



News Release

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SEIU California State Council Supports New Version of Healthcare Reform Bill, ABx1 1

The Largest and Fastest-Growing Labor Union in the State and the Largest Union of Healthcare Workers Says Proposal Provides the Framework Needed to Fix Healthcare

(SACRAMENTO) – The California State Council of the Service Employees International Union (SEIU) commended the Governor and the Speaker of the Assembly, Fabian Núñez, for the landmark health care reform proposal in ABx1 1.

“Our healthcare has been deteriorating,” said **Annelle Grajeda**, president of both the SEIU California State Council and SEIU Local 721, “and individuals and families are being hit hard from all sides. We can pass this proposal and make our healthcare more secure and accessible, or do nothing and watch our coverage crumble even more. On behalf of the millions of Californians who can’t afford to wait any longer, SEIU locals in California yesterday voted unanimously to support AB x1 1.”

Grajeda pointed to the fundamental trends in healthcare that need to be fixed:

- Having a job and working hard no longer guarantees healthcare. Over 80% of California’s 6.5 million uninsured are members of working families.
- Businesses are struggling to provide healthcare and many are dropping coverage. According to the UC Labor Center, only 57% of the population received coverage through their employers in 2004, down from 59% in 2000.
- Costs keep increasing. According to the Kaiser Family Foundation, healthcare costs increased 123% between 1990 and 2004, far more than inflation, economic growth, or wages.
- Preventive care is eroding as more people are forced into high-deductible, catastrophic plans and can’t afford to take care of basic health needs.
- As individuals and businesses struggle, drug companies and some insurance giants like Blue Cross spend millions to stop reform because they profit from our current, flawed system.

SEIU leaders in California unanimously agreed that the health care reform proposal in ABx 1 1 is a solid foundation for fixing our healthcare.

"This proposal marks the most significant effort to secure our healthcare since Medicare and Medicaid were established in the 1960's," said **Sal Rosselli**, President of SEIU UHW (United Healthcare Workers-West). "It provides a strong foundation for fixing fundamental problems with healthcare that affect us all, whether we have

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p. 2

insurance or whether we're among the millions who will gain coverage through this plan."

In making their decision to support AB x1 1, SEIU leaders highlighted the proposal's scope, ambition, and many strengths:

- First and foremost, AB x1 1 would expand coverage to nearly three quarters of California's uninsured - 95% of Californians would be insured.
- With a sliding scale employer contribution between and 1 and 6.5%%, depending on the size of payroll, AB x1 1 establishes a minimum standard for employer-based health coverage, as historic and significant as the creation of the minimum wage.
- AB x1 1 helps make healthcare affordable for low and moderate-income Californians (up to 400% of poverty, around \$82,000 for a family of four) and for early retirees above 400% between ages 50 and 64. It also includes hardship exemptions.
- AB x1 1 launches fundamental reforms to control costs, including:
 - Public disclosure by health insurers, hospitals, doctors and nursing homes of information on costs and quality
 - Bulk purchasing of drugs
 - Limits on insurance company profits and overhead
 - A new statewide purchasing pool with purchasing power 3-4 times as large as Cal-PERS
 - New prevention and wellness initiatives

"Years from now, we may identify this as the pivotal moment in the fight to transform our nation's health care system," said **Andy Stern**, International President of SEIU. "California is proving that it is possible, when we all work together, to make real change happen. If the most populous, most diverse state in the country can make health care happen, so can the rest of the country."

The proposal will face both a Senate vote in the near future and a popular vote in November 2008. SEIU continues to work with the Governor and legislative leaders on the legislation and the accompanying ballot measure.

"Families are struggling with serious and growing financial, emotional, and health problems as our healthcare system spins out of control," said **Grajeda**. "We urge the Assembly to seize this opportunity as an important first step towards achieving comprehensive healthcare reform this year. We can't afford to wait."

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SEIU California State Council coordinates the state-level political and legislative efforts of California's largest union, SEIU, the Service Employees International Union. 650,000 members strong in California, we make our voices heard on issues that matter to working families: health care, living wages, secure retirement, safe staffing in hospitals, quality long-term care, ensuring that all children have a chance to succeed, and much more.