

AMENDED IN SENATE MAY 1, 2025
AMENDED IN SENATE MARCH 24, 2025

SENATE BILL

No. 747

Introduced by Senator Wiener

February 21, 2025

An act to add Section 1197.6 to the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 747, as amended, Wiener. Wages: behavioral health and medical-surgical employees.

Existing law establishes the Department of Industrial Relations within the Labor and Workforce Development Agency and sets forth the functions of the department, which include, among others, fostering, promoting, and developing the welfare of the wage earners of California and improving their working conditions. Existing law establishes within the department the Division of Labor Standards Enforcement, headed by the Labor Commissioner, for the purposes of enforcing labor laws.

Existing law prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions, unless the employer demonstrates that one or more specific factors, reasonably applied, account for the entire wage differential. Existing law also similarly prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of another race or ethnicity for substantially similar work. Under existing law, a violation of the laws relating to payment of wages, hours, and working conditions is a misdemeanor.

This bill would require a covered employer, as defined, employer to report to the department the compensation it provides to behavioral health employees and to medical-surgical employees. The bill would authorize the department, if it does not receive a report from a covered employer pursuant to these provisions, to seek an order requiring the employer to comply with the requirement and would entitle the department to recover the costs associated with seeking the order. The bill would authorize a court, upon request by the department, to impose a civil penalty, as prescribed, and prescribed.

The bill would require any data regarding the compensation of behavioral health employees and medical-surgical employees reported by a covered employer to be exclusively available to certain departments, including the department, and to be confidential and not made publicly available. The bill would, notwithstanding that provision, require the department to consult with certain departments, including the Department of Health Care Access and Information, regarding the data, and thereafter to, among other things, incorporate the data into a report that identifies any compensation disparities between behavioral health employees and similarly situated medical-surgical employees. The bill would require the department, on or before January 1, 2027, to submit the above-described report to the Legislature, as specified.

The bill would specify that a violation of the above-described reporting requirement its provisions does not constitute a misdemeanor. misdemeanor, and would define various terms for these purposes.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1197.6 is added to the Labor Code, to
- 2 read:
- 3 1197.6. (a) A covered employer shall report to the Department
- 4 of Industrial Relations the compensation it provides to behavioral
- 5 health employees and to medical-surgical employees.

(b) (1) If the department does not receive a report from a covered employer as required by this section, the department may seek an order requiring the employer to comply with this section and shall be entitled to recover the costs associated with seeking the order.

(2) Upon request by the department, a court may impose a civil penalty not to exceed one hundred dollars (\$100) per employee upon any employer in violation of this section and not to exceed two hundred dollars (\$200) per employee upon any employer for any subsequent violations of this section.

(c) Except as provided in subdivision (d), any data regarding the compensation of behavioral health employees and medical-surgical employees reported by a covered employer pursuant to this section shall be exclusively available to the department, the Department of Health Care Access and Information, and the Department of Managed Health Care, and shall be confidential and not made publicly available.

(d) (1) The department shall consult with the Department of Health Care Access and Information and the Department of Managed Health Care regarding the data, and thereafter, the department shall produce nonspecific aggregated data, analyze any data regarding the compensation of behavioral health employees and medical-surgical employees received pursuant to this section, and incorporate that data into a report that identifies any compensation disparities between behavioral health employees and similarly situated medical-surgical employees.

(2) (A) On or before January 1, 2027, the department shall submit the report described in paragraph (1) to the Legislature.

(B) (i) The requirement for submitting a report imposed under this paragraph is inoperative on January 1, 2031, pursuant to Section 10231.5 of the Government Code.

(ii) A report to be submitted pursuant to this paragraph shall be submitted in compliance with Section 9795 of the Government Code.

~~(e)~~
(e) A violation of this section shall not constitute a misdemeanor under Section 1199.

~~(d)~~
(f) For purposes of this section, the following definitions apply:

(1) (A) “Behavioral health employee” means an employee engaged in a profession regulated by the Board of Psychology or the Board of Behavioral Sciences, a psychiatric or mental health nurse regulated by the Board of Registered Nursing, a counselor for alcohol or drug dependency with a certification approved by the State Department of Health Care Services, or a qualified autism service provider.

(B) “Behavioral health employee” includes a contracted or subcontracted individual under either of the following circumstances:

(i) The individual provides behavioral health care services or services supporting the provision of behavioral health care as a contractor to the covered employer.

(ii) The individual provides the covered employer with behavioral health care services or services supporting the provision of behavioral health care as an employee of, or as a contractor to, an entity that contracts with the covered employer.

(2) “Covered employer” means either of the following:

(A) A medical group exclusively contracted by a nonprofit health care service plan with at least 3,500,000 enrollees that owns or operates its own pharmacies to provide medical services to its enrollees within a specified geographic region.

(B) A health care service plan with at least 3,500,000 enrollees that owns or operates its own pharmacies and that provides health care services to enrollees in a specific geographic area through a mutually exclusive contract with a single medical group.

(3) “Medical-surgical employee” means an employee engaged in a profession regulated by the Physician Assistant Board, the California Board of Occupational Therapy, the Physical Therapy Board of California, the California Board of Recreation Therapy Certification, the California Board of Occupational Therapy, the Respiratory Care Board of California, the Radiologic Health Branch within the State Department of Public Health, or the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board, or an employee engaged in a profession regulated by the Board of Registered Nursing that provides medical-surgical care.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds Section 1197.6 to the Labor Code, imposes a limitation on the public’s right of access to the meetings of public

1 *bodies or the writings of public officials and agencies within the*
2 *meaning of Section 3 of Article I of the California Constitution.*
3 *Pursuant to that constitutional provision, the Legislature makes*
4 *the following findings to demonstrate the interest protected by this*
5 *limitation and the need for protecting that interest:*

6 *Data on the compensation of behavioral health employees and*
7 *medical-surgical employees to be reported to the Department of*
8 *Industrial Relations is necessary to understand and address*
9 *compensation disparities between those employees and to promote*
10 *increased access for Californians to behavioral health care. The*
11 *limitation on access to this data is necessary to avert unintended*
12 *interference in health care market pricing mechanisms.*