



Re-establishing Wage Increases for Community Health Heroes

Advocating for Equitable Compensation for Community Health Workers, Promotoras, and Health Representatives (CHW/P/Rs)

The FY 2024-25 Rate Increase is now inoperable because of the passage of Proposition 35: The FY 2024-25 state budget included a 22.2% increase in reimbursement rates for CHW/P/R services, raising the rate from \$26.66 to \$32.58 per half-hour visit. This increase was a critical step forward in ensuring fair compensation and supporting the long-term viability of the CHW/P/R workforce. However, the budget included trigger language, which eliminated this planned rate increase. To support the sustainability and scalability of critical CHW/P/R services, California must continue with the planned rate increase to complement the forthcoming grant program.

CHW/P/R services are a key strategy for improving health care quality in Medi-Cal:

CHW/P/Rs are at the forefront of addressing health disparities, particularly for underserved and culturally diverse communities. Their unique ability to bridge cultural and linguistic divides has improved health outcomes for Medi-Cal beneficiaries, making them indispensable in advancing health equity in California. However, despite the significant contributions of CHW/P/Rs, reimbursement rates for CHW/P/Rs have remained insufficient to sustain these essential roles. A 2023 study which used a simulation model to estimate CHW/P/R salaries, equipment, transportation, space, and benefits costs across the U.S., estimated the minimum Medicaid FFS payment rate for a 30-min CHW visit (Medicaid billing code 98960) would be a mean of \$53.24 nationwide and \$67.81 in California (as compared to the current Medi-Cal rate of \$26.66).¹

Why This Matters:

Ensuring adequate reimbursements for CHW/P/Rs is an urgent healthcare priority:

¹ Basu, S., Patel, S.Y., Robinson, K. et al. (2024). [Financing Thresholds for Sustainability of Community Health Worker Programs for Patients Receiving Medicaid Across the United States](#). J Community Health.

- **Sustaining Essential Services:** Without appropriate compensation, CHW/P/Rs face financial instability, threatening the sustainability of these roles.
- **Expanding Access to Care:** Low reimbursement rates hinder the adoption and utilization of CHW/P/R services, limiting their impact on addressing health disparities.
- **Advancing Health Equity:** CHW/P/Rs play a unique role in reaching underserved populations and improving outcomes.

Our Request

We respectfully urge the Legislature to:

1. Restore the 2025 CHW/P/R rate increase (\$5 million GF) to ensure equitable reimbursement policies that reflect the value of CHW/P/Rs' contribution to the healthcare system. Rates will increase by 22.2% from \$26.66 to \$32.58 per half-hour visit. Starting in 2026, rates will be based on geographic regions to reflect differences in the cost of living throughout the state.
2. Ensure CHW/P/R workers receive a thriving wage through a one-time investment in administrative infrastructure to streamline billing and payment.
3. Require DHCS to conduct a rate evaluation study that includes an analysis of the adequacy of the current reimbursement rates and recommendations for future rate adjustments to enhance benefit uptake and access, an assessment of barriers beyond rates, including administrative and technical challenges, and recommendations for addressing these barriers.