

## **AB 387 (THURMOND): MINIMUM WAGE: HEALTH PROFESSIONALS: INTERNS**

**POSITION:** The Chamber's Healthcare Committee voted to OPPOSE AB 387 on April 12, 2017.

**STATUS:** AB 387 was introduced by Assemblymember Tony Thurmond on February 9, 2017. It passed out of the Assembly Committee on Labor and Employment on March 30<sup>th</sup>, 2017 and was referred to the Committee on Appropriations.

### **AT-A-GLANCE**

Expands state minimum wage law to extend to employers with employees engaged in supervised work as required for licensure, registration or certification, also referred to as "allied health professionals."

### **SUMMARY**

AB 387 expands the definition of "employer" to include a person who "directly or indirectly, through an agent or any other person, employs or exercises control over the wages, hours or working conditions of any person, including any person engaged in a period of supervised work experience to satisfy requirements for licensure, registration or certification as an allied health professional."

Allied health professionals are health professionals (excluding registered nurses and physician assistants) who has received a degree or specified certificate in health care, who engages in service delivery but does not have a doctoral or other equivalent degree in public health or any other relevant field.

### **ANALYSIS**

Current law does not require that the approximate 45,000 allied health professionals each year in California to be paid. These clinical hours required as training for specified health professions including radiology, laboratory technology and sonography. The current training system and programs were developed to ensure that students could turn their educational foundations into clinical performance and procedures while demonstrating competency enough to allow passage of final evaluation.

The author has said that requiring these hours of clinical training without compensation discourages minority students from applying to these in-demand fields and negatively impacts the healthcare system by perpetuating a healthcare workforce that does not accurately reflect its patients' cultural, linguistic and socio-economic backgrounds.

Conversely, opponents to the measure have stated that requiring financial compensation, particularly at the rate of annually-increasing minimum wage at the state level, will significantly diminish the ability of Community Colleges and healthcare facilities to provide such training. Without the necessary training to ensure that the workforce is competent in these procedures and practices, it would be unsafe to allow them to work, thereby lessening job opportunities, prospects and healthcare access. The California Hospital Association has estimated that hospitals statewide train over 40,000 allied health students each year, and that this proposal could cost hundreds of millions of dollars annually without a new revenue

source, meaning that the institutions providing training and health services for Californians would be responsible for that new financial obligation.

Additionally, accreditation organizations that review and monitor such training programs have expressed concerns that such a proposal does not align with accreditation standards and place training institutions at risk of losing accreditation.

There is an existing workforce shortage in the field of healthcare that this bill does not address. While it may encourage more individuals to consider a career in the industry, it does so at the very real risk of damaging the current pipeline that has been responsible for adequately and safely training the 600,000 allied health professionals working within the state. In the simplest terms, requiring that these students be paid for their training time would come at an unaffordable cost to healthcare institutions thereby eliminating their ability to conduct the training programs that render these students employable. There is a further concern for other industries and the tightening of requirements that internships and other unpaid training opportunities be mandated to comply with minimum wage laws should AB 387 be successful.

### **SUPPORT**

- California Employment Lawyers Association
- California Labor Federation, AFL-CIO
- California Pan-Ethnic Health Network
- Community Coalition
- Los Angeles Alliance for a New Economy
- SEIU- California (sponsor)
- Working Partnerships USA

### **OPPOSITION**

- California Medical Association
- California Children's Hospital Association
- California Radiological Society
- California Society for Respiratory Care
- California Society of Pathologists
- California Society of Radiologic Technologists
- California Speech-Language and Hearing Association
- California State University, Office of the Chancellor
- Palomar Medical Center, Poway and Escondido
- Sharp HealthCare
- Society of Diagnostic Medical Sonography
- Sharp Chula Vista Medical Center Library
- Others