

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40657-LRa-172B

Short Title: Fair Wages in Health Care Act/Funds. (Public)

Sponsors: Representative G. Brown.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH OCCUPATIONAL MINIMUM WAGES FOR CERTAIN DIRECT
3 CARE AND HEALTH CARE SUPPORT WORKERS AND TO APPROPRIATE FUNDS
4 TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR
5 IMPLEMENTATION.

6 Whereas, North Carolina depends on home care aides, direct support professionals,
7 certified nursing assistants, psychiatric aides, and licensed practical nurses to deliver essential
8 daily care to older adults, people with disabilities, and individuals receiving behavioral health
9 services; and

10 Whereas, persistent vacancies and high turnover in these occupations undermine
11 continuity of care, strain families and providers, and increase the risk of avoidable
12 institutionalization and hospitalization; and

13 Whereas, low wages are a leading cause of recruitment and retention problems in
14 direct care and health care support occupations; and

15 Whereas, establishing clear statewide wage floors for these occupations will help
16 stabilize the workforce and protect access to care for vulnerable North Carolinians; and

17 Whereas, strengthening the direct care workforce promotes the health, safety, and
18 welfare of the people of this State; Now, therefore,
19 The General Assembly of North Carolina enacts:

20 **SECTION 1.(a)** This act shall be known and may be cited as the "Fair Wages in
21 Health Care Act."

22 **SECTION 1.(b)** The General Assembly finds that:

- 23 (1) North Carolina relies on home care aides, direct support professionals,
24 certified nursing assistants, psychiatric aides, and licensed practical nurses to
25 deliver essential daily care for older adults, people with disabilities, and
26 individuals receiving behavioral health services.
- 27 (2) These occupations provide hands-on, safety-critical services that protect the
28 health and welfare of vulnerable residents and support the continuity of care
29 in home, community, and facility settings.
- 30 (3) Persistent workforce shortages and high turnover in these occupations
31 jeopardize access to care, increase avoidable hospitalizations and
32 institutionalization risk, and strain families, providers, and public systems.
- 33 (4) Compensation is a material driver of recruitment and retention in these
34 occupations; establishing clear, statewide minimum wage floors for specified
35 direct care roles promotes workforce stability and continuity of care.



- 1 (5) A stable, adequately compensated direct care workforce advances the public
2 interest by strengthening public health and safety, supporting individuals'
3 ability to remain in the least restrictive setting appropriate, and improving the
4 reliability of services across the State.

5 **SECTION 1.(c)** It is the purpose of this act to establish occupational minimum wages
6 for specified direct care and health care support occupations in order to improve recruitment and
7 retention, reduce turnover, and protect the health, safety, and welfare of North Carolina residents
8 who depend on these services.

9 **SECTION 2.** Article 2A of Chapter 95 of the General Statutes is amended by adding
10 a new section to read:

11 **"§ 95-25.3B. Minimum wage for certain direct care occupations.**

12 (a) Definitions. – The following definitions apply in this section:

- 13 (1) Certified Nursing Assistant (CNA). – An individual listed on the Nurse Aide
14 I Registry or Nurse Aide II Registry maintained under State law.
15 (2) Direct support professional (DSP). – An employee whose primary job duties
16 consist of providing direct, hands-on assistance, supervision, habilitation, or
17 support services to an individual with an intellectual or developmental
18 disability in a home- or community-based setting, including under a Medicaid
19 waiver, regardless of job title.
20 (3) Home care aide. – An employee whose primary job duties consist of providing
21 in-home personal care services, assistance with activities of daily living, or
22 home management services to an individual in the individual's residence,
23 regardless of job title.
24 (4) Licensed Practical Nurse (LPN). – An individual licensed to practice as a
25 licensed practical nurse under Article 9A of Chapter 90 of the General
26 Statutes.
27 (5) Psychiatric aide or technician (psych aide). – An employee whose primary job
28 duties consist of providing direct, hands-on care, supervision, safety
29 monitoring, or behavioral support to individuals receiving psychiatric or
30 mental health services in a 24-hour facility or inpatient setting, regardless of
31 job title.

32 (b) Occupational Minimum Wages. – Notwithstanding G.S. 95-25.3, every employer
33 shall pay to each employee who performs work in any of the occupations listed below wages of
34 at least the following amounts per hour:

- 35 (1) Home care aide – eighteen dollars (\$18.00).
36 (2) Direct support professional – eighteen dollars (\$18.00).
37 (3) Certified Nursing Assistant – twenty dollars (\$20.00).
38 (4) Psychiatric aide – twenty-two dollars (\$22.00).
39 (5) Licensed Practical Nurse – twenty-four dollars (\$24.00).

40 (c) Construction; Greater Protections Apply. – Nothing in this section shall be construed
41 to reduce any employee's rights under federal law, under G.S. 95-25.3, or under any employer
42 policy or contract providing a higher wage. The applicable minimum wage shall be the highest
43 rate required by this section, G.S. 95-25.3, or federal law.

44 (d) No Waiver by Designation. – An employer shall not avoid the requirements of this
45 section by assigning a different job title to an employee whose primary job duties meet the
46 definitions in subsection (a) of this section. If an employee performs the duties of a covered
47 occupation for twenty-five percent (25%) or more of hours worked in a workweek, the minimum
48 wage applicable to that occupation shall apply for that workweek, and if multiple covered
49 occupations apply, the highest applicable minimum wage shall apply.

50 (e) Enforcement. – The provisions of this Article applicable to enforcement, remedies,
51 and retaliation apply to this section."

1 **SECTION 3.(a)** Implementation for Publicly Funded Health and Human Services
2 Programs; Contract Adjustments/Medicaid and Waiver Rate Alignment. – The Department of
3 Health and Human Services shall take all actions necessary to implement the minimum wage
4 requirements established in this act for services financed in whole or in part with State or federal
5 funds administered by the Department, including Medicaid and State-funded or federally
6 authorized waiver programs. These actions shall include, as applicable:

- 7 (1) Submitting State Plan Amendments, waiver amendments, and other requests
8 to the Centers for Medicare and Medicaid Services and seeking any approvals
9 necessary to permit payment methodologies that support the minimum wage
10 requirements of this act.
11 (2) Reviewing and, as authorized by law and subject to the availability of
12 appropriations, adjusting provider reimbursement rates and capitation rate
13 components to account for demonstrated increases in labor costs necessary to
14 comply with this act, including costs associated with direct care and support
15 workers covered by this act.
16 (3) Revising contract requirements for managed care organizations, prepaid
17 health plans, local management entities/managed care organizations, and
18 other contractors administering services financed with
19 Department-administered funds to ensure that contracted providers have a
20 feasible path to comply with this act.

21 **SECTION 3.(b)** State Procurement and Contract Rate Adjustments. – Each State
22 agency that procures or funds services in which covered employees provide care or support
23 funded in whole or in part by State funds shall, to the extent authorized by law and subject to
24 appropriations, adjust contract rates, reimbursement schedules, or other payment terms as
25 necessary to avoid undermining compliance with the minimum wage requirements of this act.

26 **SECTION 3.(c)** Implementation Plan and Reporting. – No later than October 1,
27 2027, the Department shall submit an implementation plan to the Joint Legislative Oversight
28 Committee on Health and Human Services, the Joint Legislative Oversight Committee on
29 Medicaid, and the Fiscal Research Division that identifies (i) the programs and services affected,
30 (ii) the State Plan Amendments, waiver amendments, or approvals needed, (iii) anticipated rate
31 or contract adjustments, and (iv) any legislative changes necessary to effectuate this section.

32 **SECTION 4.** Appropriation. – Effective July 1, 2026, there is appropriated from the
33 General Fund to the Department of Health and Human Services the sum of five hundred thousand
34 dollars (\$500,000) for the 2026-2027 fiscal year for implementation of this act. These funds are
35 not subject to the provisions of G.S. 143C-1-2(b).

36 **SECTION 5.** Effective Date. – Except as otherwise provided, this act becomes
37 effective January 1, 2028, and applies to work performed on or after that date.