

SEIU Group Health Caregivers' Fight for Affordable Health Care

Group Health's health benefit cuts would make it harder for the Cooperative to recruit and retain vital staff—putting care at risk.

Washington health care employers are currently facing a shortage of registered nurses and other kinds of skilled health care workers. There is wide consensus that as an aging population drives up demand for health care the shortage of health care workers threatens to weaken the quality of care patients receive.

- The Joint Commission on Accreditation of Healthcare Organizations (JCAHO)—the health care industry's own accrediting body—has warned that the national shortage of health care workers is **“putting patient lives in danger and requires immediate attention.”**
- The Robert Wood Johnson Foundation has warned that the looming workforce crisis in registered nursing is different than previous temporary staff shortages. **“The nursing supply crisis of today is driven by a richer and broader set of factors, making it more complex than previous periods of over and undersupply in nursing.”**

Group Health's history of providing access to affordable family health benefits has enabled GHC to attract and retain a stable workforce of skilled employees. In a 2003 national survey, **82 percent of RNs said that medical benefits were the most important benefit** they take into account when considering a job offer.

Group Health's contract demands would raise costs for frontline staff by thousands of dollars.

For many nurses and other frontline staff, Group Health's latest contract demands would **impose massive out-of-pocket cost increases on employees**. Family coverage for many employees would increase by thousands of dollars. Group Health's proposal includes higher co-pays for doctor visits and prescriptions, new premiums, new deductibles, and a new surcharge for an employee to cover a spouse who could otherwise get coverage from another employer.

Group Health can afford to continue to invest in health coverage for its caregivers.

- GHC reported a **10.4 percent positive revenue margin in 2003**. Underwriting income (premiums minus claims and administrative expenses) jumped to **\$147.5 million** from \$10.4 million in 2002.
- **Group Health saw a \$187.8 million net gain** for 2003, with total revenue rising to \$1.8 billion, up from \$1.6 billion in 2002. (The cost of providing health benefits for SEIU caregivers represents just **0.6 percent** of GHC's total budget.)
- In April 2004, Group Health reported its earnings margin for the year so far was running at least **5 percent**, allowing Group Health to spend more on new medical technology, information technology, and updates to its medical centers.
- Standard and Poor's upgraded GHC's bond rating in May 2004 because of its **“stronger operating performance and cash flow, a higher level of surplus, and a stronger balance sheet.”** S&P predicts that GHC will finish 2004 with “strong” income of **\$100-120 million**. S&P states that GHC is “well positioned to achieve earnings that are at least at the strong level in 2004 and sustain its higher capitalization, which in turn is expected to strengthen the company's financial condition, financial flexibility, and liquidity.”

MASSIVE CUTS: Group Health's Demands Would Add Up to Thousands of Dollars of New Family Health Costs for Caregivers

Registered Nurse and family (average salary \$68,786)	Out-of-Pocket Cost	Current Benefit	Group Health Demand	Group Health demand (as % increase)
	Premium	Employer paid	\$2,063.58	
Deductible	0	600.00		
Spousal coverage surcharge	0	1,200.00		
3 doctor visits	\$15 (@ \$5/visit)	45 (@\$15/visit)		
5 prescriptions	\$25 (@ \$5/pres.)	75 (@15/pres.)		
TOTAL	\$40	\$3,983.58	+ 9,959 percent	
Licensed Practical Nurse and family (average salary \$36,317)	Premium	Employer paid	\$1,089.51	Group Health demand (as % increase)
	Deductible	0	600.00	
Spousal coverage surcharge	0	1,200.00		
3 doctor visits	\$15 (@ \$5/visit)	45 (@\$15/visit)		
5 prescriptions	\$25 (@ \$5/pres.)	75 (@15/pres.)		
TOTAL	\$40	\$3,009.51	+ 7,424 percent	
Hospital Custodian and family (average salary \$28,870)	Premium	Employer paid	\$866.10	Group Health demand (as % increase)
	Deductible	0	600.00	
Spousal coverage surcharge	0	1,200.00		
3 doctor visits	\$15 (@ \$5/visit)	45 (@\$15/visit)		
5 prescriptions	\$25 (@ \$5/pres.)	75 (@15/pres.)		
TOTAL	\$40	\$2,786.10	+ 6,865 percent	

SEIU Group Health Caregivers Have Made Every Effort to Avoid a Strike. During contract negotiations, SEIU members offered to pay significantly more for family health benefits. SEIU members at GHC are willing to **double existing co-pays** and **pay deductibles** for the first time. But Group Health has refused to scale back its demands for massive health benefit cuts.

