

Mayor Garcetti Signs “Healthcare Workers Minimum Wage Ordinance” Increasing Minimum Wage to \$25

California Employment Law Update Blog on July 15, 2022

On July 7, 2022, Mayor Eric Garcetti signed the “[Healthcare Workers Minimum Wage Ordinance](#)” (“Ordinance”) which, effective August 13, 2022, increases the minimum wage to \$25 per hour for healthcare workers employed at privately-owned healthcare facilities within the City of Los Angeles. Beginning January 1, 2024, the minimum wage will increase annually based on the cost of living.

The purpose of the bill was in part to “fairly compensate[] [healthcare workers] for keeping us safe [during the COVID-19 pandemic] while facing risks to themselves and their families” and to address “hospitals...facing staffing shortages that could jeopardize the availability of care in Los Angeles...” Other reasons in support of this bill included the increased cost of living on Los Angeles and increased profits in the healthcare industry.

Despite the seemingly good intentions of the Ordinance, it only applies to privately owned facilities within the boundaries of the City of Los Angeles including:

1. A licensed general acute care hospital as defined in Section 1250(a) of the California Health and Safety Code.
2. A clinic, as defined in Section 1206(d) of the California Health and Safety Code, that is conducted, operated, or maintained as an outpatient department of a general acute care hospital or acute psychiatric hospital.
3. A licensed acute psychiatric hospital as defined in Section 1250(b) of the California Health and Safety Code, including an acute psychiatric hospital that is a distinct part of another health facility.
4. A licensed skilled nursing facility, as defined in Section 1250(c) of the California Health and Safety Code, that is a distinct part of a general acute care hospital or acute psychiatric hospital.
5. A licensed residential care facility for the elderly, as defined in Section 1569.2 of the California Health and Safety Code, that is located or licensed at the same address as an acute psychiatric hospital or is located on the same campus or

parcel of real property as an acute psychiatric hospital.

6. A licensed chronic dialysis clinic as described in Section 1204(b)(2) of the California Health and Safety Code.
7. All facilities that are part of an Integrated Healthcare Delivery System.

Opponents of the Ordinance have formed a group called “[No on the Los Angeles Unequal Pay Measure](#)” and argue that it is an “inequitable ordinance that would set a new arbitrary pay requirement for some healthcare workers in some healthcare facilities in the city, while excluding thousands of health care workers doing the same jobs.”

Applicable private healthcare employers should immediately review their pay practices in anticipation of the effective date of the Ordinance (August 13, 2022). However, the Ordinance does include a limited waiver, stating: “... a court may grant a one-year waiver from the Minimum Wage requirements of this article if an Employer can demonstrate by substantial evidence that compliance with this article would raise substantial doubt about the Employer’s ability to continue as a going concern under generally accepted accounting standards.”

For help navigating this Ordinance and any applicable waivers please reach out to us or any of our employment attorneys. We will continue to monitor the Ordinance for any updates.

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