

## **FUNDING OUR CAMPAIGN FOR MEDI-CAL REFORM IN CALIFORNIA**

### **RESOLUTION 13-14**

#### **Background:**

##### **About Medi-Cal:**

- Medi-Cal is California's version of Medicaid, the federal program to provide healthcare to low income and disabled people. It has expanded dramatically under Obamacare and will soon provide healthcare to three out of every 10 Californians. Most of the 12,000 Californians SEIU-UHW members have helped enroll into healthcare are covered through Medi-Cal.
- California is at the bottom among states in the amount that healthcare providers get reimbursed to provide Medi-Cal funded services. This means providers, such as hospitals and physicians, lose substantial amounts of money providing care to Medi-Cal recipients, causing them to charge more to privately insured people and driving up healthcare and insurance costs for everyone, even those who get their health insurance through their employers. It also results in limited access to doctors and healthcare services for the people who depend on Medi-Cal.
- Medi-Cal is critical to SEIU-UHW members. It provides the majority of funding for homecare and nursing homes and a significant portion of the funding for many SEIU-UHW represented hospitals. Reforming Medi-Cal could give UHW represented employers, like Kaiser, access to many more Medi-Cal recipients to enroll as members. Low Medi-Cal reimbursement rates make many SEIU-UHW jobs less secure and put downward pressure on wages and benefits, especially threatening employer-paid healthcare coverage.

##### **About the SEIU-UHW/California Hospital Association Agreement:**

- In May 2014, SEIU-UHW signed a groundbreaking agreement with the California Hospital Association (CHA) aimed at reducing the cost of healthcare, creating greater access, improving quality and providing a rising standard of living for healthcare workers.
- The centerpiece of this agreement is a \$100 million labor/management committee formed to, among other things, improve Medi-Cal. With SEIU-UHW and CHA working in partnership, we will become the largest political force in the state. The CHA will provide \$80 million of the funding. SEIU-UHW must provide the remaining \$20 million, \$10 million in 2014 and \$10 million by mid-2016. Decisions about how to spend the money will be made jointly by SEIU-UHW and CHA.

**Background: (continued)**

About the SEIU-UHW budget:

- SEIU-UHW has a \$95 million annual budget and has about \$37 million in cash on hand in various reserve accounts.
- SEIU-UHW is constitutionally required and programmatically committed to spending 20% of its budget, after “per capita” payments to the SEIU International Union and central labor bodies, on organizing the unorganized. Every month, we deposit funds not spent on organizing, up to 20% of the post per capita income, into an organizing reserve account meant to fund strategic initiatives that support growth. We anticipate that account will have approximately \$9 million in it by the end of the year.
- SEIU-UHW sends its COPE funds directly to the International Union to support campaigns for federal office by candidates endorsed by the union. We receive a rebate from the International for any funds raised beyond our required contribution to use for state and local campaigns. In 2014, we expect to receive about \$1 million in COPE rebated from the International.

*Whereas*, we are in a moment when the labor movement is in steep decline as evidenced by the hundreds of millions of dollars spent by the anti-union Koch Brothers and others to defeat pro-labor candidates for office, the Harris vs. Quinn Supreme Court decision that eliminates union security for homecare workers, the union strong-hold of Michigan going right to work and the loss of public employee union rights in Wisconsin – the birthplace of public employee collective bargaining; and

*Whereas*, strong action on a scale that we have never seen before will be required to reverse these trends that, unchecked, will result in the elimination of the labor movement as a relevant economic and political force in the United States within a decade; and

*Whereas*, the SEIU-UHW/CHA agreement provides an opportunity to take such action on a large scale to fight for the common good while addressing the decline in organized labor; and

*Whereas*, improving the Medi-Cal system will directly impact the quality of healthcare received by 30% of Californians, reduce costs for all Californians and improve the job security and bargaining positions of SEIU-UHW members; and.

*Whereas*, the SEIU-UHW/CHA agreement calls for SEIU-UHW to commit \$10 million in 2014 towards an overall \$100 million fund to, among other things, improve Medi-Cal;

*Now therefore be it resolved* that SEIU-UHW will contribute \$10 million in 2014 to the joint SEIU-UHW/CHA labor-management committee to, among other things, improve Medi-Cal; and

*Be it further resolved* that \$9 million of that money will come from the SEIU-UHW organizing reserves and \$1 million from the SEIU-UHW COPE funds rebated from the SEIU International Union.

***SEIU-UHW Executive Board Meeting***

**Presented:** 8/2/2014  
**Adopted:** 8/2/2014  
**Amended:** \_\_\_\_\_