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Gambling on our Health: Inadequate Insurance for Caesars Entertainment Workers

As the State of Indiana emerges from the COVID-19 shutdown, service workers are returning to jobs in which they are at risk of infection yet lack access to affordable health care. Thousands of such workers are employed by Caesars Entertainment, one of the biggest gaming companies in the United States.

Caesars reported revenue of \$8.7 billion in 2019 and as of the end of March 2020 reported more than \$2.6 billion in cash on hand.¹ The Indiana Grand Racing & Casino and Caesars Southern Indiana properties accounted for more than \$500 million in revenue in 2019.² Despite this, many workers struggle to get the health care they need and some are paid poverty wages. Around one in three unionized workers at the Caesars Southern Indiana did not receive any health insurance through work as of September 2019, the last date the employer provided insurance enrollment figures to UNITE HERE, and only 6% were enrolled in employer-sponsored coverage for their whole family. Those who do receive insurance through their jobs struggle to access and pay for health care.

To better understand the impacts of these conditions on Caesars employees at these two properties, in April and May UNITE HERE conducted a survey of 114 out of approximately 800 unionized non-managerial staff, including cooks, bartenders, slot attendants and hotel housekeepers. Among other results, this survey found:

- More than 1 in 3 surveyed workers reported that in the previous year someone in their household did not get medical care due to a lack of money.
- Nearly half of respondents said their household had at least \$1,000 in medical debt. More than 20 percent reported at least \$5,000 in medical debt
- Many workers reported lacking money to cover the cost of health care or other basic expenses in the past year. About one-third of respondents reported they could not afford medical care. Similarly, one-third reported they could not afford utilities. More than a quarter of respondents could not afford food at some point in the previous 12 months, and more than a quarter reported not being able to afford rent.
- 87 percent of workers reported having gone to work sick before the pandemic, most of whom said they did so because they could not afford to miss work.

These findings point to the significant risks underinsured service workers face, which are particularly urgent as many workers return to these casinos fearing exposure to COVID-19. The results are even more alarming as they reflect the situation of one of the state's most prosperous employers. Furthermore, while some casino workers have been recalled, hundreds are expected to remain laid off as venues within the Caesars casinos stay closed. Those workers may lose the limited coverage they have when their health insurance extensions end on July 31.

The State of Indiana licenses Caesars to operate the Indiana Grand Racing & Casino and Caesars Southern Indiana properties with the expectation that they contribute to economic development, which should include the provision of good jobs with decent benefits. This report demonstrates that Caesars must do far more to meet that standard.

The Face of Caesars Indiana

Caesars Southern Indiana employs approximately 450 workers who are represented by the Southern Indiana Council, which includes UNITE HERE Local 23, Teamsters Local 89, and IUOE Local 399. More than 40 percent of these unionized workers at Caesars Southern Indiana have been employed there for a decade or longer, and nearly 30 percent have been in their jobs for at least 15 years. Another roughly 350 workers at the Indiana Grand Racing & Casino won a union election last fall. These 800 workers prepare food, serve drinks, wash dishes, clean hotel rooms and maintain slot machines. They interact face-to-face with Caesars' customers and provide the elite standard of hospitality guests have grown to appreciate in these properties.

Despite their employment at an elite gaming company and many years of service, workers struggle under a health insurance plan that carries a high annual deductible, before which workers must pay for care out of pocket. Workers covered on an individual-only plan have to spend \$1,400 in-network or \$2,800 to out-of-network before insurance pays for health care.

About two-thirds of workers at the Southern Indiana property get insurance through their job, most of whom (63 percent) only cover themselves. Much of the remaining third of workers either relies on state-funded programs like Medicaid and the Healthy Indiana Plan or go without any insurance. Nearly 10 percent of survey respondents reported having no insurance, most of whom said they had simply not received medical care in the past year.

Meanwhile, less than half of survey respondents with children under the age of 26 cover a child through their employer-sponsored insurance. One in four respondents who have children under the age of 26 reported that their child was covered by Medicaid or Healthy Indiana Plan.

Workers without insurance are not alone in skipping medical care. More than one-third of survey respondents reported that in the past 12 months, they or someone in their household did not get medical care or prescriptions because the family did not have enough money. Of those, a majority cited a lack of insurance or inability to afford the cost of care.

"I've had to learn how to maneuver because the medications my doctor has me on are very expensive. Just one of my inhalers for a three-month supply is \$1,400 and I have three different inhalers. Before I got any of them I had to submit to the manufacturing company to see if they would help me get a discount on the inhaler, so I was without that inhaler for six weeks before I got all that stuff to go through."



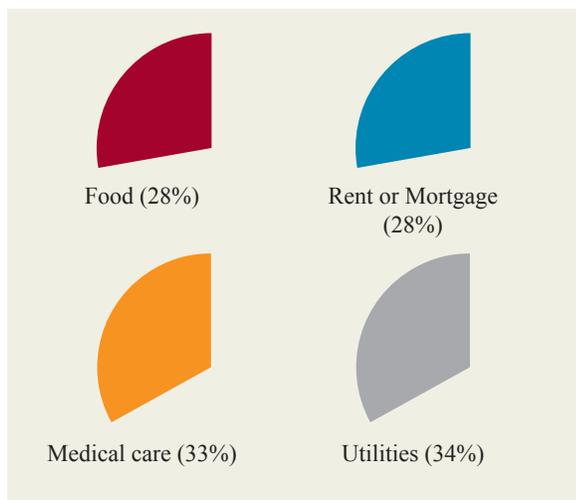
—Evelina Thomas, a worker
at the Indiana Grand Racing & Casino

Caesars Workers Cannot Afford Their Basic Needs

Caesars workers are expected to deliver a high level of service to their customers, and their employer touts a generous package of benefits in return. The team member handbook for the Caesars Southern Indiana tells its employees, “When you think about our outstanding health care, disability and life insurance, 401k retirement savings plan, your paycheck (of course!), the chance to earn Total Return credits that can be redeemed for an enormous variety of gifts, and all the other extras that come with working for an industry leader, you’ll begin to see the big picture of what it means to work here.” Yet on top of skipping medical care, many surveyed workers reported being unable to pay for basic necessities in the previous year.

About one third of respondents reported they could not afford medical care at some point in the previous 12 months. Similarly, one-third reported they could not afford utilities. More than a quarter of respondents could not afford food at some point in the previous 12 months. And more than a quarter reported not being able to afford rent or mortgage payments at some point during that same year. Furthermore, 78 percent of respondents said they were not currently able to increase their savings.

Many Caesars workers have struggled to pay for basic necessities in the past year.



Surveyed workers were asked to explain what happened when someone in their family could not afford to get medical care or prescriptions in the prior year. Some responses include:

- “We prayed to God he did not have an asthma attack.”
- “I quit taking Advair, because I have to buy it 90 days at a time, and it costs \$900.”
- “When my daughter was on my insurance she needed medicine that we couldn’t afford so she did without for a month.”
- “[Doctor] wanted me to get a second diagnostic mammogram and it wasn’t in the budget.”
- “Insulin prices were too high even with insurance. Plus I couldn’t see a specialist for pain due to high prices.”
- “Anytime we are sick we don’t seek medical care because the out of pocket money is not affordable.”

“The health insurance deductible is so high that at the start of the year I have to pay for all of my medications and doctor’s office visits until the insurance covers anything. It’s hard for someone who’s single to get by on my wage with this insurance. Do you pay for food or do you let your medications go by the wayside? Do you pay the electric bill or go to the doctor? Every year it’s like quicksand trying to get health care. And it’s not fair that folks like me who have served the casino for so long aren’t taken care of.”

—Betty Marion, a wardrobe attendant who has worked at Caesars Southern Indiana for 16 years.

Falling Behind and Trying to Catch Up

With many workers unable to afford medical care and other basic needs, it is unsurprising that many find themselves in medical debt. Nearly half of survey respondents reported they, their spouse and dependents had at least \$1,000 in medical debt, and more than 20 percent of respondents reported more than \$5,000 in medical debt.

"The only point of paying the premium is if I get seriously ill or in a car wreck. Other than that, I will never meet my deductible. So I ask myself, do I even want to pay for this insurance since I'm paying out of pocket for everything, and on top of that I'm paying my premium each month? I might be better off not having any insurance and just paying the doctor out of pocket.



"Thank god for Medicaid because my daughter is covered so I've never had to worry about her medical bills. If she gets sick or gets the flu, I know she'll be covered. But if I had her on my insurance I'd feel the same way I do about my own situation, and I'd have to say, you know, you have a cough but let's not go to the doctor because it costs \$300. Thanks to Medicaid, I can take my daughter to the doctor but I can't go myself."

— *Kayla Henson who has worked as a bartender at the Indiana Grand for six years.*

"You never really get to use your insurance because your deductible is so high. My 18-year-old grandson, who I legally adopted, has asthma. For no reason at all he could have a life-threatening asthma attack out of nowhere. Every time he goes to the doctor it's \$300 out of pocket at the emergency room; to go to the doctor after insurance it's nearly \$70 per visit. Sometimes he has to go to the doctor several times a week. We're already paying \$149 every two weeks for premiums, then you have to turn around to pay for doctor's visits and the pharmacy. It's crazy."



— *Tanda Ems, a 17-year employee of Caesars Southern Indiana.*

More than 85 percent of respondents reported having gone to work sick before the COVID-19 pandemic. Of those who said they had gone to work sick, more than 80 percent said they did so to avoid attendance points or other discipline. Nearly 70 percent of those who reported having gone to work sick before said they did so because they could not afford to miss work. These results reflect workers' behavior before the onset of COVID-19; however, they point to why it is especially important in this moment for workers to have access to affordable medical care, sufficient paid sick leave, and a sensible attendance policy.

One Job Should Be Enough

Caesars workers offer an entertaining experience to their guests, and they take pride in the work they do. Yet far too many of them lack access to the health care they need, a fact which is particularly alarming as they return to work in close contact with countless guests as the COVID-19 pandemic drags on. Nearly all workers who responded to this survey reported their job at Caesars was their only employment, which demonstrates that Caesars must take responsibility for this lack of health care access. As a leader in the gaming industry, Caesars must do all it can to keep its workers healthy and safe.

Endnotes

- 1 Annual revenue reported at [https://investor.caesars.com/news-releases/news-release-details/caesars-entertainment-reports-fourth-quarter-and-full-year-2019#:~:text=Full%20year%20net%20revenues%20increased,%24739%20million%20to%20%24618%20million%20](https://investor.caesars.com/news-releases/news-release-details/caesars-entertainment-reports-fourth-quarter-and-full-year-2019#:~:text=Full%20year%20net%20revenues%20increased,%24739%20million%20to%20%24618%20million%20.). Cash on hand reported at <https://www.sec.gov/ix?doc=/Archives/edgar/data/858339/000085833920000060/a2020q1cecform10-q.htm>, page 3.
- 2 Indiana Gaming Commission Annual Report, 2019, page 9, available at <https://www.in.gov/igc/files/FY2019-Annual.pdf>.