Corporations must take responsibility for their employee’s healthcare coverage

It is hard to ignore the importance that a healthy workforce plays in our economy. In recent years, Rhode Island has made great strides in reducing the number of residents who are uninsured. According to Healthsource RI, only 3.7% of Rhode Islanders were uninsured in 2018, down from 11% in 2012. This is good news for all of us.

Unfortunately, while this progress has helped many, there is a loophole in the Rhode Island healthcare system allowing certain large corporations to avoid their responsibility to provide adequate coverage to their workers. Instead they shift employee healthcare costs to the state budget from their own balance sheet. Successful companies like Walmart, CVS, and Bank of America cost taxpayers millions of dollars a year by exploiting this loophole. This is corporate welfare and needs to be stopped.

Nearly one-in-four Rhode Islanders receive their healthcare from Medicaid programs, which is vital to the health and wellness of our state’s population. Medicaid works for our seniors, children, and working families. It is not fair when wealthy corporations use Medicaid programs to shift the cost of paying for low-wage workers’ healthcare to all of us as taxpayers without paying their fair share. This is even more offensive to Rhode Islanders’ sense of fair play when these corporations pay their CEOs exorbitant salaries.

In 2018, Walmart’s CEO Doug McMillon received $24 million in compensation, while CVS CEO Larry Merlo got a stunning $21.9 million, and Bank of America CEO Brian Moynihan took home a staggering $22.7 million. Clearly these companies can afford to pay more to ensure the people who work for them have access to quality affordable healthcare.

Access to affordable, high-quality healthcare is, and ought to be, a fundamental human right. But the hard-working people of Rhode Island, especially the people struggling to make ends meet in the service economy – people like home healthcare aides, food service workers, janitors, clerks and cashiers – should not have to see their tax dollars used to subsidize corporate greed.

We encourage elected leaders of Rhode Island to generate revenue in 2020 by addressing this loophole benefitting large for-profit corporations. We also hope the Governor again proposes policy, which call on corporations paying low wages to contribute to the stabilization of Medicaid programs from which they benefit. Our union members are eager to campaign, both at the State House and across Rhode Island, for passage of this important measure.

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