

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB91

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

2. **Patron:** Favola

3. **Committee:** Finance and Appropriations

4. **Title:** Paid sick leave; home health workers providing agency-directed services.

5. **Summary:** Requires employers to provide paid sick leave to 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 provides that "employer" includes the Commonwealth, any of its agencies, institutions, or political subdivisions, and any public body.

6. **Budget Amendment Necessary:** Yes, if the state covers the cost to agency-directed services, Item 288 of HB30/SB30 as introduced. See Item 8.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2025	\$6,413,678	General
	\$7,587,288	Nongeneral
2026	\$7,366,280	General
	\$8,703,366	Nongeneral
2027	\$7,740,916	General
	\$9,154,879	Nongeneral
2028	\$8,118,319	General
	\$9,609,535	Nongeneral
2029	\$8,495,721	General
	\$10,064,191	Nongeneral
2030	\$8,873,124	General
	\$10,518,847	Nongeneral

8. **Fiscal Implications:** This fiscal impact estimate is preliminary and will be updated as additional information becomes available. It is anticipated that this bill will have a general fund and nongeneral fund expenditure impact to the Department of Medical Assistance Services (DMAS); impact estimates from the Department of Human Resources Management are not currently available.

Currently, home health care workers who are consumer directed attendants and who work more than 20 hours a week receive one hour of sick leave for every 30 hours worked with a maximum of 40 hours per year. This bill extends this provision to those attendants that are employed by home health agencies. 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 home care agency operating costs similar to those experienced in consumer direction.

The following information is provided if it is the intent of the bill for the state to recognize the cost to impacted agencies. Consumer directed rates had an increase of \$0.33 per hour in northern Virginia and \$0.26 per hour outside of Northern Virginia to pay for the sick leave benefit. Should assumptions similar to those used to generate consumer directed costs be applied to home care agency directed care, then DMAS reports that rates would need to be increased by 1.45 percent in northern Virginia and 1.32 percent outside of northern Virginia. With one month claims payment lag, costs of a rate increase for these providers are estimated to be \$14.0 million (\$6.4 million general fund) in FY 2025 and \$16.1 million (\$7.4 million general fund) in FY 2026.

The Department of Labor and Industry anticipates that any increase in inquires as a result of this bill can be absorbed within existing resources.

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

10. Technical Amendment Necessary: No

11. Other Comments: None