

## **Resolution Protecting Quality and Accessible Healthcare for Californians**

WHEREAS, in 2010 President Barack Obama signed into law the Patient Protection and Affordable Care Act (ACA), commencing the largest overhaul and expansion of our nation's healthcare system in more than 50 years; and

WHEREAS, the ACA has transformed Medi-Cal into one of the largest health care payers in the nation, providing coverage for more than 9.5 million working class Californians; and

WHEREAS, the State of California has one of the lowest Medi-Cal reimbursement rates of any state in the United States; and

WHEREAS, inadequate Medi-Cal reimbursement rates have caused financial distress for many of California's safety net hospitals, which treat millions of Californians and employs hundreds of thousands of healthcare workers; and

WHEREAS, Prime Healthcare currently operates fourteen hospitals and medical centers in the State of California; and

WHEREAS, Prime Healthcare is seeking to purchase the Daughters of Charity Health System (DOCHS) consisting of six safety net hospitals in California which employs thousands of unionized healthcare workers; and

WHEREAS, Prime Healthcare's business practices have undermined the accessibility of healthcare under the ACA by eliminating services deemed unprofitable, such as birthing centers, mental health services, and chemotherapy; and

WHEREAS, Prime Healthcare's business practices have undermined the affordability of healthcare under the ACA by cancelling contracts with private insurance companies in order to charge patients higher out-of-network costs for treatment; and

WHEREAS, Prime Healthcare's business practices have undermined the quality of healthcare under the ACA and has been fined by the California Department of Public Health for incidents in which patients have died; and

WHEREAS, California State Attorney General Kamala Harris rejected Prime Healthcare's bid to purchase Victor Valley Community Hospital stating that the "proposed sale is not in the public interest and will likely create a significant effect on the availability or accessibility of health care services to the affected community;" and

WHEREAS, the United States Department of Justice served a subpoena on Prime Healthcare Services, which has publicly acknowledged that its California hospitals are part of a criminal and civil investigation being led by the United States Department of Health and Human Services; and

WHEREAS, Prime Healthcare has been accused by an employee of fraudulently overcharging Medicare and Medicaid about \$50 Million by deliberately falsifying patient admissions information; and

## **CALIFORNIA LABOR FEDERATION :**

*Resolution 6, continued*

WHEREAS, the National Labor Relations Board has issued complaints against Prime Healthcare for such illegal practices as unilaterally cutting employee health insurance programs, interrogating and intimidating employees who are supportive of the union, and bribing employees to decertify the union;

THEREFORE BE IT RESOLVED that the California Labor Federation, AFL-CIO urges members of the California State Legislature, candidates for the California State Legislature and political parties based in California to: (1) Refuse to accept political contributions from Prime Healthcare, its CEO Prem Reddy or any affiliated party; (2) Return any previous political contributions received from Prime Healthcare or its CEO Prem Reddy or any affiliated party; and (3) Request that the office of California State Attorney General Kamala Harris not approve the sale of any hospital in California to Prime Healthcare until the results of the United States Department of Justice and the United States Department of Health and Human Services criminal and civil investigations of Prime Healthcare are known and can be used to determine Prime Healthcare's fitness to purchase more hospitals in the state.

*Adopted by the California Labor Federation 2014 Biennial Convention on July 29, 2014.*