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AN OPEN LETTER TO CALIFORNIA VOTERS

Holding California Hospitals Accountable

The 85,000 hospital and clinic workers of the Service Employees International Union-United Healthcare Workers West (SEIU-UHW) want to work in a healthcare system that delivers affordable, high-quality care on an equal basis to all Californians. We also know we have a lot of work to do to get there.

Take Cedars-Sinai Medical Center in Los Angeles, one of the most prestigious hospitals in the country. Cedars is a non-profit, charitable medical center, meaning it doesn't pay taxes, a huge benefit courtesy of California taxpayers. In exchange, it is supposed to serve the public and you would expect that it would operate in the service of all Californians. But how could it when Cedars charges nearly **\$40,000** for a night in the Intensive Care Unit? Who could afford that?

Despite the fact that almost one third of Californians receive their healthcare through Medi-Cal, the plan serving low-income Californians, only 10.8% of the patients served by Cedars are Medi-Cal insured. This creates inequity. In Los Angeles, 48.4% of the population is Latino, but only 14.1% of Cedars patients are.

Now remember, Cedars is classified as non-profit charity, so it doesn't pay taxes. Yet in 2014, it had an operating margin (otherwise known as profit) of 10.1%. It has socked away **\$337 million** in profits in the bank. In 2014 it paid 10 executives **more than a million dollars**, three executives **more than \$2 million**, and it's CEO, Tom Priselac, received **\$4.6 million in 2014**.

And they call themselves a non-profit? Charity? Really?

Cedars is just one of many examples in a California hospital industry where CEOs get extremely wealthy while patients face crippling costs. It is a hospital system where disparities in care based on race and income are the norm. That is why the caregivers of SEIU-UHW sponsored the Hospital Executive Compensation Act of 2016, which would limit hospital executive compensation to the same level as the President of the United States, or \$450,000 a year. And that is why nearly 650,000 of you signed petitions to put it on the ballot in November. We believe this initiative would be an important step toward lowering healthcare costs and improving access to care.

Hospital executives are desperate to deny you the right to vote on this initiative. They started legal proceedings and got an arbitrator, named Richard L. Ahearn, to order us to withdraw the ballot initiative you signed—before you had a chance to vote on it. Yes, one person can deny the will of 650,000 people and prevent a vote by more than 17.9 million, all in the name of protecting multimillionaire CEO salaries. It's outrageous.

The caregivers of SEIU-UHW regret that we are being ordered to withdraw this initiative and that California voters are losing their right to vote on it THIS year. But we pledge that we will keep speaking out on the corrupting effects of excessive executive compensation in our healthcare system and will work to bring a similar initiative back to the ballot as soon as possible.

All Californians need access to the highest quality, affordable healthcare. We will continue working day and night toward that goal.

Sincerely,

**The Members of the SEIU-UHW
Executive Board**



**SEIU-
UHW**
United Healthcare Workers West

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Paid for by the caregivers of Service Employees International Union-United Healthcare Workers West.