

# Basic Facts

About contract negotiations between 1199SEIU United Healthcare Workers East & the League of Voluntary Hospitals and Homes



**Our Position:** The healthcare workers of 1199SEIU dedicate their lives to caring for New York, and have been on the frontlines during 9/11, Hurricane Sandy, flu epidemics and other emergencies. But executives are threatening the health benefits of 55,000 lower-paid workers and endangering the Benefit Fund of 110,000 total caregivers. Quality care depends on healthy caregivers, so threatening health benefits could put patients and public health at risk. Executives are also endangering the economic health of communities by opening many outpatient facilities with sub-standard, non-union jobs. Instead of threatening the quality of healthcare services and jobs, executives should work with caregivers to promote the health of patients, workers, families and communities.

## **Overview of the League contract**

1199SEIU's master contract with the League of Voluntary Hospitals and Homes expires July 15, 2014, and affects over 110,000 caregivers at over 100 facilities in the greater New York metropolitan area. The League contract covers nurses, nurse aides, social workers, emergency medical services workers, techs, lab workers, pharmacy workers, dietary workers, housekeepers, and other caregivers in medical centers, hospitals, nursing homes and affiliated facilities.

- About 70,000 workers are covered directly under the League master contract, and about 40,000 are under contracts modeled on that agreement.
- 75,000 work in hospitals, including 50,000 employed by the 5 largest systems.
- 25,000 work in nursing homes.
- 5,000 work in pharmacies.
- 5,000 work in community-based health centers and organizations.
- 8,000 are RN's, working primarily in hospitals and nursing homes.

## **The threat to patient care**

- Quality health benefits are needed to recruit, retain and maintain healthy caregivers. 1199SEIU members care for sick New Yorkers, and are more vulnerable to getting sick and bringing illnesses back to their families. Just as firefighters need oxygen masks and police officers need bullet proof vests, health benefits are essential for providing quality care.
- For over 40 years, the Benefit Fund has been funded by all employers contributing a uniform percentage of gross payroll, which is the fairest, most progressive method and ensures all caregivers are covered, including lower-wage workers. The League does not currently have specific proposals on the table, but they have made it clear they want to make radical changes to the Fund that could result in massive benefit cuts.

## **The threat to jobs**

- Employers are opening outpatient facilities with sub-standard health benefits and wages. Inequality is out of control in our country, especially in New York City, where 1% of the population has almost 33% of the

income and working people are struggling to make ends meet. As healthcare delivery shifts to outpatient settings, 1199SEIU members want to ensure new healthcare jobs will be good, middle-class union jobs for New Yorkers.

**Employers can afford to provide quality benefits and jobs**

The five largest health systems, which employ about half of the League’s 1199 members, are doing well financially, with over \$20 billion revenue in 2013. Executive compensation has increased over 420% since 2004.

System	2013 Revenue	2013 Income
NSLIJ	\$7 Billion	\$84 Million
Mt. Sinai Health System*	\$4.7 B*	\$64 M**
NY-Presbyterian Hospital	\$4.3 B	\$356 M
Montefiore	\$3.3 B	\$105 M
NYU	\$1.9 B	\$48 M
Total Revenue and Income	\$21.3 B*	\$657 M

\* Figure uses estimated revenue for Mount Sinai Health System, using 2013 Audited Financial Statements for Mount Sinai Hospital and St Luke’s–Roosevelt and estimates from 2012 Beth Israel and NY Eye and Ear.

\*\*Operating income from BI and NY Eye and Ear not available, operating income was \$63.9 million for MSH only.

- Healthcare employers stand to benefit from the Affordable Care Act, which will expand healthcare coverage to about one million New Yorkers, and from transformations in care delivery. In addition, 1199SEIU members were instrumental in achieving the recent \$8 billion Medicaid waiver which will help support healthcare systems.
- The 1199SEIU National Benefit Fund is the best deal for workers and employers. Full family health coverage costs employers under \$13,000 per year, far less expensive than the national average of \$16,000, and substantially cheaper than any comprehensive family health coverage available for any workers, union or non-union, public or private sector, in New York City and the nation.<sup>1</sup>
- Healthcare worker wages are modest and have not kept up with inflation. While health system revenues and executive compensation have skyrocketed, workers’ average income is about \$45,000 and minimum wages are about \$15. During the economic downturn, caregivers sacrificed raises to protect their healthcare and other benefits.

**Who is 1199SEIU?**

1199SEIU United Healthcare Workers East is the nation’s largest and fastest-growing healthcare union, representing over 250,000 caregivers in New York State and over 400,000 total members throughout the East Coast. Our mission is to achieve quality care and good jobs for all.

**What is the League?**

The League of Voluntary Hospitals and Homes is an employer group formed primarily to negotiate the master contract with 1199SEIU members, and includes over 100 facilities throughout the greater New York City area.

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<sup>1</sup> Kaiser Family Foundation/Health Research & Educational Trust (HRET) 2013 Employer Health Benefits Survey, Aug 20, 2013, accessed online at <http://kff.org/private-insurance/report/2013-employer-health-benefits/>.