

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 Sutter Health, one of the largest hospital chains in the state. Sutter is considered to be a non-profit charity, meaning it doesn't pay taxes, a huge benefit courtesy of California taxpayers. In exchange, Sutter is supposed to serve the public and you would expect that it would operate in the service of all Californians.

But it turns out Sutter charges **25 percent more** than other hospitals in California, nearly \$4,000 per patient admission (based on 2013 prices).¹ It can "get away" with this because many of its facilities operate in areas where there is little or no competition, enabling it to use its market power to raise prices.

It also pays its executives some of the highest salaries in the state. In 2014, **at least 24 Sutter executives were paid more than a million dollars**, two were paid **more than \$2 million**, one was paid **more than \$4 million**, and **one executive was paid more than \$6 million**.²

And they call themselves a non-profit? A charity? Really?

Sutter is just one of the many examples in a California hospital industry where CEOs get extremely wealthy while patients face crippling costs. 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 California voters 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 initiated legal proceedings and got an unaccountable 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

