What is dues skimming?

In several states, governments are automatically deducting a portion of Medicaid or other government aid from home healthcare and family childcare (daycare) providers’ assistance checks and giving that money to government unions. Many providers are unaware this money is even being taken; others are aware but struggle to stop their state and union from skimming money from their checks; and some caregivers allege the unions and governments are fraudulently skimming the money.

How can dues skimming be stopped?

Healthcare and daycare are expensive. Taxpayer dollars for the poor and disabled in Medicaid and daycare support programs should go to those most in need – not the unions.

Congress, though legislative means, or the US Department of Health and Human Services, though administrative action, can stop the deduction of dues from Medicaid, Child Care and Development Fund, and Temporary Assistance for Needy Families fund payments. States can also take action individually.

What states are involved?

Eleven state governments have the infrastructure that allows them to skim money from home caregivers’ Medicaid checks and give it to unions. They are: California, Connecticut, Illinois, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, Oregon, Vermont, and Washington.

Nine states may skim money from childcare workers’ checks and giving it to unions. They are: Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Oregon, Rhode Island, and Washington. While unions in some of these states may not currently be active, dues skimming is still allowed to occur, leaving caregivers and children vulnerable.

Who are these providers and why would the government be taking their money?

The government is taking money from two types of providers: in-home healthcare providers and in-home daycare providers. Many home health caregivers are relatives or close friends who are taking care of sick family members or friends and receive a modest stipend each month to help cover the costs of the in-home care they provide. For many, this makes caring
for a loved one possible. But these caregivers can pay up to $1,000 a year in union dues, often without even realizing it.

States that take money from these providers and give it to unions justify their scheme by calling these caregivers public employees because they receive subsidies from the government. However, caregivers are individuals working from private homes, often looking after people as a service or out of necessity, not a career.

How much is the government taking from providers?

Each year, the government skims an estimated $150 million from home healthcare providers and $50 million from daycare providers and gives it to unions. Since 2000, states have skimmed $1.4 billion from home healthcare providers. The loss to individual providers varies by state, but can be one to over three percent of the caregivers’ stipend. In some states, the government diverts $1,000 annually from individual providers and gives it to unions.

How did the dues skim start?

The origin of dues skimming varies by state. Generally, unions asked friendly governors or state legislators to re-categorize providers as public employees for the purpose of unionization simply because they receive state assistance. Most home care providers didn’t ask for seek out unionization. The nature of home health or child care work means that unions don’t provide typical workplace representation—a mother is not going to file a grievance against her disabled child—so, the government should not collect union dues or fees from caregivers on behalf of any labor organization.

Did these providers vote to unionize?

How the unions organized varies by state. In many cases, while there was an election, only a small minority of providers cast a ballot. For example, in Michigan, which has since stopped the dues skim, fewer than 20 percent of providers voted. Many saw the ballot and simply thought it was junk mail and threw it away. In Minnesota, some providers allege they never received a ballot and were never given the chance to vote. In Illinois, neither the union nor the state could provide any evidence that there was an election. Illinois, under former Governor Rod Blagojevich, simply took the unions’ word that a majority of providers wanted a union and began skimming dues on behalf of the unions.

What does the Supreme Court have to say about dues skimming?

The Supreme Court ruled in the 2014 case of *Harris v. Quinn* that providers cannot be forced to pay a union, but that didn’t stop dues skimming from occurring.
The Supreme Court said providers do not need to pay union dues. Isn’t that enough?

The Court said unions cannot force caregivers to pay dues just so they may work, but unions still make it difficult for people to exercise their freedom. Because the government collects union dues before the support checks reach the caregivers, may providers do not realize money is being taken or that they belong to a union. Some providers know this, but claim that a union has forged their signature in order to keep the dues money coming. Finally, unions make it difficult for caregivers to exercise their freedom by imposing significant hurdles providers must overcome to do so. In states like Oregon and California, providers may opt-out only during a limited 10-day window that varies by each person, for example. A majority of Americans think this limited opt-out window is wrong, according to recent polling.

When state governments collect dues on behalf of unions in this manner, caregivers are essentially trapped in unions, whether they wish to belong or not.

SOLUTION

Why should the federal government get involved? Isn’t this a state issue?

Medicaid and the other affected programs are funded in part by the federal government, giving it a stake in protecting the money for the intended recipients. Because Congress appropriates the funds and the Department of Health and Human Services administers the programs, both have the authority to ensure funds are protected for the intended recipients and get the government out of the business of collecting union dues.

Home healthcare providers receive subsidies from Medicaid's Home and Community Based Services waiver fund and childcare providers receive subsidies from the Child Care and Development Fund and Temporary Assistance for Needy Families program. It is up to Congress and HHS to ensure that federal taxpayer money slated to help those in need actually gets to them, and is free from fraud, waste, and abuse. These funds should go to those most in need—not the unions.

Individual states may (and have) banned dues skimming, but a federal fix would ensure all providers and patients are protected, regardless of where they live.

Would ending the dues skim solve the problem?

Prohibiting state governments from skimming dues on to fill union coffers is necessary to secure the integrity of programs designed to help vulnerable Americans, but policy makers should be aware of tactics unions in some states have used to make up for lost dues. Some states require providers to attend union-led trainings before they're allowed to care for a patient, and unions can charge would-be caregivers a cost equivalent to dues in order to attend. Caregivers in some states have reported these trainings are little more than sales pitches to join the union and do not help ensure better care for patients. Policy makers should protect against tactics like these as they work to protect patients and providers.
Don’t unions provide important benefits to their members?

While unions negotiate benefits for their members, in the case of many providers who are caring for loved ones out of their homes, the idea that a union would negotiate with the employer—the relative or friend—is absurd and unnecessary. As one mother of two adult disabled children who receive Medicaid benefits noted, “My kids are my employers so they are obviously not going to fire me. They can’t even talk. We can’t jockey for extra vacation, because it doesn’t work that way. And you can’t get a raise out of the kids because they don’t have anything to give you a raise with ... They are charging us dues and we are getting no benefit.”

Unions may argue they lobby for greater benefits in the state legislature. However, they are playing politics, not negotiating for caregivers. It’s unfair and wrong for the government to divert money intended to help patients and providers to unions that spend it furthering their legislative and political interests, paying executives, and covering their own administrative costs. These activities have nothing to do with serving caregivers or their patients.

Some government unions claim the training they provide is a benefit. However, many of these trainings—which can be required by government in order to provide care—are simply meetings where providers are given a sales pitch to join the union. The trainings may have little to do with helping caregivers improve their skills.

But what if caregivers want to belong to a union?

Providers who wish to belong to a union are still free to join, even if dues skimming is prohibited. Ending the dues skim would mean the government can no longer take money from caregivers' support checks and give it to unions; to belong to a union, providers would simply need to send their dues payment to the union themselves.

If providers and patients agree with and want to financially support unions' partisan political lobbying, they are still free to do so. But, the government should not be collecting money on behalf of unions, and certainly not without caregivers’ express consent.

What the American public thinks

What do Americans think about this issue and possible solutions?

According to recent polling:
- Seven-out-of-ten support anti-dues skimming policies (with nearly half strongly supporting).
- There is 12 to 1 support for the proposed federal solution to dues skimming.
- 88 percent of Americans think the federal government should put a stop to dues skimming.
- 87 percent of Americans believe tax dollars should support those in need, not unions.