

California Pacific Medical Center: Don't Encourage Further Displacement in San Francisco!

Dear Mr. Cohill,

As community organizations active in San Francisco, we are deeply concerned that California Pacific Medical Center (CPMC) is demanding steep cuts to employee health benefits. Workers at CPMC, a majority of whom are people of color, are already struggling to pay for housing in San Francisco and cannot afford what is essentially a pay cut. CPMC, as one of the largest private-sector employers in the city, is contributing to the city's housing affordability crisis by helping to push even more low- and moderate-income people and people of color out of San Francisco.

In contract negotiations with the National Union of Healthcare Workers, CPMC is proposing to boost workers' out-of-pocket expenses by as much as \$3,500 per year. Seventy-nine percent of NUHW's 742 members—who work in service, secretarial, and nursing support positions—earn less than \$50,000 per year. CPMC's proposal would:

- *Increase co-payments for many medical services, procedures, and prescription drugs.*
- *Boost the annual out-of-pocket maximum workers are expected to pay for health care.*
- *Mandate costly annual deductibles where currently there are none.*
- *Require expensive monthly health care premiums for workers on the PPO plan.*

CPMC is proposing these changes despite being highly profitable. In 2012, with a profit margin from operations of 19.5%, CPMC was the seventh most profitable tax-exempt hospital in California. Its profit margin was four times higher than the average private hospital in California. Sutter Health – CPMC's parent company – paid its CEO, Patrick Fry, \$6.4 million in 2012.

It's clear that many CPMC workers, who are already living on the edge, will have to leave San Francisco if CPMC cuts their health benefits. San Francisco is already experiencing a housing crisis: in just the last year evictions have gone up by 115%. As working-class people and people of color are forced out, San Francisco has now become the city with the greatest income inequality in the United States. According to a 2014 report by the National Low Income Housing Coalition, residents of San Francisco must earn \$37.62 per hour—that's \$78,249 per year—to afford a two-bedroom apartment or house in the city. Fewer than 6% of NUHW's members at CPMC earn this amount—and CPMC now threatens to reduce their incomes by sharply increasing the cost of their health benefits.

We, the undersigned, call on the California Pacific Medical Center to rescind its proposal to cut the health care benefits of its workers.

Partial List of Signers:

Alliance of Californians for Community Empowerment (ACCE), Anti-Eviction Mapping Project, Asian Americans Advancing Justice/Asian Law Caucus, Bernal Heights Neighborhood Center, California Nurses Association, Calvin Welch (Coalition for Housing Healthcare Jobs and Justice), Coalition for Housing Healthcare Jobs and Justice, Chinese Progressive Association, Courage Campaign, Eviction Free San Francisco, Harvey Milk Democratic Club, Gray Panthers, Homies Organizing the Mission to Empower Youth, Jobs with Justice, Dr. Ken Barnes (Coalition for Housing Healthcare Jobs and Justice), Mujeres Unidas y Activas, Oakland Tenants Union, OPEIU Local 3, Older Women's League (OWL), People Organizing to Demand Environmental and Economic Rights (PODER - SF), Plaza 16 Coalition, Roma Guy (Former San Francisco Health Commissioner), Sandra Fewer (SF Board of Education), San Francisco Latino Democratic Club, SEIU Local 87, Senior & Disability Action, Street Level Health, UAW 2865.