

## Cascade Commentary

December 2017 #17-23

## **Summary:**

Oregon is one of nine states that allow labor unions to deduct union dues from the Medicaid paychecks of home-based caregivers. Medicaid dollars should be preserved for improving the lives of disabled, elderly and other Americans in need, not diverted to special interest groups.

Word Count 640

"...[T]he state deducts an average of \$500 per year in SEIU dues from each caregiver's Medicaid payments and sends it to SEIU before the assistance money ever reaches the caregiver."

4850 SW Scholls Ferry Road Suite 103 Portland, Oregon 97225

t: 503.242.0900 f: 503.242.3822 info@cascadepolicy.org www.cascadepolicy.org

## Don't Allow the Skimming of Medicaid Funds for Unions

## By Aaron Withe and Steve Buckstein

Each year, hundreds of millions of dollars are skimmed off the top of Medicaid payments intended for some of society's most vulnerable citizens and used for purposes never envisioned by the program's supporters. Most of us can agree this is wrong.

After all, the whole point of Medicaid is to help low-income individuals—particularly the elderly and disabled—whose lives, dignity and comfort all benefit from the program.

Unfortunately, many politicians don't see it this way. Oregon is one of nine states that allow labor unions to get a slice of the Medicaid pie by skimming union dues from the Medicaid paychecks of home-based caregivers.

The home-care program allows Medicaid-eligible individuals to avoid institutionalization by receiving daily living assistance in their own homes. In Oregon, Medicaid clients employ approximately 30,000 home-care and personal-support workers (HC/PSWs)—often their own family members—who are compensated through the program for providing basic assistance.

In 2000, however, the Service Employees International Union (SEIU) successfully inserted itself into that arrangement.

It funded a ballot measure that allowed HC/PSWs to be unionized on the shaky logic that their Medicaid payments made them "public employees." As a result, the state deducts an average of \$500 per year in SEIU dues from each caregiver's Medicaid payments and sends it to SEIU before the assistance money ever reaches the caregiver.

In states where this is happening, caregivers and their clients are understandably upset. Because unions have a limited role to play between family members in a home-based setting, many feel the idea of paying for traditional union services just doesn't make sense.

Some have pursued legal action to prevent the worst of the dues-skimming abuses. In 2014, the U.S. Supreme Court took up the Harris family's case and ruled that



"partial-public employees" like HC/PSWs could no longer be forced to pay a union against their will.

But it hasn't been enough. Although the *Harris* decision technically allows HC/PSWs to make their own choice about whether to pay union dues, Gov. Kate Brown's complicit administration has continued skimming dues from the Medicaid payments, making it easy for SEIU to keep thousands of caregivers paying dues against their will.

Kyle Osburn, a Portland resident who cares for his disabled son, was one such caregiver. Kyle never signed up for SEIU membership, but the state confiscated dues from his Medicaid checks anyway. Others, like Diana Berman, tried to cancel their union payments after *Harris* but were told they weren't allowed to resign until an arbitrary 15-day annual window.

Thousands of caregivers in Oregon remain victimized by the SEIU's dues-skimming scheme.

And Oregon isn't alone. At least eight other states deduct dues from Medicaid checks and divert the money into union bank accounts. This practice inevitably goes hand-in-hand with shocking reports of what unions will do to obtain "authorization" for such payments, including forging caregivers' signatures and pressuring them to sign union cards.

It's clear federal action is needed to protect the integrity of Medicaid, its beneficiaries and caregivers nationwide.

The U.S. Department of Health and Human Services should immediately adopt administrative rules to ensure that Medicaid dollars are not misdirected toward union dues. Congress could also make it illegal to skim Medicaid funds in this way.

Either move would protect caregivers' freedom to join a union if they chose to. Preventing state governments from deducting dues from Medicaid checks would make it far easier for caregivers to exercise their rights under *Harris*, but would in no way prevent caregivers from joining a union and paying dues on their own.

Medicaid dollars should be preserved for improving the lives of disabled, elderly and other Americans in need. They shouldn't be diverted to special interest groups that often use those dollars for political gain, like propping up the politicians who skim dues for them in the first place.

Federal policymakers should take action now.

Aaron Withe is the Oregon director of the Freedom Foundation, a think and action tank in Salem. Steve Buckstein is Senior Policy Analyst and Founder of Cascade Policy Institute, Oregon's Portland-based free market public policy research organization. This article originally appeared in The Bend Bulletin on December 8, 2017.

Cascade Policy Institute is a tax-exempt educational organization as defined under IRS code 501 (c)(3). Nothing appearing in this Cascade Commentary is to be construed as necessarily representing the views of Cascade or its donors. The views expressed herein are the author's own.

"Preventing state governments from deducting dues from Medicaid checks would make it far easier for caregivers to exercise their rights under Harris, but would in no way prevent caregivers from joining a union and paying dues on their own."

Attention editors and producers:

Cascade Commentaries are provided for reprint in newspapers and other publications, with credit given to author(s) and Cascade. Contact Cascade to arrange print or broadcast interviews on this commentary topic.

Please contact:

Cascade Policy Institute 4850 SW Scholls Ferry Rd. Suite 103 Portland, Oregon 97225

Phone: (503) 242-0900 Fax: (503) 242-3822

www.cascadepolicy.org info@cascadepolicy.org