	Nongeneral
2030	\$1,237,120	General
	\$1,448,220	Nongeneral

## **8. Fiscal Implications:**

### ***Department of Medical Assistance Services***

According to the Department of Medical Assistance Services (DMAS), this bill would impact Medicaid expenditures through consumer directed attendant care. 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 fewer than twenty hours per week. One hour of sick leave is earned for every 30 hours worked. DMAS states 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 \$987.0 million in consumer directed care in FY 2025 and \$1.02 billion in FY 2026. Ninety-four percent of attendant care is paid through base Medicaid and six percent is paid through Medicaid Expansion. With a start date of January 1, 2025, and one month payment lag this rate increase is estimated to cost \$1.0 million (\$0.5 million general fund) in fiscal year 2025 and \$2.4 million (\$1.1 million general fund) in fiscal year 2026.

### ***Department of Labor***

The Department of Labor would need to develop guidelines for retail employers impacted by the bill's requirements. It is anticipated that any fiscal impact can be absorbed within existing resources.

### ***Department of Corrections***

The Department of Corrections (DOC) employs approximately 139 medical wage positions who would be eligible for paid leave under this bill. The annual cost projection depends on how many leave hours are actually taken but could be as high as \$316,500. It is anticipated that DOC can absorb these costs within existing resources.

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

## **10. Technical Amendment Necessary:** No

## **11. Other Comments:** None